

Chapter 2

Strategic Planning for Competitive Advantage

This chapter begins with the learning outcome summaries followed by a set of lesson plans for instructors to use to deliver the content.

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Review and Assignments begin on page 10

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Learning Outcomes

2-1 Understand the importance of strategic planning

Strategic planning is the managerial process of creating and maintaining a fit between the organization's objectives and resources and the evolving market opportunities. These decisions affect the allocation of resources and ultimately the financial success of the company.

2-2 Define strategic business units (SBUs)

Each SBU has its own rate of return on investment, growth potential, and associated risks, and requires its own strategies and funding. Each SBU should have these characteristics: a distinct mission and a specific target market; control over resources; its own competitors; a single business or a collection of related businesses; plans independent of the other SBUs in the total organization.

2-3 Identify strategic alternatives and know a basic outline for a marketing plan

Ansoff's opportunity matrix presents four options to help management develop strategic alternatives: market penetration, market development, product development, and diversification. The layout of the innovation matrix demonstrates that as a company moves away from its core capabilities (the lower left) it traverses across a range of change and innovation rather than choosing one of the four sectors in Ansoff's matrix. The ranges are broken down into three levels: core innovation, adjacent innovation, and transformational innovation. In selecting a strategic alternative, managers may use a portfolio matrix, which classifies strategic business units as stars, cash cows, problem children (or question marks), and dogs, depending on their present or projected growth and market share. Alternatively, the General Electric model suggests that companies determine strategic alternatives based on the comparisons between business position and market attractiveness. A marketing plan should define the business mission, perform a situation analysis, define objectives, delineate a target market, and establish components of the marketing mix. Other elements that may be included in a plan are budgets, implementation timetables, required marketing research efforts, or elements of advanced strategic planning.

2-4 Develop an appropriate business mission statement

The firm's mission statement establishes boundaries for all subsequent decisions, objectives, and strategies. A mission statement should focus on the market(s) the organization is attempting to

serve rather than on the good or service offered.

2-5 Describe the components of a situation analysis

In the situation (or SWOT) analysis, the firm should identify its internal strengths (S) and weaknesses (W) and also examine external opportunities (O) and threats (T). When examining external opportunities and threats, marketing managers must analyze aspects of the marketing environment in a process called environmental scanning. The six macroenvironmental forces studied most often are social, demographic, economic, technological, political and legal, and competitive.

2-6 Identify sources of competitive advantage

There are three types of competitive advantage: cost, product/service differentiation, and niche. Sources of cost competitive advantage include experience curves, efficient labor, no-frills goods and services, government subsidies, product design, reengineering, production innovations, and new methods of service delivery. A product/service differentiation competitive advantage exists when a firm provides something that is unique and valuable to buyers beyond simply offering lower price than that of the competition. Niche competitive advantages come from targeting unique segments with specific needs and wants. The goal of all these sources of competitive advantage is to be sustainable.

2-7 Explain the criteria for stating good marketing objectives

Objectives should be realistic, measurable, time-specific, and compared to a benchmark. They must also be consistent and indicate the priorities of the organization. Good marketing objectives communicate marketing management philosophies, provide management direction, motivate employees, force executives to think clearly, and form a basis for control.

2-8 Discuss target market strategies

Targeting markets begins with a market opportunity analysis, or MOA, which describes and estimates the size and sales potential of market segments that are of interest to the firm. In addition, an assessment of key competitors in these market segments is performed. After the market segments are described, one or more may be targeted by the firm.

2-9 Describe the elements of the marketing mix

The marketing mix is a blend of product, place, promotion, and pricing strategies (the four Ps) designed to produce mutually satisfying exchanges with a target market. The starting point of the marketing mix is the product offering—tangible goods, ideas, or services—and product strategy. Place (distribution) strategies are concerned with making products available when and where customers want them. Promotion includes advertising, public relations, sales promotion, and personal selling. Price is what a buyer must give up in order to obtain a product and is often the most flexible of the four marketing mix elements.

2-10 Explain why implementation, evaluation, and control of the marketing plan are necessary

Before deciding on whether a marketing plan can work, it must be implemented—that is, people must perform the actions in the plan. The plan should also be evaluated to see if it has achieved its objectives during the specified time period. Poor implementation can be a major factor in a plan’s failure, but working to gain acceptance can be accomplished with task forces. Once implemented, one major aspect of control is the marketing audit, and ultimately continuing to apply what the audit uncovered through post-audit tasks.

2-11 Identify several techniques that help make strategic planning effective

First, management must realize that strategic planning is an ongoing process and not an annual exercise. Second, good strategic planning involves a high level of creativity. The last requirement is top management’s support and participation.

Key Terms

Cash cow	Market development	Niche competitive advantage
Competitive advantage	Market opportunity analysis (MOA)	Planning
Control	Market penetration	Portfolio matrix
Cost competitive advantage	Marketing audit	Problem child (question mark)
Diversification	Marketing mix (four Ps)	Product development
Dog	Marketing myopia	Product/service differentiation
Environmental scanning	Marketing objective	competitive advantage
Evaluation	Marketing plan	Star
Experience curves	Marketing planning	Strategic business unit (SBU)
Implementation	Marketing strategy	Strategic planning
	Mission statement	Sustainable competitive

advantage
SWOT analysis

Lesson Plan for Lecture

Brief Outline and Suggested PowerPoint Slides

Learning Outcomes and Topics	PowerPoint Slides
<p>LO1 Understand the importance of strategic planning</p> <p>2-1 The Nature of Strategic Planning</p>	<ol style="list-style-type: none"> 1. Strategic Planning For Competitive Advantage 2. Learning Outcomes 3. Learning Outcomes (continued) 4. The Nature of Strategic Planning 5. Strategic Planning
<p>LO2 Define strategic business units (SBUs)</p> <p>2-2 Strategic Business Units</p>	<ol style="list-style-type: none"> 6. Strategic Business Units 7. Characteristics of Strategic Business Units (SBUs)
<p>LO3 Identify strategic alternatives and know a basic outline for a marketing plan</p> <p>2-3 Strategic Alternatives</p>	<ol style="list-style-type: none"> 8. Strategic Alternatives 9. Exhibit 2.1: Ansoff's Opportunity Matrix 10. Exhibit 2.2: Innovation Matrix 11. Boston Consulting Group's Portfolio Matrix 12. Exhibit 2.3: Portfolio Matrix for a Large Computer Manufacturer 13. Strategies Used to Allocate Future Resources 14. Exhibit 2.4: General Electric Model 15. Marketing Plan 16. Objectives of a Marketing Plan 17. Exhibit 2.5: Elements of a Marketing Plan

Learning Outcomes and Topics	PowerPoint Slides
<p>LO4 Develop an appropriate business mission statement</p> <p>2-4 Defining the Business Mission</p>	<p>18. Defining the Business Mission 19. Mission Statement</p>
<p>LO5 Describe the components of a situation analysis</p> <p>2-5 Conducting a Situation Analysis</p>	<p>20. Conducting a Situation Analysis 21. SWOT Analysis</p>
<p>LO6 Identify sources of competitive advantage</p> <p>2-6 Competitive Advantage</p>	<p>22. Competitive Advantage 23. Competitive Advantage 24. Cost Competitive Advantage 25. Product/Service Differentiation Competitive Advantage 26. Niche Competitive Advantage 27. Sustainable Competitive Advantage</p>
<p>LO7 Explain the criteria for stating good marketing objectives</p> <p>2-7 Setting Marketing Plan Objectives</p>	<p>28. Setting Marketing Plan Objectives 29. Marketing Objectives 30. Effective Marketing Objectives</p>
<p>LO8 Discuss target market strategies</p> <p>2-8 Describing the Target Market</p>	<p>31. Describing the Target Market 32. Target Market Strategy 33. Strategies for Selecting Target Markets</p>
<p>LO9 Describe the elements of the marketing mix</p> <p>2-9 The Marketing Mix</p>	<p>34. The Marketing Mix 35. The Marketing Mix 36. Marketing Mix: The “Four Ps” 37. Marketing Mix: The “Four Ps” (continued)</p>

Learning Outcomes and Topics	PowerPoint Slides
<p>LO10 Explain why implementation, evaluation, and control of the marketing plan are necessary</p> <p>2-10 Following Up on the Marketing Plan</p>	<p>38. Following Up on the Marketing Plan</p> <p>39. Steps Involved in Following up on the Marketing Plan</p> <p>40. Steps Involved in Following up on the Marketing Plan (continued)</p> <p>41. Post-Audit Tasks</p>
<p>LO11 Identify several techniques that help make strategic planning effective</p> <p>2-11 Effective Strategic Planning</p>	<p>42. Effective Strategic Planning</p> <p>43. Techniques for Effective Strategic Planning</p> <p>44. Key Terms</p> <p>45. Key Terms</p> <p>46. Key Terms</p> <p>47. Summary</p> <p>48. Summary</p>

Suggested Homework

- This instructor manual contains assignments on the *Nederlander Organization* video and the Nintendo case.
- This chapter's online study tools include flashcards, visual summaries, practice quizzes, and other resources that can be assigned or used as the basis for longer investigations into marketing.

Lesson Plans for Video

Company Clips

Segment Summary: The Nederlander Organization

The Nederlander Organization is a global theater management company that backs productions and rents and manages Broadway style theaters. In this video, major managers discuss the strategic decisions behind the development of a separate company to manage a loyalty program for theater-goers. Audience Rewards allows a number of theater management companies to pursue strategic growth and other market opportunities.

These teaching notes combine activities that you can assign students to prepare before class, that

you can do in class before or while watching the video, and that you can assign students to complete as assignments after watching the video.

During the viewing portion of the teaching notes, stop the video periodically when appropriate to ask students the questions or perform the activities listed on the grid. You may even want to give the students the questions before starting the video and have them think about the answer while viewing the segment. That way, students will be engaged in active rather than passive viewing.

Pre-Class Prep for You		Pre-Class Prep for Your Students	
<ul style="list-style-type: none"> Preview the Company Clips video segment for Chapter 2. This exercise reviews concepts for LO1, LO6, LO9, and LO10. Review your lesson plan. Make sure you have all of the equipment needed to show the video to the class, including the DVD and a way to project the video. You can also stream the video HERE 		<ul style="list-style-type: none"> Have students familiarize themselves with the following terms and concepts: <i>competitive advantage, marketing mix, target market strategy, mission statement, product/service differentiation, strategic planning, and sustainable competitive advantage.</i> Review both the Audience Rewards website (www.audincerewards.com) and Nederlander.com with those concepts in mind. 	
Video Review Exercise			
Activity		Teaching Method	
Warm Up		Begin by asking students, “What is the goal of strategic planning?” (On the board, write “long-term profitability and growth.”)	
In-Class Preview		<ul style="list-style-type: none"> Segue into a discussion of the elements that make up a <i>marketing plan</i>. Copy Exhibit 2.5 onto the board. Briefly explain each of the elements as you write them if students have not become familiar with them from previous reading. Remind students to keep the marketing plan elements in mind as they review the video. Compare the concepts of market strategy and market mix. Ask students to predict the Nederlander Organization’s target market strategy from what they learned in the first video. 	

<p>Viewing <i>(solutions below)</i></p>	<ol style="list-style-type: none"> 1. Based on what you heard in the video, what was the Nederlander Organization’s marketing objective in creating Audience Rewards? 2. Describe an element that makes up a competitive advantage for Audience Rewards. Is it sustainable? 3. What drives the Nederlander’s market strategy, and which element(s) of the marketing mix does it rely upon?
<p>Follow-up</p>	<ul style="list-style-type: none"> • Send students back to www.audincerewards.com. Have students write a brief paragraph about how the website identifies its target market segment. • Have students break into groups of four students each, and have each group write a mission statement for the Nederlander Organization. When students finish, discuss how the mission statement supports what you saw in the video. • Ask students, “How can Audience Rewards sustain its competitive advantage?” The question can be discussed by the class as a whole, within the small groups with professor supervision, or assigned as an out-of-class exercise.

Solutions for Viewing Activities

1. **Based on what you heard in the video, what was the Nederlander Organization’s marketing objective in creating Audience Rewards?**

The marketing objective was to offer a more complete Broadway experience by incentivizing customers to go to the theater more, spend more money, and try out more art by recognizing and rewarding them across various markets and theaters.

2. **Describe an element that makes up a competitive advantage for Audience Rewards. Is it sustainable?**

The element that contributes to Audience Reward’s competitive advantage is the partnership with several major theater houses, production companies, and other arts venues. By being able to have the backing of more than just one set of theaters, more points can be earned, and more tickets can be redeemed. This also applies to the major partners such as Delta Airlines, which extends the Audience Rewards market. It is likely that this is a sustainable competitive advantage, because it would be challenging to find the same

number of major theater management houses to join together in support of a rewards program.

3. What drives the Nederlander’s market strategy, and which element(s) of the marketing mix does it rely upon?

The Nederlander Organization’s market strategy is driven by the fact that they have a very high-income demographic that interests large companies (such as Delta Airlines) to determine ways they can partner with Nederlander to reach that demographic. The Nederlander Organization relies on providing its productions companies that rent the theater great promotion technology through Audience Rewards.

Lesson Plan for Group Work

In most cases, group activities should be completed after some chapter content has been covered, probably in the second or third session of the chapter coverage. (See the “Lesson Plan for Lecture” above.) For the “Class Activity: Marketing Strategy Analysis,” divide the class into small groups of four or five people each, and provide the information and the questions asked by the class activity, as described later in this chapter.

Class Activity—Marketing Strategy Analysis

In this exercise, students are asked to brainstorm with you, using an overhead projector or blackboard. Let the students select several high-profile goods and services. Then get the class to help analyze the marketing strategy by answering the questions given below.

1. What is the product?
2. Who is the target market?
3. On what criteria is this market segmented?
4. What demographic factors affected the choice of this target?
5. What is the price strategy, promotion strategy, and distribution strategy?
6. How is the product packaged? Why?
7. Who is the direct competition and indirect competition? Which firms would be appropriate benchmarks for this firm? What competitive advantage does this product have?
8. How are environmental factors affecting the marketing of this product? Consider social, demographic, legal, political, economic, technological, and competitive factors.
9. Is the purchase of this product affected by psychological or social needs and situational factors?
10. Is the marketer attempting market penetration, market development, product development, and/or diversification strategy?

11. Does this company appear to have a total quality management orientation? What is its reputation on overall quality when compared to the competition?
12. Is this firm known for being responsive to customers? Brainstorm a list of adjectives that describe this firm and its products. How does this list fit with the concept of value?

Review and Assignments for Chapter 2

Review Questions

1. **Your cousin wants to start his own business, and he is in a hurry. He has decided not to write a marketing plan because he thinks that preparing such a document would take too long. He says he doesn't need a formal proposal because he has already received funding from your uncle. Explain why it is important for him to write a plan anyway.**

Strategic marketing planning is the basis for all marketing strategies and decisions. The marketing plan is a written document that acts as a guidebook of marketing activities for the marketing manager. By specifying objectives and defining the actions required to attain them, a marketing plan provides the basis on which actual and expected performance can be compared. Even when in a hurry, one can construct a brief marketing plan to help guide thinking and serve as a framework for future activities.

2. **After graduation, you decide to take a position as the marketing manager for a small manufacturer of snack foods. The company, Shur Snak, is growing, and this is the first time that the company has ever employed a marketing manager. As such, there is no marketing plan in place for you to follow. Outline a basic marketing plan for your boss to give her an idea of the direction you want to take the company.**

Students' answers will vary, but the marketing plan should contain the following sections:

- a. Business mission statement
- b. Objectives
- c. Situation analysis
- d. Internal strengths and weaknesses
- e. External environmental opportunities and threats
- f. Target market(s)
- g. Marketing mix
- h. Product/service strategies
- i. Place/distribution strategies
- j. Promotion strategies

- k. Pricing strategies
 - l. Implementation, evaluation, and control
3. **You are given the task of deciding the marketing strategy for a transportation company. How do the marketing mix elements change when the target market is (a) low-income workers without personal transportation, (b) corporate international business travelers, or (c) companies with urgent documents or perishable materials to deliver to customers?**

Target Market: Low-income workers without personal transportation

- Product: Bus or light rail service
- Price: Inexpensive or free
- Place: Inner city
- Promotion: Billboards

Target Market: Corporate international business travelers

- Product: High-speed jet service with laptop and telephone hookups, conference tables
- Price: High
- Place: International airports in densely populated business centers around the world
- Promotion: Corporate print publications, direct mail

Target Market: Companies with urgent documents or perishable materials to deliver to customers

- Product: High-speed motor carrier coupled with plane service, courier service, pickup, and delivery
- Price: Medium to high
- Place: Downtown businesses around the country
- Promotion: Television, radio

4. **What techniques can make your school enrollment marketing plan more effective?**

The effectiveness of the plan depends on the following factors: (1) the extent to which the plan is realistic (objectives, scope, and timing of the events), (2) the resources available to implement the plan, (3) the level of thoroughness in the situation analysis, (4) the broadness of the mission statement, (5) the level of detail and thoroughness in the marketing mix variables, and (6) the soundness of the strategies (does the plan provide an opportunity to use competitive advantage?).

Application Questions

1. **How are Coke and Pepsi using their websites, <http://www.coke.com> and <http://www.pepsi.com>, to promote their newest product offerings? Do you see hints of any future strategies the companies might implement? Where?**

Students' answers will vary.

2. **How can a new company best define its business mission statement? Can you find examples of good and bad mission statements on the Internet? How might you improve the bad ones?**

The mission statement is based on a careful analysis of benefits sought by present and potential customers and analysis of existing and anticipated environmental conditions. The firm's long-term vision, embodied in the mission statement, establishes boundaries for all subsequent decisions, objectives, and strategies. A mission statement should focus on the market(s) the organization is attempting to serve rather than on the good or service offered. Students should be able to evaluate mission statements from company websites according to their marketing orientation and focus.

3. **Thinking back to review question 2, write a business mission statement for Shur Snak. What elements should you include? Evaluate the mission you wrote against some of the mission statements you found online in question 2.**

The mission statement should focus on the market(s) that the organization is trying to serve rather than the one good or service that it offers. Elements that could be included in a mission statement are (1) market(s) served; (2) benefits; (3) long-term vision; (4) special competitive advantages, such as technology; and (5) goals, such as market leadership.

4. **Building on our Shur Snak example, imagine that your boss has stated that the marketing objective of the company is to do the best job of satisfying the needs and wants of the customer. Explain that although this objective is admirable, it does not meet the criteria for good objectives. What are these criteria? What is a specific example of a better objective for Shur Snak?**

Students' answers will vary, but the objectives that students write should meet the following criteria. The criteria for good objectives are that (1) they should be realistic, measurable, and time-specific; (2) they should be consistent and indicate the priorities of the organization; and (3) they should form a basis for control.

5. **Competition in the private courier sector is fierce. Companies like UPS and FedEx dominate, but others, like Airborne, Emery, and even the United States Postal Service, still have a decent chunk of the express package delivery market. Perform a mini situation analysis on one of the companies listed by stating one strength, one weakness, one opportunity, and one threat. You may want to consult the following websites as you build your grid:**

**United Parcel Service (UPS): <http://www.ups.com> FedEx: <http://www.fedex.com>
USPS: <http://www.usps.gov> DHL: <http://www.dhl-usa.com>**

Students' answers will vary, but the situation analysis (SWOT analysis) should include the following:

- Internal analysis: Strengths and Weaknesses
- External analysis: Opportunities and Threats

6. **Based on your SWOT analysis, decide what the strategic growth options are for the company you chose in question 5.**

Students' answers will vary, but their strategic growth options should be chosen from the following: (1) market penetration strategy, (2) market development strategy, (3) product development strategy, or (4) diversification.

7. **Divide the class into small groups, and have them discuss examples (at least two per person) of the last few products they have purchased. What specific strategies were used to achieve competitive advantage? Is that competitive advantage sustainable against the competitors?**

To have a successful marketing plan, one must seek a differential advantage over the competition when examining internal strengths and external marketplace opportunities. A differential advantage is one or more unique aspects of an organization that cause target consumers to patronize that firm rather than its competitors. A differential advantage may exist solely in the firm's image. Differential advantages may also occur in any element of the marketing mix. The two basic sources of differential advantages are superior skills and superior resources. The key to having a differential advantage is the ability to sustain that advantage. A sustainable competitive advantage is one that cannot be copied by the competition.

8. **Choose three or four other students, and form a team. Create a marketing plan to increase enrollment in your school. Describe the four marketing mix elements that**

make up the plan.

Students' answers will vary, but they should provide details for the following elements of the marketing plan:

- Business mission statement
- Objectives
- Situation analysis
- Internal strengths and weaknesses
- External environmental opportunities and threats
- Target market(s)
- Marketing mix
- Product/service strategies
- Place/distribution strategies
- Promotion strategies
- Pricing strategies
- Implementation, evaluation, and control

9. **Have your school enrollment marketing plan team (from question 8 above) develop a plan to implement, evaluate, and control the marketing strategy.**

Students' answers will vary. This section can use a number of formats, but a suggested format for the implementation plan is a Gantt chart or any other scheduling chart that shows the "big picture" of when important events should take place in order to put the strategies and tactics into action. If students don't know how to create a Gantt chart, they can put together a simple timeline showing these events.

For the evaluation and control section, a simple grid containing the following elements should suffice: (1) the marketing objectives (both financial and strategic objectives), (2) how to measure the objectives, and (3) when to evaluate the accomplishment of each objective.

Application Exercise

As you now know from reading the chapter, an important part of the strategy-making process involves scanning the environment for changes that affect your marketing efforts. This exercise is designed to introduce you to the business press and to help you make the connection between the concepts you learn in the classroom and real-world marketing activities.

Activities

1. Find a current article of substance in the business press (*The Wall Street Journal*, the *Financial Times*, *Fortune*, *Bloomberg Businessweek*, *Inc.*, etc.) that discusses topics you have covered in this course. Although this is only Chapter 2, you will be surprised by the amount of terminology you have already learned. If you have trouble finding an article, read through the table of contents at the beginning of the book to familiarize yourself with the names of concepts that will be presented later in the course. Read your article carefully, and make notes about relevant content.
2. Write a one-paragraph summary of the key points in your article; then write a list of the terms or concepts critical to understanding the article. Provide definitions of those terms. If you are unfamiliar with a term or concept that is central to the article, look it up in your textbook or see your professor during office hours. Relate these key points to the concepts in your text by citing page numbers.
3. Explain the environments that are relevant to the situation presented in the article.
4. How are the strategic elements of target market and marketing mix relevant to the article?

Purpose: The purpose of this application is to demonstrate the importance and the energy it takes for good environmental scanning. This exercise will introduce students to the business press and so help make the connection from the classroom to the real world.

Setting it up: The exercise is best used as an assignment. It could also work as an in-class group activity by asking students to each bring a business article of interest to class, dividing the class into groups, and having each group select one of its member's articles as the basis for the activity. Groups would do the scan together and report their findings to the class.

This exercise was inspired by the following Great Ideas for Teaching Marketing:

Robert D. O'Keefe, DePaul University

Philip R. Kemp, DePaul University

J. Steven Kelly, DePaul University

Principles of Marketing: Using Environmental Scan Reports as a Means of Assessing Student Learning

Two of the several objectives we've set for our Principles of Marketing (Mkt 301) course are common to all principles courses. We want students to (1) develop an understanding of the

fundamental concepts involved in marketing and (2) develop skills in analyzing marketing strategies. In other words, we want students to leave the class understanding both the definition and the application of marketing terminology and theoretical concepts.

We've found that we can assess a student's knowledge of terminology and even very basic applications of these terms via objective tests. Assessing our expectation that students, even at the introductory level, will develop a deeper and more sophisticated understanding of terminology and strategy requires an alternative method of assessment. Case study and case reports, both written and oral, are widely agreed to be an optimal method for assessing student performance. Our teaching environment, however, presented problems that are not uncommon to business programs. For a number of reasons, our class sizes have often increased to between 80 and 100 students, and we have had to conduct classes in an auditorium setting with row upon row of fixed graduated seats. Apart from the physical conditions, recent curriculum revisions required that we add significant content to the principles course over the 10-week-long quarter. These are not optimal conditions for the traditional case study approach to learning.

In addition to the objectives of individual courses, we are bound to meet college-wide program objectives. As with many other schools of business, DePaul's College of Commerce has made "the development of both oral and written communication skills" a primary educational outcome and instituted a program of "writing across the curriculum" as a means of achieving enhanced communication skills. What we needed was a means of assessing our college course objectives, which converged with the program objective of the college. The adoption of what we have called environmental scan reports provided us with a method for satisfying both our course and program objectives.

As it can be seen in the instructions that follow, the environmental scan reports serve to reinforce students' understanding of marketing terminology and strategy. The reports provide a bridge between the text and contemporary events. To paraphrase our instructions, we want students to see that text concepts are dynamic and contemporary in their application.

Our experience with using the environmental scan reports over the past several years has been positive in a number of ways. We've found that the reports allow us to determine whether or not students are developing a working knowledge of marketing principles and are able to communicate this knowledge effectively. We've also found that the skills enhanced by the preparation of the environmental scan reports transfer quite well to the traditional case studies encountered in advanced classes. In addition, the written comments on the students' course evaluation forms quite frequently cite the environmental scan reports as one of the aspects of the course they found most beneficial.

What follows are the instructions for preparing environmental scan reports. These instructions are included in the course syllabus. We invite our teaching colleagues to experiment with environmental scan reports using the instructions provided or by modifying them to meet their own course and program objectives.

Handout

Environmental Scan Assignment

Each student will do this assignment three times per term. It will be worth 90 points (3 × 30).

The assignment involves finding a current article of substance in the business press (*The Wall Street Journal*, *Bloomberg Businessweek*, *Fortune*, etc.). Find something about a company or industry, which discusses topics in your marketing text.

The objectives of these reports are useful in the ways detailed below:

1. They guide you in discovering that marketing is not simply a collection of static terms and dated theories. Rather, as you'll find in reading the articles and preparing your reports, both corporate and social organizations are living the principles you are learning.
2. The objectives assure that you effectively communicate the important points of the articles on which you've chosen to report.

You will be assigned, along with other students, a group number. Check the list that will be distributed to see when your number comes up. We will discuss these articles during the week. Expect to be called upon to discuss your report; I will call on some of the students in the group throughout the week. You must be prepared to hand in your assignment when requested. Late assignments will receive only half credit.

Format

Reports are to be typed, double-spaced, on 2 (*maximum*) sheets of 8 ½" × 11" paper, stapled together, with no plastic bindings. I expect that these reports will represent your best presentation quality.

Include the following headings:

- I. Introduction
- II. Environment
- III. Marketing Mix Variables
- IV. Questions

At the top of page 1, include the following:

Your name, group number

Mkt. 301

Use the following citation format:

Author's last name, first name, "Title of the article," in Periodical, (dates), page numbers.

Follow this outline for your report:

I. Introduction:

This is three paragraphs long.

1. In your own words, provide a one-paragraph summary of key points of the article.
2. List and provide definitions of terms or concepts critical to understanding the key points of the article.
3. Relate the key points, terms, and concept to the material in your textbook. Cite the appropriate chapters and page numbers.

II. Environment:

Explain which of the "environments" are relevant to the situation discussed in the article. Refer to Chapter 4 of the text for a complete discussion of environments. Pay special attention to the competitive environment and issues bearing on competitive advantage.

III. Marketing Mix Variables

Explain the relevance of the strategy elements (target market and marketing mix) and especially changes in the strategy elements dictated by the situation discussed in the article.

Presentation

I expect to ask students who submit particularly relevant reports to summarize these reports in class.

Ethics Exercise

Abercrombie & Fitch, a retail clothing chain based in New Albany, Ohio, launched a line of

thong underwear for preteen girls. Words like “eye candy” and “wink” were printed on the front of the skimpy underwear that some argued would fit girls aged 5 to 10. Abercrombie is known for its provocative ads and sexually oriented catalogs. Supporters of the strategy claim that producing thong-style underwear for 10- to 16-year-olds is a good move; critics think that the line is tasteless and that marketing it to young girls is contemptuous.

Questions

1. **Is marketing adult-styled undergarments to a younger audience unethical?**

Abercrombie, a company known for using sex as a primary advertising tool, has attracted younger ages to its lines designed for the college crowd. In this case, Abercrombie was promoting and actively marketing adult-styled underwear to young girls; it was a case of promotion rather than attraction. For this reason, Abercrombie’s actions could be considered unethical. Marketers targeting products at children must vigilantly monitor their marketing efforts to make sure they are not promoting or otherwise advocating products that are not appropriate for that age group.

2. **Would Abercrombie have been in the spotlight had the sexy words been omitted from the product?**

The parental backlash may not have been so strong if the sexy words had been omitted. Without the phrases, the more subtly sexual underwear may have passed under the radar of many parents adopting a “kids will be kids” attitude. The phrases, however, called attention to the sexual nature of the design, causing the parents of many pre-teen girls to react.

Video Assignment: The Nederlander Organization

The Nederlander Organization is a global theater management company that backs productions, rents, and manages Broadway style theaters. In this video, major managers discuss the strategic decisions behind the development of a separate company to manage a loyalty program for theater-goers. This company, Audience Rewards, allows a number of theater management companies to pursue strategic growth and other market opportunities.

1. The Audience Rewards program is a
 - a. pricing strategy.
 - b. promotion strategy.
 - c. distribution strategy.
 - d. product strategy.

ANS: B

The Audience Rewards program is a loyalty program and is part of the promotional strategy used by Nederlander Organization. While Audience Rewards can affect ticket prices (based on points earned), pricing strategies are set by the company to drive sales.

2. When Josh Lesnick describes the Nederlander Organization's demographic as skewing female, 30–59, and with a household income of over \$200,000, it indicates that the Nederlander Organization:
 - a. is implementing information from a marketing audit.
 - b. has discovered a sustainable competitive advantage.
 - c. has compared its rewards program to a benchmark.
 - d. has conducted a market opportunity analysis.

ANS: D

Because the Nederlander Organization can specifically describe their demographics, they have implemented a target market strategy, which begins with a market opportunity analysis (MOA). Implementation is the process that turns a marketing plan into action assignments, which this clip does not discuss.

3. When the Nederlander Organization developed the Audience Rewards program, which option were they pursuing from Ansoff's opportunity matrix?
 - a. Market penetration
 - b. Market development
 - c. Product development
 - d. Diversification

ANS: A

Audience Rewards develops existing customers (people who buy theater tickets) by offering them loyalty points when they buy tickets.

4. As the Nederlander Organization develops Broadway-wide gift cards and credit cards that allow customers to accumulate points toward show tickets, they are:
 - a. implementing a diversification strategy by leveraging mailing lists provided by partners such as Delta Airlines.
 - b. practicing adjacent innovation by leveraging their Audience Rewards network of partners.
 - c. experiencing transformational innovation by partnering with companies who can guide them in developing new products.

- d. harvesting from their cash cow, Evita.

ANS: B

The Nederlander Organization is using adjacent innovation to leverage its existing strengths (Audience Rewards and large partners) to develop its audience and related products. Diversification involves moving into new markets with new products.

5. What type of competitive advantage does the Nederlander Organization have?
 - a. Cost competitive advantage
 - b. Product/service differentiation competitive advantage
 - c. Niche competitive advantage
 - d. Loyalty competitive advantage

ANS: B

The Nederlander Organization has a product/service competitive advantage that stems from its Audience Rewards program that unites a large number of theaters, shows, and producers in a way that no other Broadway-style rewards program has yet to do, which provides added value for the customer. Cost competitive advantage relies on setting prices lower than everyone else.

6. Understanding that theater-goers would be interested in furthering the “Broadway Experience” by redeeming points for events such as walking the red carpet suggests that the Nederlander Organization:
 - a. divested its dogs and built up some dogs.
 - b. developed new ideas through Ansoff’s Opportunity Matrix.
 - c. discovered marketing opportunities through environmental scanning.
 - d. performed a marketing audit and implemented action items.

ANS: C

The Nederlander Organization discovered marketing opportunities through environmental scanning of its demographic. There is no information regarding divestments or other BCG models in this clip.

7. Audience Rewards developed relationships with the Nederlander Organization and other theater owners to create the loyalty program that spans most Broadway shows. In a SWOT, this is:
 - a. a threat, because the Nederlander Organization is a major backer but competes with the other theaters.
 - b. an opportunity, because Audience Rewards can use these relationships to force other

theater companies to become part of the loyalty program.

- c. a weakness, because Audience Rewards has to rely on these theater companies to always get along and support the rewards company.
- d. a strength, because partnering with these theater companies allows Audience Rewards to have a competitive advantage against other, smaller loyalty programs.

ANS: D

Audience Rewards would view its relationships with its theater partner as a strength. In addition, threats are external, while these partnerships are technically internal capabilities for Audience Rewards, because without them, the company could not exist.

- 8. Shows are produced by a large and variable number of different producers and backers. Customers who go to the theater (no matter the show) are not typically considered a market because the shows belong to many different people. However, the Nederlander Organization performed an implementation analysis and realized that this group is a strong market, if they had the correct method of reaching it.
 - a. True
 - b. False

ANS: B

The bulk of this statement is true, but the Nederlander Organization performed a SWOT analysis and realized they had a potentially strong strategic opportunity if they could create the right kind of system to pull the various markets and shows together.

- 9. One reason the Nederlander Organization wanted to find a way to incentivize its customers that wasn't through discounts was because:
 - a. discounting is a hard way to make money, particularly in Broadway.
 - b. they already had a niche competitive advantage.
 - c. it is too easy to lose the cost competitive advantage to the next low price.
 - d. they depended on backing the best plays to provide the competitive advantage they needed.

ANS: C

Discounting is one method of establishing a cost competitive advantage. However, this is an unstable advantage that can easily be matched by competitors lowering their prices.

- 10. An example of a marketing objective for Audience Rewards might be: "To establish a system of rewards that will encourage customers to purchase at least two more tickets this year than last year."

- a. True
- b. False

ANS: A

This would be a reasonable marketing objective because it is realistic (establish a desirable system of rewards), measurable (members of audience rewards use points to redeem awards, and points are tied to tickets purchased), it is time-specific (this year), and compared to a benchmark (last year).

Case Assignment: McDonald's

For years and years, McDonald's stopped serving breakfast at 10:30 a.m. And for years, McDonald's number one request from customers was for breakfast to be available later into the day. McDonald's listened, and by 2015 the first steps were underway.

In April 2015, McDonald's began testing a limited all-day breakfast menu in San Diego. It did not include McGriddles or biscuits but did include Steak, Egg & Cheese Bagels and Cinnamon Coffee Cake. By July, an internal memo suggested franchisees and operators should prepare for a potential all-day breakfast menu as soon as October.

Then October 2015 came, and McDonald's did indeed launch all-day breakfast nationwide. Customers were ecstatic, but some of the initial excitement faded when the actual menu was announced. Due to limited kitchen space, stores would offer either biscuits or McMuffins, but not both. And fans were very disappointed that McGriddles were not available. Some franchisees reported chaos in the kitchens as they adjusted to serving breakfast and lunch items simultaneously.

Due to the popularity of the item, McDonald's began testing all-day McGriddle sales at stores in Tulsa, Oklahoma in January 2016. By March, they began testing an expanded all-day breakfast menu including McGriddles, biscuit sandwiches, and McMuffins and locations in Tulsa and North Carolina.

After almost a full year of watching sales, listening to customers, and testing new markets, in September 2016, McDonald's announced their shift to one national all-day breakfast menu. This will give customers more of their favorite breakfast items any time of day, no matter where they are in the country.

The expanded all-day breakfast menu will include: Egg McMuffin; Sausage McMuffin with Egg; Sausage McMuffin; Bacon, Egg & Cheese Biscuit; Sausage Biscuit with Egg; Sausage Biscuit; Bacon, Egg & Cheese McGriddles; Sausage, Egg & Cheese McGriddles; Sausage McGriddles; Hotcakes; Hotcakes and Sausage; Sausage Burrito; Fruit & Maple Oatmeal; Fruit 'N Yogurt Parfait; and Hash Browns (varies by restaurant).

All-day breakfast has been McDonald's most successful initiative in years, leading it out of slumping sales. So the expanded menu comes as no surprise. "All-day breakfast has been, clearly, a very strong catalyst for momentum," said Kevin Ozan, McDonald's CFO.

Steve Easterbrook, president and CEO of McDonald's, also said the company saw a 6 percent improvement in overall customer satisfaction year-over-year, likely the result of changes it made to its menu, and promotions such as McPick 2, which allows customers to pick two items for \$5.

McDonald's joins Jack In The Box, Bojangles, and Sonic Drive-In among the fast food chains serving breakfast all day. Jack In The Box has their full breakfast menu available all day. Bojangles serves their fresh baked biscuit breakfast sandwiches all day, and Sonic Drive-In has offered an all-day breakfast menu for years, featuring their ultimate breakfast burritos.

McDonald's made other changes recently in addition to expanding breakfast. They switched from margarine to real butter in 2015 and announced they would fully transition to using cage-free eggs in nearly 16,000 restaurants in the United States and Canada by 2025.

Sources: "McDonald's USA Expands its Popular All Day Breakfast Menu This Fall,"

McDonald's Newsroom, July 6, 2016, accessed October 20, 2016,

<http://news.mcdonalds.com/US/news-stories/2016/McDonald-s-USA-Expands-its-Popular-All-Day-Breakfa>; S. Whitten, "McDonald's expands all-day breakfast menu," *CNBC*, July 6, 2016,

accessed October 20, 2016, <http://www.cnn.com/2016/07/06/mcdonalds-expands-all-day-breakfast-menu.html>;

W. Filloon, "McDonald's Expanding All-Day Breakfast Menu to Include, Well, Everything," *Eater*, July 6, 2016, accessed October 20, 2016,

<http://www.eater.com/2016/7/6/12106268/mcdonalds-all-day-breakfast-expansion>.

TRUE/FALSE

1. McDonald's pressed on with the strategic plan of offering all-day breakfast in spite of initial struggles because strategic decisions require long-term commitment.

ANS: T

Strategic planning is the managerial process of creating and maintaining a fit between the organization's objectives and resources and the evolving market opportunities. The goal of strategic planning is long-run profitability and growth. Thus, strategic decisions require long-term commitments of resources.

PTS: 1 OBJ: LO: 2-1 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

2. The dessert menu, like the breakfast menu, is a strategic business unit (SBU) of McDonald's.

ANS: T

A strategic business unit (SBU) is a subgroup of a single business or collection of related businesses within the larger organization.

PTS: 1 OBJ: LO: 2-2 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

3. The foundation of any marketing plan is the firm's mission statement, which defines a business in terms of goods and services rather than in terms of the benefits customers seek.

ANS: F

A mission statement is a statement of the firm's business based on a careful analysis of benefits sought by present and potential customers and an analysis of existing and anticipated environmental conditions. A marketing myopia defines a business in terms of goods and services rather than in terms of the benefits customers seek.

PTS: 1 OBJ: LO: 2-4 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

4. By extending their breakfast menu to all-day, McDonald's now has a competitive advantage over Jack In The Box.

ANS: F

A competitive advantage is a set of unique features of a company and its products that are perceived by the target market as significant and superior to those of the competition. Jack In The Box also offers all-day breakfast. McDonald's does have a competitive advantage over other fast-food chains that only offer breakfast in the morning.

PTS: 1 OBJ: LO: 2-6 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

5. After their initial offering and then expansion of the menu for all-day breakfast, McDonald's can now move forward to the next idea and leave that strategic plan behind.

ANS: F

Effective strategic planning requires continual attention, creativity, and management commitment.

PTS: 1 OBJ: LO: 2-11 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

MULTIPLE CHOICE

1. The breakfast menu is the _____ in McDonald's portfolio.
- star
 - cash cow
 - problem child
 - dog

ANS: A

A star in the portfolio matrix is a business unit that is a fast-growing market leader. A cash cow in the portfolio matrix is a business unit that generates more cash than it needs to maintain its market share. A problem child (also called a question mark) in the portfolio matrix is a business unit that shows rapid growth but poor profit margins. A dog in the portfolio matrix is a business unit that has low growth potential and a small market share.

PTS: 1 OBJ: LO: 2-3 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

2. McDonald's would have conducted a(n) _____ to identify the strength of the breakfast menu and the potential revenue increase by extending its offerings to all-day.
- competitive advantage
 - marketing myopia
 - SWOT analysis
 - environmental scanning

ANS: C

PTS: 1 OBJ: LO: 2-5 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

3. Marketing objectives should be all of the following EXCEPT:
- realistic
 - measurable
 - time specific
 - abstract
 - comparable against a benchmark
 - Marketing objectives should be all of these.

ANS: D

A marketing objective is a statement of what is to be accomplished through marketing activities.

PTS: 1 OBJ: LO: 2-7 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

4. Which of the following is NOT one of the four Ps of the marketing mix?
- product
 - planning
 - place (distribution)
 - promotion
 - pricing strategies

ANS: B

The marketing mix is a unique blend of the four Ps to produce mutually satisfying exchanges with a target market.

PTS: 1 OBJ: LO: 2-9 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

5. By extending breakfast menu hours and launching a campaign to advertise this, McDonald's began the _____ of the marketing plan.
- evaluation
 - implementation
 - control
 - audit

ANS: B

Implementation is the process that turns a marketing plan into action assignments and ensures that these assignments are executed in a way that accomplishes the plan's objectives. Evaluation is gauging the extent to which the marketing objectives have been achieved during the specified time period. Control provides the mechanisms for evaluating marketing results in light of the plan's objectives and for correcting actions that do not help the organization reach those objectives within budget guidelines. A marketing audit is a thorough, systematic, periodic evaluation of the objectives, strategies, structure, and performance of the marketing organization.

PTS: 1 OBJ: LO: 2-10 TOP: AACSB: Reflective Thinking
KEY: CB&E Model: Strategy MSC: BLOOMS: Level I Knowledge

Great Ideas for Teaching Chapter 2

James S. Cleveland, Sage College of Albany

Discussion Board Topics to Encourage Participation

Discussion board questions provided to students to encourage them to engage in thinking and writing about the content of the Principles of Marketing course usually take the form of a provocative statement to which students are asked to respond. An example of this would be "All PR is good PR."

Discussion topics such as this one are abstract and often require that the instructor provide an initial reply to show students what is expected of them in their own responses. For students with limited work experience, this approach may be quite appropriate. For adult students with extensive experience as employees and consumers, however, the abstract nature of such topics can be frustrating.

I have developed, therefore, a series of discussion board questions to use with experienced adult students. These questions are designed to encourage them to use their experiences as employees and consumers as doorways to better understand the course material, and to make their own

responses more interesting to themselves and to the other students in the class who will read and comment on them.

Each question has three parts.

1. First, there is a sentence or two from the students' textbooks introducing the topic. By using the text author's own words, students are enabled to locate relevant material in the text more easily, the text content is reinforced, and confusion resulting from use of variant terms or expressions is minimized.
2. Second, there is a reference to text pages the students should review before proceeding. Since the goal of the exercise is for students to apply the course content to their own experiences, reviewing the content first is important.
3. Third, there is a request for the students to think about or remember some specific situations in their experiences to which they can apply the text material, and a question or questions for them to address in their responses.

The following example is for Chapter 2 of *MKTG11*. The three parts have been separated here so they are more readily visible.

1. The term *marketing mix* refers to a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market.
2. Review the four parts of the marketing mix from section 2-10 of your text.
3. Then, choose an idea, good, or service with which you are familiar, and describe its marketing mix and how it resulted (or did not result) in a satisfying exchange for you.

Martha E. Hardesty, The College of St. Catherine

Buying an Education: The Four Ps on Day One

Students enrolled in my two-credit Introduction to Marketing course may be freshmen exploring a business major, sophomores fulfilling a requirement for the accounting degree, or even senior English majors taking the “something” their parents urged to help them get a job. From the first day, I must get students to recognize the experiential base of marketing, and I must create class norms of participation.

I begin the first class by asking students to break into small buzz groups. I then pass out a sheet with the question, “Why are you buying your education at The College of St. Catherine?” Students typically look surprised—they have not regarded their college choice as a consumer purchase. I mention that there are well over a dozen other options for taking an Introduction to Marketing course for college credit within this term within this metropolitan area. Students are instructed to spend at least 20 minutes recalling absolutely every influence that caused them to

come to this college. Another question on the same sheet asks them, “What do you have in common with the other students in your group?” They spend about five minutes discussing this.

Typical answers for the first question might be “Small class size,” “Financial aid package,” etc. As I collect their responses on the board, I discuss items as choices made by them or by the institution. They gradually notice that I am listing their comments deliberately in one of four columns. They note as well that I am keeping a separate list of other colleges they mention that they had also considered. Inevitably, the discussion produces the four Ps of the marketing mix and gives the foundation of our course. Typical inputs are listed below.

- Product (specific major, class size, academic reputation, etc.)
- Price (actual costs, financial aid, scholarships, etc.)
- Place (near/far from home, in an urban area where jobs are plentiful, the beauty of the campus, etc.)
- Promotion (campus recruiting officers, relatives or friends who have attended, high school counselors, etc.)

The list of other colleges generates the competition.

The profile of the customer, “What you have in common,” is much less obvious to them. At this private women’s college, gender and religion are sometimes mentioned; more often, students think about an academic major or a hometown. They rarely generate other demographics like income and almost never get near psychographics (which, at our particular campus, is the most significant variable besides gender!). Yet when competitor colleges are mentioned, they are all able to paint an instant portrait of the student at each of these institutions.

Within the first class, then, we have generated the fundamental concepts of the course. Students begin to differentiate the four Ps and to recognize the influence of competition on managing the marketing mix. They begin to explore the complexities of market segmentation and the significance of knowing your target market fully. They know as well that their contribution to the class is necessary and valuable. Throughout the term, I refer to this day’s discussion at the introduction of any new concept. Student feedback has been that this beginning adds significant coherence to a brief yet broad-ranging course.

Paul LeMay Burr, University of Incarnate Word

Richard M. Burr, Trinity University

Analyzing Company Strategy via Multiple Resources

Beyond basic marketing courses, students can be expected to analyze the marketing strategies of companies by building a “data base” using widely available sources.

1. Encourage students to choose for a class project a publicly traded company. Owners of privately held firms can never be expected to divulge confidential data for a class project, even to a friend of a close family member.
2. Students should immediately request via the firm's 1-800 shareholder relations number annual and quarterly reports, 10-K and 10-Q reports, and a student press kit. Some companies need repeated requests and follow-up. Call 1-800-555-1212 (the 800 information operator), or try an "800" website database to get the shareholder relations 1-800 number. Students can then follow steps 3–9.
3. Search the company's website for annual and quarterly reports and press releases of strategic decisions. Be aware of key-word search opportunities at the company's website.
4. Utilize the EDGAR website and the Security and Exchange Commission's database of filings by public companies to analyze 10-K and 10-Q reports. The reports are voluminous. Use the "print page" options for printing *only* the page needed.
5. Analyze Value Line's one-page profile of highly useful data about the company, an industry overview, and comparisons of the company to its competitors.
6. Study page B-2 of the Monday through Friday editions of the *Wall Street Journal* for daily alphabetical lists of all companies mentioned in that day's newspaper. A student individual subscription is useful for cutting and filing daily.
7. Search ABI/Inform, a database of over 1,000 publications that allows keyword subjects and is updated monthly. The website is updated daily.
8. Analyze Hoover's *Handbook of American Business*, which profiles publicly traded companies, listing information that might not be found elsewhere.
9. Finally, give students specific heading areas to look for in their analysis of the firm's strategy, including the following: pricing and margin, concept differentiation and clarity, positioning and repositioning, branding, trade dress, customer profile, location strategy, distribution, turnover, and strategic alliances. Presentation of findings, along with graph support, will spur class discussion.

P.J. Forrest, Mississippi College

Marketing Mix Reports

One of the most helpful projects I've ever assigned in Principles of Marketing is Marketing Mix Reports. The students pick a good or a service at the beginning of class, and throughout the semester, they use that good or service as a reference and an example for each topic we cover. In addition, they prepare a report on the marketing mix actually used for that product.

At the beginning of the semester, the students are required to choose a product by brand name.

Many popular brands such as Tommy Hilfiger, Nike, and Coca-Cola are chosen, but also some lesser-known brands such as Louisville Slugger, Peavey, or Furby are chosen. Some students choose familiar products such as soft drinks, automobiles, backpacks, sports equipment, and computers; others choose a special-interest item that is less familiar to most of us such as deer stands, paintball equipment, or a musical group. I must approve the choice, and my criterion is whether there is enough marketing information readily available on the good or service. I put the brand names of the products the students have chosen on the seating chart next to their respective names, which allows me to use their products as examples during lectures.

In the past, I've had them hand in a single report after we had covered product, place, promotion, and price, but at present, I break it down into four separate reports. These one- or two-page reports are easy to prepare, but it forces the students to apply and properly use marketing terms and concepts. As we cover each of the four Ps, the students have to prepare a report, which is handled in or presented at the last class meeting before the exam on that topic. Every semester, I get numerous comments on my teaching evaluation from students about how much doing the report helped in preparing for the exam and in learning the course material.