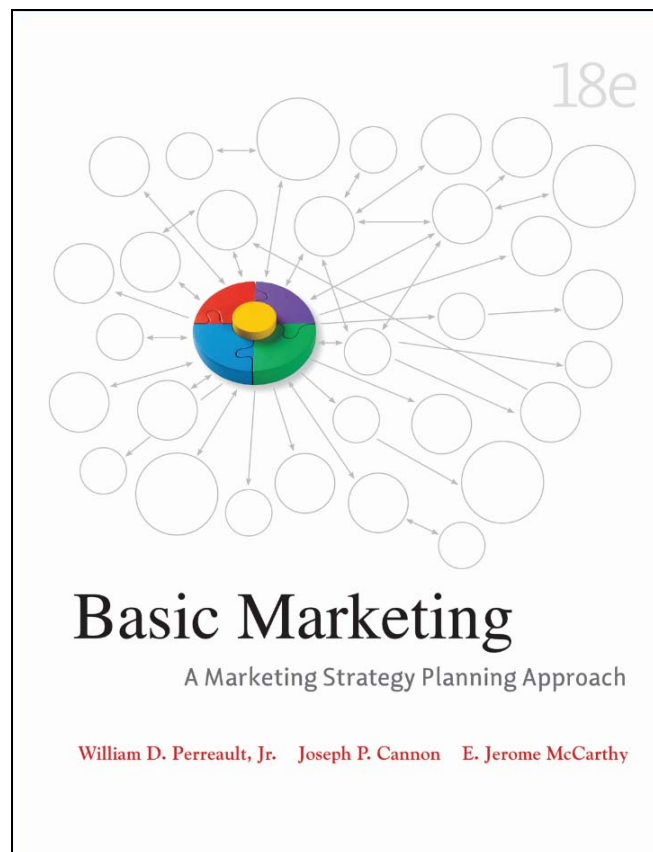


Instructor's Manual to accompany



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Instructor's Manual
to accompany

Basic Marketing

A Marketing Strategy Planning Approach

18th edition

William D. Perreault, Jr., *University of North Carolina*
Joseph P. Cannon, *Colorado State University*
E. Jerome McCarthy, *Michigan State University*

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Instructor's Manual to accompany

Basic of Marketing: A Marketing Strategy Planning Approach

18th edition

by William D. Perreault, Jr., Joseph P. Cannon, and E. Jerome McCarthy

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Part I:

How to use this manual

INTRODUCTION

There are many effective ways to teach the beginning marketing course--and we know that how you design your course depends on your objectives and your students' needs. Our aim in preparing this *Instructor's Manual*--and more generally in preparing *Basic Marketing* and everything that goes with it--has been to provide you with a complete and flexible set of high-quality teaching and learning materials--materials that really work together and help you to offer your students a truly professional course. You can design your own course system by selecting--from among a wide variety of learning units--those which fit your style and your students' needs.

A great number of different types of *Professional Learning Units Systems* have been anticipated in developing these materials--so we call the whole package *P.L.U.S.* Your system represents the custom mix of *P.L.U.S.* elements you select for your students. The exhibit on the next page summarizes major components of our *P.L.U.S.* package. Each major component of the package includes many different learning and teaching units from which to select.

Our objective is to offer you a *P.L.U.S.* "menu"--so that you can conveniently select units you want--and disregard what you do not want. You can have confidence that the units you select will work well together. To help you in selecting from this "menu," this *Instructor's Manual* provides additional discussion of each of these major components of *P.L.U.S.*--as well as a comprehensive set of ideas and suggestions on teaching the first marketing course. Almost all of the materials are available to you in computer files on the Instructor's Resource CD so you can easily select and use what you want.

OVERVIEW OF THIS MANUAL--A ROAD MAP

This manual is organized into five major parts--so that you can focus on what is of interest--and easily skip over what you don't need. The focus and purpose of each part is briefly overviewed below:

Part I: How to Use This Manual

Part I simply provides a short overview of the rest of the manual.

Part II: Overview of the Major Elements of the P.L.U.S. Package

Part II provides a brief summary of some of the highlights of each of the major *P.L.U.S.* components that are available to you--and information about where different materials can be found. **At the beginning of Part II, we offer a review of the many elements of *P.L.U.S.* which are new to this edition, and a review of other elements that have been revised and reorganized to make them even easier to use and more complete.** Thus, this part can be useful to long-time users of *Basic Marketing* and *P.L.U.S.*--as well as those who are using them for the first time. However, if you are already familiar with the elements of *P.L.U.S.* you can skip this part--or sections which are not of interest.

MAJOR ELEMENTS OF <i>BASIC MARKETING</i> P.L.U.S.	
Basic Marketing: A Marketing Strategy Planning Approach, 18th edition by William D. Perreault, Jr., Joseph P. Cannon, and E. Jerome McCarthy	Connect Marketing An online assignment and assessment solution that connects students with the tools and resources they will need for success.
Instructor's Resource CD to Accompany Basic Marketing Computer files for Interactive Lecture PowerPoints, PowerPoint archives, Diploma test software, electronic Instructor's Manuals, and more.	Basic Marketing Online Learning Centers (www.mhhe.com/fourps) The basic version includes free access to many student resources. The premium version includes additional resources.
Multimedia Lecture Support Guide Includes lecture outlines and scripts, PowerPoint lecture notes, color ad suggestions, PowerPoint archives for each chapter, interactive exercise instructions, student handouts, and more.	Instructor's Manual to Accompany Basic Marketing Overview of all teaching/learning units as well as suggested answers to all questions, exercises, and assignments.
Manual of Objective Tests (supported by EZTest test generator software)	Teaching Videos and Video Cases to Accompany Basic Marketing (and Instructor's Manual as a download from the text's Web site)
Basic Marketing "cartridges" for Blackboard and WebCT Includes <i>Basic Marketing</i> materials organized for easy use with these popular course management systems	The Marketing Plan Coach At the Online Learning Center – a program to help students build marketing plans by referencing material from <i>Basic Marketing</i>
The Marketing Game! (Marketing Simulation, Instructor's Manual with Digital Resources CD)	Social Media (Teach the 4 Ps blog and Twitter feed, Learn the 4 Ps blog & Twitter feed, Learn the 4 Ps Facebook page)

Part III: Ideas about Teaching the First Marketing Course

Part III provides a comprehensive set of ideas about teaching the first marketing course--including more detailed information about some of the possibilities for using various components of *P.L.U.S.*. Specifically, Part III covers:

- Section 1: Comments on approaches to teaching beginning marketing.
- Section 2: Suggestions for writing course objectives.
- Section 3: Suggestions for the pace and coverage of courses with various lengths.
- Section 4: Comments on the *Online Learning Centers to Accompany Basic Marketing*.
- Section 5: Comments on the *Connect Marketing* exercises.
- Section 6: Comments on the *Marketing Plan Coach*.
- Section 7: Comments on the *Computer-Aided Problems*.
- Section 8: Comments on the Internet Exercises.
- Section 9: Comments on the Ethics Questions.
- Section 10: Comments on the end-of-chapter Questions and Problems.
- Section 11: Comments on the Cases and Video Cases.
- Section 12: Comments on *The Marketing Game!*
- Section 13: Comments on the *Manual of Objective Tests*.
- Section 14: Comments on the *Multimedia Lecture Support Guide*, Interactive PowerPoint Lecture Slides, and PowerPoint Archives.
- Section 15: Comments on the *Instructor's Resource CD to Accompany Basic Marketing*.
- Section 16: Comments on the *Teaching Videos*, *Video Cases*, *Short Videos*, and *Video Clips*.
- Section 17: Comments on creating a Web site for your course.
- Section 18: Ideas for student projects.
- Section 19: Feedback to the authors.

In general, the information in Part III is designed to be helpful to you in planning your course--and in developing a syllabus. You can easily skip any section in this part which is not of interest.

Part IV: Chapter-by-Chapter Aids: Answers to Questions and Exercises

Part IV provides suggested answers to or discussion of all of the student assignment material, including answers to:

- *the questions and problems that appear at the end of each chapter of Basic Marketing;*
- *the questions for the Computer-Aided Problems; and*
- *comments on the use of the "suggested cases" at the end of each chapter of Basic Marketing. (This is in addition to more detailed comments on each case provided in Part V).*

The material in this part of the manual may be helpful to you at the point when you are planning/selecting specific assignments for your syllabus. In addition, all of the materials are organized on a chapter-by-chapter basis--to make it easier for you to find them when you need them during the course. And the answers are clear and complete--so you have everything you need for class discussion of the questions or for grading of assignments. For example, the answers to the questions and exercises based on the computer-aided problems include printed copies of all the computer spreadsheets--so you don't need to spend time doing the assignments yourself.

Part V: Comments on Cases in Basic Marketing

Part V includes comments and teaching notes on each of the 36 traditional cases at the end of the text. The discussion of each case found in this part supplements the suggestions that appear in the chapter-by-chapter aids (Part IV). Comments and teaching notes on the 8 video cases are available in the Video Instructor's Manual.

CONCLUDING REMARKS

It has been our objective in preparing this edition of *Basic Marketing*--and the whole set of *P.L.U.S.* materials that are available with it--to provide the most complete set of high-quality teaching and learning materials available anywhere for the first marketing course. We sincerely hope that you find these materials helpful--and that they assist you in developing a course that meets your needs and your objectives for your students.

Our work on all of these materials is an ongoing process. As you read this manual we will already be at work on refinements and innovations for the next edition. Thus, we would welcome your comments and suggestions about this manual, or more generally about any of the *P.L.U.S.* components. The most efficient way to reach us is by sending an email to Bill_Perreault@UNC.edu or Joe.Cannon@ColoState.edu.

William D. Perreault, Jr., Joseph P. Cannon, and E. Jerome McCarthy

Part II:

Overview of the major elements of P.L.U.S.

INTRODUCTION

The purpose of this part of the *Instructor's Manual* is to provide you, in one place, with an overview of the major elements of *P.L.U.S.* (short for *Professional Learning Units Systems*) that are available to you.

This part of the manual just focuses on the highlights of each component--and indicates where to look for more detail if that component is of interest. For example, several of the major components of *P.L.U.S.* have their own separate instructor's manuals.

All of the *Basic Marketing* teaching materials are digital

We have found that most instructors utilize the digital copies of the *Basic Marketing* teaching materials. So to save trees, McGraw Hill provides all of the teaching materials only in a digital format. That said, we have created all of the materials in Word and PDF formats so that they are easy for you to print out in hard copy if you prefer.

BASIC MARKETING, 18th Edition

by Perreault, Cannon, and McCarthy

The whole text has been thoroughly revised and updated. Each chapter in *Basic Marketing* features:

- behavioral learning objectives at the start of the chapter.
- revised and updated text material, including hundreds of new, carefully integrated examples based on well-known companies as well as smaller, entrepreneurial companies.
- illustrations—hundreds of new full-color ads and photographs selected, positioned, and annotated by the authors to effectively illustrate concepts in the text. (All of these illustrations are also available to instructors in digital form on the *Instructor CD*.)
- exhibits—all of the exhibits feature a completely new design. The exhibits have been revised or updated and there are many completely new exhibits (charts, tables, graphs, and conceptual organizers) throughout the whole edition. (All of these exhibits are available to instructors in digital form on the *Instructor CD*).
- Internet exercises—two per chapter and completely updated for this edition. These give students another learning experience.
- ethics questions—pose an ethical challenge faced by real marketing managers.
- integrated treatment of important topics, such as e-commerce, customer value, the impact of the Internet, relationship marketing, international marketing, and marketing ethics.
- "Important Terms" which are color-highlighted and clearly defined when they are first used--and also listed alphabetically in the glossary at the end of the text.
- end-of-chapter discussion "Questions and Problems"--answers for which are given in Part IV of this manual.
- *Marketing Plan Coach* exercise, which relates topics from the chapter to a sample marketing plan provided at the *Free Online Learning Center*.
- suggested cases--including video cases based on well-known companies. Teaching notes on the 36 regular cases are provided in Part V of this manual, and additional comments are provided with the

- chapter-by-chapter materials in Part IV. The video cases have their own instructor's manual.
- a Computer-Aided Problem to be solved with the computed-aided problem software that can be found at the *Free Online Learning Center*. Part III of this manual provides more information about the computer-aided problems. Part IV provides suggested answers to the assignment questions.
- video cases, in the back of the text and supported with accompanying video and additional background information and lecture/discussion ideas in the Video Instructor's Manual. The *Premium Online Learning Center* also features video clips to accompany the video cases.
- footnotes to each of the major topics in a chapter—including extensive references to classic and current articles as well as coverage in the business press.

Basic Marketing comes packaged, at no extra charge to students, with the completely revised Free Online Learning Center Web site (www.mhhe.com/fourps). Optionally, there is also a **Premium Web site**. The *Basic Marketing Online Learning Centers* offer important teaching and learning innovations that are available with no other marketing text. More detail on the *Online Learning Centers* is provided later in this part of the manual.

Chapter-by-Chapter Overview

1. *Marketing's Value to Consumers, Firms, and Society*

This chapter deals with the important role of marketing—focusing not only on how a marketing orientation guides a business or nonprofit organization in the process of providing superior value to customers but also on the role of macro-marketing and how a market-directed economy shapes choices and quality of life for consumers.

2. *Marketing Strategy Planning*

This chapter sets the stage for the rest of the book by introducing key marketing strategy concepts including target marketing and the development of the marketing mix (the four Ps decision areas). The discussion of the marketing concept has been updated to highlight the important role of marketing in creating customer value, attracting and retaining customers, and building profitable relationships. Consistent with this focus, the “lifetime value of the customer” concept is introduced and illustrated. The focus on “best practices” in marketing mix planning has been refined to highlight the role of both customer acquisition and customer retention. And the integrated model of the marketing strategy planning process is introduced here and ties the organization of the whole book together. This model can be used throughout the course to highlight for students where they are in “the big picture.”

3. *Evaluating Opportunities in the Changing Market Environment*

This chapter opens with an extensive case that highlights the chapter's updated discussion of evaluating opportunities in the changing market environment. This includes the competitive environment and competitor analysis (and how firms are using the Internet to obtain competitive information). This chapter also offers updated discussion of the economic environment and puts new emphasis on the role that marketers should play in understanding the challenges and opportunities posed by new technology. Similarly, discussions of the evolving role of regional groups (such as NAFTA and the European Union) in the political environment have been included. An integrated example further motivates and strengthens the text's coverage of the need for screening criteria in evaluating which possible strategies to pursue.

4. *Focusing Marketing Strategy with Segmentation and Positioning*

With this edition we have continued to make large and small changes (including new examples throughout the chapter) that reinforce the concept that managers narrow down to an optimal strategy—using segmentation and differentiation—based on an analysis of customers and competitors; the external environment; and screening criteria that consider a firm's strengths, weaknesses, opportunities, and threats. The focus is on how firms are using technology, including customer databases and customer relationship management, to achieve a competitive advantage with a particular target market through a differentiated marketing mix.

5. Demographic Dimensions of Global Consumer Markets

This chapter presents updated discussions of the important demographic mega-trends that are creating new market opportunities in the U.S. and globally in this decade. All of the supporting statistics behind the trends have been updated based on the most recently available research and presented in exhibits that highlight the trends. For example, the text discusses the rapid changes taking place in technology usage worldwide and in age and income distributions, as well as in household composition and the dramatic growth in ethnic markets—especially the Hispanic-American consumer group. Many examples and cases have been developed to reinforce student analysis of the opportunities and challenges posed by these changes.

6. Final Consumers and Their Buying Behavior

This chapter uses a conceptual model of consumer behavior that treats all of the major behavioral influences on consumer buying behavior. The organizing model and key related exhibits show the important role of purchase situations and set the stage for subsequent material (for example, differences in online vs. in-store shopping in the retailing chapter). The revision includes extensive and carefully integrated contemporary examples—many of which highlight how behavioral dimensions relate to perceptions of customer value. Other examples were added to provide students with a clearer understanding of consumer behavior in international markets.

7. Business and Organizational Customers and Their Buying Behavior

This chapter puts more emphasis on the e-commerce revolution taking place in business-to-business (B2B) markets and how it influences marketing relationships among suppliers and their customers. For example, there are clear explanations of B2B search, online communities, competitive bids, and reverse auctions – and enhanced coverage of the important role of trust. At the same time, coverage of some “traditional” topics has been streamlined to preserve the chapter’s fast and interesting pace. This chapter truly reflects both the newest research and best practices in business marketing.

8. Improving Decisions with Marketing Research

This chapter deals with topics such as the role of intranets and online access to multimedia data, use of search engines to gather information from the Internet, and new technologies used in data collection. It also discusses the benefits (and limitations!) of the Internet for primary data collection, including online focus groups and surveys, interactive questionnaires, and large-scale Internet panels. Throughout the chapter there are a number of illustrations and examples to reinforce the importance of marketing research in marketing strategy planning. This chapter also sets the stage for the discussion of how marketers use information systems for control and CRM purposes (Chapter 19).

9. Elements of Product Planning for Goods and Services

This chapter emphasizes that a manager must develop a blend of goods and services with the right features—features that offer real benefits to customers—to create a product offering that builds superior customer value. The focus is on the integrative nature of product-related strategy decisions, including product features and quality, branding, warranties, and packaging. Many firms now see packaging as an influential basis for product differentiation, so we have refined the conceptual organization of different decision areas related to packaging. In addition, the discussion of brand equity has been expanded and enhanced.

10. Product Management and New-Product Development

This chapter gets rave reviews for its clear and interesting coverage of new-product management, including the discussion of the product life cycle. The PLC discussion encourages students to “forward integrate” and think about place, promotion, and price topics that are developed in later chapters. This chapter provides a conceptual organization (and exhibit) that highlights best practices in the new-product development process and the factors that help a firm avoid new product flops and instead achieve superior customer value. This chapter also includes total quality management.

11. Place and Development of Channel Systems

This chapter provides up-to-date coverage of the impact that e-commerce and strategic alliances are having on channel decisions—ranging from the increased use of Internet websites for direct distribution to

the increasing complexity of many indirect channel systems. It makes extensive use of new, contemporary examples to highlight the shifts taking place in channels (for example, the increasing channel power of large retail chains like Best Buy and Costco).

12. Distribution Customer Service and Logistics

This chapter was recently completely reorganized and rewritten to highlight the changes that are taking place in supply chains due to cross-firm coordination made possible by new information technologies. So, the emphasis has been on refining and updating the coverage of how firms are using e-commerce and logistics services to create competitive advantage. Consistent with the cost-consciousness now required to increase efficiency, there is also more emphasis on marketing trade-offs between availability and inventory costs. This is the most up-to-date coverage available on a dynamic, fast-changing area.

13. Retailers, Wholesalers, and Their Strategy Planning

This chapter puts more emphasis on how retailing and wholesaling are evolving—including discussion of the significant lessons learned from both the successes and failures of Internet merchants. The section on Internet retailing has been completely reworked and there's up-to-date consideration of how e-commerce and the Internet are impacting both retailing and wholesaling. The chapter concludes with a discussion of what is likely to happen in the future.

14. Promotion--Introduction to Integrated Marketing Communications

This chapter provides an excellent, contemporary view of integrated marketing communications with coverage of topics ranging from the new campaigns that use the Internet to stimulate “buzz” among consumers to customer-initiated communications to approaches for setting the promotion budget. Revised examples and concept discussions highlight the need for marketers to plan a blend of promotions that take advantage of the different strengths of different approaches—whether the promotion job calls for today's newest direct-response interactive media, skillful personal selling, publicity, or CRM-directed sales promotion.

15. Personal Selling and Customer Service

The chapter on personal selling includes a learning objective related to decisions about how sales tasks are performed and the technology support that sales reps need. Customer service is an important element in marketing, but is given scant treatment in many texts. We show how customer service fits with other personal selling tasks and why it is so important for customer retention, customer equity, and sales relationships. Similarly, there is coverage of how exchanges and relationships that rely on e-commerce are prompting a shift in the role of personal selling. As in past editions, new examples and discussion based on contemporary business settings bring to life the exciting opportunities and challenges of jobs in sales management and personal selling.

16. Advertising, Publicity, and Sales Promotion

This chapter features up-to-date coverage of topics such as changes in Internet advertising, growth in the use of other creative media, changes in ad agency focus and compensation, and shifts in trade promotion spending. We've added a completely new section on publicity that helps organize the latest thinking on social media, viral video, and other forms of communication distributed over the web for customers to find. New examples and illustrations throughout the chapter highlight the evolution taking place as well as crucial traditional concepts such as defining objectives and evaluating advertising effectiveness.

17. Pricing Objectives and Policies

This chapter offers clear, balanced coverage of the many different marketing strategy decisions that impact the price that customers ultimately pay. New examples and coverage highlight how the Internet and e-commerce are changing pricing—with special emphasis on topics such as flexible pricing based on information in customer relationship management databases, use of online auctions, and customer-initiated online bidding systems.

18. Price Setting in the Business World

This chapter provides students with integrated coverage of the concepts and tools that they need to understand both costs and customer price sensitivity (demand)—to set profitable administered prices.

This chapter was recently reorganized with a major new section on evaluating customer price sensitivity and a completely reworked section on marginal analysis. This edition includes examples, illustrations, and refinements related to the growth of e-commerce, new research on reference prices and customer value, and the evolution of interactive competitive bidding approaches.

19. Implementing and Controlling Marketing Plans: Evolution and Revolution

This chapter considers how e-commerce and information technologies are radically changing the relationship between strategy planning and control. It provides unique coverage of analysis tools (like sales analysis, contribution analysis, performance analysis, and quality analysis) that are central to both control and CRM. These are tools that students need in today's data-intensive business environments.

20. Managing Marketing's Link with Other Functional Areas

No other marketing text steps up to the challenge of showing students how marketing relates to other functional areas, with clear discussions of the implications of important topics such as mass customization, flexible production, human resource planning for high growth strategies, activity-based analysis of marketing costs, and financial considerations such as the time horizon for earnings and cash-flow analysis. The chapter opener helps students see the "big picture" organization of this chapter and throughout the chapter the discussions and examples reinforce its objectives. A "worked example" takes students through the process of estimating the profitability of individual customers, an important topic that is simply glossed over in most other texts.

21. Ethical Marketing in a Consumer-Oriented World: Appraisal and Challenges

This chapter provides an overview of key changes and trends impacting marketing (including discussion of the marketing role in evaluating new technologies), and provides a wrap-up for the course by stimulating students to assess the status of marketing management and the role of marketing in society. This chapter provides an integrative review of all of the strategy decision areas covered in the text and explains how to complete the strategy planning process with development of a complete marketing plan.

Appendices

The appendices are at the end of the text. The career planning appendix has been revised to give students current Internet links and suggestions that will help them with all aspects of career planning and their job search.

ONLINE LEARNING CENTERS TO ACCOMPANY BASIC MARKETING

Free Online Learning Center Available to All Students - Premium Online Learning Center Available in Special Packages of Basic Marketing

We have developed a variety of interactive exercises and activities to help students learn marketing in a more engaging manner. For your convenience and that of your students, these exercises are now available online.

Each new copy of *Basic Marketing* includes, at no charge to students, access to the *free* Online Learning Center (www.mhhe.com/fourps). Special packages of *Basic Marketing* can be ordered to include the *Premium* Online Learning Center. Students may also purchase access to the *Premium* Online Learning Center with a credit card for a \$10 charge. This is an important benefit of *Basic Marketing*. Students can use these resources for high involvement independent study or for exercises assigned by the instructor.

	<i>Free Online Learning Center</i>	<i>Premium Online Learning Center</i>
Availability	Book Web site*	Book Web site*
Self-Test Quizzes – 10 multiple-choice questions per chapter	X	
Applications in <i>Basic Marketing</i> and <i>Essentials of Marketing</i> – links to current online articles, Web sites, podcasts, and videos. Organized by content area.	X	
Marketing Plan Coach - this online software tool helps students build marketing plans using materials and concepts directly from the text book. Created by the authors specifically for use with <i>Basic Marketing</i> .	X	
Computer-Aided Problems – easy-to-use spreadsheet software program works with exercises at the end of each chapter to help develop analytical skills needed by today's managers.	X	
Narrated Slide Shows – overviews of key marketing concepts usually from a set of chapters. Eight in all, these are great to use before reading a new section in <i>Basic Marketing</i> or for help in studying for tests. May be viewed on computer or iPod.		X
Learning With Ads – a great way to preview concepts from each chapter and see how they are applied in real print ads. About 10-15 ads per chapter.		X
Bonus Self-Test Quizzes – 10 additional multiple-choice questions per chapter – making a total of 20 questions per chapter -- may be taken on computer or iPod.		X
Video Cases – clips from video cases in the book – available for viewing on computers or iPods.		X

Next we provide more complete information on the components listed above.

Self-Test Quizzes for Every Chapter in the Text

The Online Learning Centers feature a set of multiple-choice questions keyed to each of the chapters in the text. A student selects an answer from those presented and gets immediate feedback. Coupled with the other learning aids at the Online Learning Centers, these give a student a way to check his/her understanding of basic concepts from the text. The *Free Online Learning Center* provides 10 self-test questions per chapter. The *Premium Online Learning Center* offers an additional 10 “bonus” self-test questions -- making a total of 20 questions per chapter. We’ve also added the self-test questions to the database for the *Manual of Tests (MOT)*. They are clearly identified in the *MOT* so that an instructor who wants to exclude questions that are available for self-testing can do so easily. On the other hand, these self-test questions are readily available and easy to include on regular tests if the instructor wants to reinforce independent study and self-practice at the Online Learning Centers.

Applications in Basic Marketing and Essentials of Marketing

Applications in Basic Marketing and Essentials of Marketing provides direct access to online “clippings” from the popular business press. Accessible through the *Free Online Learning Center (OLC)*, *Applications* offers students the opportunity to read (links to articles), listen (links to podcasts), or watch (links to videos). These resources may be used to give students up-to-date real world examples of marketing in action. The articles are organized by content area and are updated twice a year – around January 1 and July 1.

For more frequent updates of potential reads, listens and views, you can check out our blogs which target instructors – “Teach the 4 Ps” at (www.teachthe4ps.com) and for students “Learn the 4 Ps” (www.learnthe4ps.com). “Teach the 4 Ps” provides current links you might assign to students or use as examples in class. “Learn the 4 Ps” targets students directly and encourages them to interact with the material and other students by posting comments to questions in the blog posts. Read more about the blogs later in this section.

Marketing Plan Coach

Available at the *Free Online Learning Center*, the *Marketing Plan Coach* is an important innovation for the first marketing course. The basic concept is that this software makes it easy for a student--or a marketing manager--to put together a marketing plan. The plan is based on the text's strategy planning framework and it is linked to a database of relevant supporting concepts and ideas from the text. It also includes a sample marketing plan to give students a hands-on feel for what a plan looks like, and exercises at the end of each chapter provide a simple way to get students thinking about marketing planning. We developed the Coach, the sample plan, and the end-of-chapter assignments specifically to go with *Basic Marketing*--and to be at the right level for students in the first marketing course. Any student who has surfed the Web will find the interface familiar—and that makes it easy for students to take advantage of its power.

The *Marketing Plan Coach* offers students a unique tool for integrating information and developing more effective marketing plans--whether for case studies in class, for group projects, or for later use in the business world.

Computer-Aided Problems

Our innovative spreadsheet software drives the *Computer-Aided Problems*, which are available at the *Free Online Learning Center*. This is a professional-quality spreadsheet program designed by the authors. The 19 computer-aided problems featured in the text and in the spreadsheets were developed by the authors to deepen student understanding of important topics and concepts covered in *Basic Marketing*. The software makes it easy for students to prepare assignments based on the *Computer-*

Aided Problems—and easy for instructors to follow what the student has done. Specifically, after a student has prepared a spreadsheet or “what if” analysis to see how a change in assumptions about a value affects other outcomes, the student can type in his or her answer to the assigned questions and print the annotated analysis (or save the file so that it can be printed later). This feature is especially helpful for instructors who teach a distance learning course or want assignments to be emailed to a grader or uploaded to a course Web site.

There is a separate suggested problem (a short caselet) at the end of each of the first 19 chapters in the text. Each problem description concludes with questions for the student to answer--using the spreadsheet software.

Answers to all of the questions--along with discussion suggestions and copies of all of the relevant spreadsheets--are provided in Part IV of this manual (along with answers to all the other chapter-by-chapter assignment materials).

The software has been designed--and extensively tested and refined--so it will be easy for students to use. It provides clear online directions. While students usually don't need them, the text also provides a complete set of printed instructions on using the software.

Fully-Narrated Multimedia Slide Shows

The eight narrated multimedia slide shows at the *Premium Online Learning Center* are new to this edition. The visual quality is high because they are prepared as full motion videos (and offer controls to pause, play, or fast forward the video). The lectures include TV and print ads as graphics that illustrate key points and bring the concepts to life. The slide shows were based on electronic slides that the authors developed for their own classes. Each slide show has narration and overviews materials related to several chapters, thereby reinforcing for the student a big picture of how the details fit together as part of the marketing strategy planning process that is developed throughout the whole text.

Students can use the slide shows independently to overview topics before reading the text and they can also be used as a review, to reinforce how strategy planning decisions fit together into an integrated whole. Or, an instructor can assign the slide shows--perhaps to supplement some in-class lectures or to free up class time for discussion of other material.

Although these electronic slide shows are similar in appearance to those viewed with PowerPoint, students do not need PowerPoint to view and hear the slide shows. Everything they need to view the slide shows is at the *Premium Online Learning Center*.

Learning with Ads - Slide Show of Print Ads that Illustrate Concepts from Each Chapter

The *Premium Online Learning Center* features a database of digital images from print ads selected and annotated by the authors to illustrate concepts developed throughout the text. There are about 75 different ads, and many of them are used to illustrate different points in different chapters. Thus, as a student learns more about marketing they realize that there are more concepts implicit or explicit in the design of the various promotions that marketers develop.

The ads represent a broad spectrum of marketing situations--profit and nonprofit organizations, goods and services, high-tech products and established mature ones, consumer ads and ads targeted at business-to-business customers, domestic and international communications, and more.

This is an interesting high involvement learning opportunity that helps students see--on their own--that the concepts discussed in the text are applied day in and day out in widely varying marketing contexts. Note that these “example ads” and the annotations that accompany them are different from the set of ads provided in digital form on the *Instructor CD*. The instructor can use the ads on the *Instructor CD* to bring

interest into the classroom, and detailed suggestions for which ads to highlight with each chapter are provided in the *Multimedia Lecture Support Guide*.

Full-Motion Video Clips Developed for the Basic Marketing Video Cases

The *Premium Online Learning Center* features a number of full-motion video clips for use with the eight video cases at the end of the text. All the student needs to do is “click” on the title of the clip and it displays on screen in a video window. The student can study the video cases and view these video clips independently or in preparation for a class discussion or written assignment. The video cases are designed to span several topics covered in the text so that they can be used at various points throughout the course.

These video clips complement the printed versions of the video cases that appear in the text and are extracts from the complete video case materials (about 15 minutes per case). The video clips are provided to instructors by the publisher.

“LEARN THE 4 Ps” – BLOG, TWITTER FEED & FACEBOOK PAGE

New this edition – our social media based “Learn the 4 Ps” resources. This is new to us – and like most social media initiatives, we expect it to evolve as we learn more about what our customers value. We have started with a blog, Twitter feed, and Facebook page which serve as alternative channels for students to access useful supplements in the form of links to articles, podcasts, and videos. The blog and Facebook page allow students to comment on these posts as they see fit – or as you might assign.

Check out these resources and connect your students with them as you see fit:

- Find the Learn the 4 Ps blog at www.learnthe4ps.com,
- There is also a Twitter feed for Learn the 4 Ps – to start the Twitter feed links to blog posts.
- Search for the Facebook page on Facebook using the search term “Learn the 4 Ps.”

We encourage our students to use these resources and offer them extra credit at the end of the semester when they turn in a “one-pager” that documents how and where they got interactive with the content. We suggest they simply cut and paste their blog posts or Facebook comments into a document they continually update over the course of the semester. The next generation of business professionals will need to stay current – and students should get used to using and interacting with relevant blogs and newsfeeds. We are very open to suggestions for other ways to utilize these social media channels – send us an e-mail, give us a call, or post your suggestions at the instructor blog – “Teach the 4 Ps” (www.teachthe4ps.com).

ONLINE SELF-GRADED HOMEWORK ASSIGNMENTS – WELCOME TO CONNECT MARKETING

We believe that *Connect Marketing* is one of the most exciting innovations in our supplement package in many years. *Connect Marketing for Basic Marketing* is a web-based assignment and assessment platform that enriches the learning experience for your students. We have created about 80 (we keep creating more) – about 4 per chapter – of interactive exercises. These exercises go beyond basic recall and create highly engaging interactive content that assesses student performance on key course objectives.

Connect Marketing works for students. It helps students connect the marketing dots – in a fun and interactive way. The exercises are not busy work; they are designed to stimulate critical thinking and reinforce key concepts from each chapter. All assignments can be instantly graded (you decide when student get feedback) – so students know right away what they understand and what they don’t.

Connect Marketing works for instructors. It fits right in with the teaching and learning package you have become accustomed to with this text by giving you even more options for teaching your students your way. While many instructors want to give application and understanding-oriented homework assignments to their students, giving timely student feedback is time-consuming and often impractical. With *Connect Marketing*, assignments are automatically graded – with grades dropped right into your *Connect* grade book. Plus, with dozens of exercises to choose from, the instructor has options and control. All assignments are tied to AACSB Assurance of Learning knowledge standards and Bloom's Taxonomy guidelines.

You can also easily create your own exercises and online quizzes – that will also be automatically graded. You pull questions right from the *Basic Marketing* test bank (linked to EZ Test) – create your own quiz, offer it via Connect to your students, and set up all the policies for the quiz.

The whole system is integrated with our *Basic Marketing* eBook – we link the practice questions directly with the corresponding material in the text book.

Check the *Basic Marketing* Online Learning Center (www.mhhe.com/fourps) for more information on *Connect Marketing* exercises.

THE MARKETING GAME!

The Marketing Game!, developed by Charlotte Mason and Bill Perreault, is an exciting, microcomputer-based competitive marketing strategy simulation. The Windows edition of the simulation is easy for instructors to administer, even in very large classes with many competing “firms.” *The Marketing Game!* was developed to build on the marketing strategy planning framework developed in the text. It features a number of innovations:

- the instructor selects the desired difficulty level of the game, and adjusts the difficulty at any point during the game.
- student “plan” files and the reports they receive are password protected and can be uploaded or downloaded over the Internet (or a school’s network) using the special software and/or Web site templates provided.
- the game provides the instructor with special diagnostic reports and summary reports in both text format and Excel spreadsheet format--so it is easy to see how well each firm is doing.
- the realistic and completely updated student manual is written as a “living case”--students (or student teams) take on the responsibility of marketing managers for their firms and compete with other firms for the business of the target market.
- the dynamic market for the game includes business segments and consumer segments--and different segments have different marketing mix preferences.
- both the student software and the instructor software feature complete online help as well as full motion tutorials.

Part III of this manual provides some comments about *The Marketing Game!*, and as noted below, there is a separate *Instructor's Manual* and a comprehensive set of digital instructor resources (including PowerPoint presentation, Web site templates, test questions, etc.) that make it very easy to use the game in your class.

Instructor's Manual and Instructor CD for The Marketing Game!

This comprehensive manual and the accompanying *Instructor CD* provide the instructor with everything needed to do an effective job using the game. It includes:

- complete suggestions about using the game in the introductory marketing course--as well as in more advanced courses (i.e., by selecting a more difficult level of the game).
- easy-to-follow instructions on the software.
- transparency masters for class presentations (also available in PowerPoint form).
- true-false, multiple-choice, and discussion questions (with answers), also available with the Diploma

- test generator software.
- ideas for supplemental assignments.
- ideas on evaluating student performance and on grading.
- clear explanations of the simulation model and the effects of each decision variable.
- tutorials on setting up and running the game.
- Web sites templates and other online support.

MANUAL OF OBJECTIVE TESTS

This manual provides about 5,000 objective test questions that have been specially prepared by the authors for use with the 18th edition of *Basic Marketing*. There are hundreds of brand new questions and many of the other multiple-choice questions have been revised and/or updated.

For each chapter we have included 20 self-test multiple choice questions. These 20 self-test questions are also available at the Online Learning Centers. When students ask “would you give us some sample test questions?” the ready answer is “check out the self-test section of the Online Learning Centers.” These 20 self-test questions (per chapter) are clearly identified in the database of questions in the *MOT* so that you can easily include some (or not) when you select questions for a test.

In the manual, all of the questions are arranged in the same order as the material in the text (and include a specific page number immediately before the question)--to make it easy to ensure even coverage. Immediately below each T-F question, the correct answer is given. Similarly, with each M-C question, the correct alternative is identified. Each true-false and multiple-choice question is classified according to: (1) an AACSB classification code, (2) the expected difficulty level (Easy, Medium, Hard), (3) the number of the relevant learning objective from the chapter, and (4) the type of knowledge tested (i.e., definitional, application, comprehension, self-test, math, and the like). This information is summarized below each question--making it easier to select the questions you want for a test.

The manual also provides suggestions on developing tests and ideas on grading--as well as answer form templates that make grading easier. More information about microcomputer-based versions of the *Manual of Objective Tests* are briefly discussed below.

EZ TEST: COMPUTERIZED TEST GENERATION *with a database of questions by Perreault, Cannon, and McCarthy*

All of the questions from the *Manual of Objective Tests* are available in a computerized database to make it easy to assemble a final (ready-to-be-duplicated) version of a test using the new version of McGraw-Hill's EZ Test software. This new version of EZ Test features a number of improvements, including the ability to output tests as a word-processing file. It has new features suggested by marketing faculty who gave us feedback in a special focus group on testing, so we think you'll like it. Further, the installation procedure, which is available on the *Instructor's CD to Accompany Basic Marketing*, makes it quick and easy to setup the software and database of questions on your own computer.

Below are just some of the features offered by the EZ Test software:

Exam Generator Features

- Individual questions can be added to tests simply by double-clicking on them or you may randomly select your test questions; the new self-test questions are “blocked” so that they will not be included on a test based on random selection. The instructor controls whether self-test questions are included or not.
- Instructors may edit current questions or enter new questions into the test bank with the use of the question editor.
- Instructors may filter questions by any available question characteristic (such as Difficulty, Question Type, Page, etc.) to quickly find exactly the questions they want to incorporate into the test.
- Instructions to students can be added to any location within a test.

- Answer Keys, including reference pages for correct answers, can be printed independently.
- Questions in the printed test can be scrambled to create many different versions and printed with the version number on each test page.
- A test can be output as a Word-processing format for easy editing. For example, an instructor might wish to include additional essay questions specific to a class lecture before printing the final test.
- Users can preview tests before printing them.

Additional description of these computerized approaches to test generating is provided in the *Manual of Objective Tests*. If you want more detail, you can contact your local Irwin representative or Irwin's faculty service representative at 1-800-634-3963.

MULTIMEDIA LECTURE SUPPORT GUIDE (2 VOLUME SET) TO ACCOMPANY BASIC MARKETING by Perreault and Cannon

Basic Marketing has always been the market leader in providing innovative lecture/discussion support materials and choices, and the comprehensive teaching resources provided with the *Multimedia Lecture Support Guide* makes it easier to prepare and present interesting and effective lectures (or class discussions). The Guide has been created in easy-to-print (pre-formatted) Adobe PDF format; so if you would rather work with a "hard copy" you can print out your own copy. This guide includes many different components, as highlighted below.

At the heart of the guide is the manual itself. The *Multimedia Lecture Support Manual* includes

- Chapter-by-chapter lecture outlines--in a large typeface that make them easy-to-read--which include:
 - learning objectives for the chapter,
 - definitions of key terms from the text,
 - call-outs for slides in the PowerPoint archive, with cross references (where appropriate) to exhibits in the text;
- Printouts of the chapter-by-chapter *lecture script pages* for use with the Interactive PowerPoint lecture slides
 - PowerPoint lecture slides (discussed in more detail below)
 - masters of student notes pages;
- Suggested ideas on using the color ads;
- Perspectives on teaching the material in each chapter, including ideas on how to tie the special highlighted teaching examples from the text into class discussion.

Interactive PowerPoint Lecture Slides and Lecture Scripts

The revised and updated *Basic Marketing Interactive PowerPoint Lecture Slides* for each chapter feature

- Innovative interactive classroom exercises, developed to work seamlessly within PowerPoint and accompanied by complete teaching notes. A variety of interactive exercises are included—many featuring graphs or numbers to illustrate the impact of marketing concepts;
- A complete, easy to follow and use lecture script for each slide show;
- Fully integrated, full-motion video advertisements (about 2 per chapter);
- A video clip from our longer videos – about 1 per chapter.
- Interesting photos and ads (different from those in the text) that illustrate key concepts and are fully integrated.
- Effective use of animation and builds, and about 35 slides per chapter;
- Slides with "Checking your knowledge" questions that can be used in class to keep students engaged and thinking. These can also be used with any of the popular class clicker systems and related software to get feedback on how students are doing with the material.

- It is all easy to set up, use, and modify--even at schools that normally require special “administrator rights” to load materials on a classroom computer;
- A special design that both looks great and makes it easy to integrate other PowerPoint materials (like those detailed below) without worrying about shifts in format.

In addition to the PowerPoint lecture files, for each chapter we provide a large “archive” of supporting PowerPoint slides. You can easily mix and match these slides with the *Basic Marketing* Interactive Lecture Slides or with your own presentation materials. These PowerPoint archive files include:

- Many of the exhibits, ads, and photos from the text, as well as many other useful graphics (such as “bullet point” discussion guides and conceptual organizers, all in the order in which they appear in or relate to the text;
- 76 PowerPoint slides of new print ads keyed to the text with chapter-by-chapter lecture suggestions.

INSTRUCTOR’S RESOURCE CD TO ACCOMPANY BASIC MARKETING

The *Instructor’s Resource CD* provides a comprehensive multimedia digital “archive” of all the P.L.U.S. teaching and learning materials for use with *Basic Marketing*. It provides, in one place, all of the computer materials that have been developed for *Basic Marketing*. For example, for each chapter there is a file for the Interactive PowerPoint lectures as well as a file for the PowerPoint archive that includes all of the exhibits, ads, and photos from the text as well as other useful presentation materials.

The *Instructor’s Resource CD* features an easy-to-use graphical interface. You simply click on the materials you want to open or copy them to your computer.

The *Instructor’s Resource CD* also includes digital versions of this *Instructor’s Manual to Accompany Basic Marketing*, and the files for each chapter in the *Multimedia Lecture Support Guide*. It includes the installation procedure for the EZTest exam generator software as well as the PowerPoint viewer and other software that makes it easier to use any of the *Basic Marketing* materials.

TEACHING VIDEOS, VIDEO CASES AND VIDEO CLIPS TO ACCOMPANY BASIC MARKETING

For the 18th edition of *Basic Marketing*, we offer 31 custom-developed teaching videos for the text. There are 8 video cases (with accompanying printed cases in the text). In addition, there are 23 teaching videos – including four bonus videos (averaging about 15 minutes each). Six of these are new for this edition. All of the video resources are supported by a new *Instructor’s Manual to Accompany the Basic Marketing Teaching Videos*; it is available as a download from the text’s Web site. In addition, new to this edition we’ve also added two new types of short videos.

One type consists of short “clips” extracted from the full length teaching videos; these are organized so that they can be used to illustrate specific points across different chapters and are especially useful when an instructor doesn’t have time to show a full video or wants to inject more short clips to support class lecture or discussion. Most of these clips are less than 2 minutes long, and many are less than a minute. The instructor’s manual for the videos includes suggestions about where to use individual clips as well as details concerning playing time and the file name for the clip.

Judy Wilkinson (Youngstown State University) served as the Academic Coordinator for the complete video series and wrote the Video Instructor’s Manual, and post production creative work was managed by Nick and Debra Childers in Louisville, KY.

The video segments are provided free of charge to schools that adopt *Basic Marketing*. Your Irwin representative can give you additional information about obtaining the videos for your school.

Part III of this manual provides more information about the videos, including an overview of the individual segments. In addition, as noted below, there is a separate, complete *Instructor's Manual to Accompany the Teaching Videos*. It provides a number of discussion questions (and suggested answers) as well as many other ideas about using the videos in class. Please note that it is available as a download from the text's Web site (www.mhhe.com/fourps) but not on the *Instructor's Resource CD*.

Instructor's Manual to Accompany the Teaching Videos and Video Cases

This manual, which is available as a download from the text's Web site, provides the instructor with a complete set of ideas on using the teaching videos and video cases. The manual includes:

- teaching ideas for each video
- suggested questions for discussion
- relevant references
- ideas for related student projects

INSTRUCTOR'S MANUAL TO ACCOMPANY BASIC MARKETING

by Perreault and Cannon

And, of course, there is this manual, which includes:

- extensive suggestions on teaching the first marketing course and on using *P.L.U.S.*
- descriptions and overviews of all of the different teaching/learning materials that accompany *Basic Marketing* and make up *P.L.U.S.*
- answers for all end-of-chapter questions and problems.
- answers for all questions in *Computer-Aided Problems*.
- answers for all suggested cases.
- answers for all Ethics questions.
- answers for all "Creating Marketing Plans" questions.

This Instructor's Manual is available for download in digital form from the Instructor's Resource CD and at the Instructor side of the Online Learning Center (www.mhhe.com/fourps). We have also prepared the entire manual as a single PDF file for easy printing.

BASIC MARKETING WEB SITE

The *Basic Marketing* Web site on the Internet provides both instructors and their students with important and up-to-date online resources for the marketing course.

The *Basic Marketing* Web site address (url) is: <http://www.mhhe.com/fourps>

It may help you to remember this if you know that the mhhe part of the web address stands for "McGraw-Hill Higher Education." We hope that the "four Ps" part will be easy to remember!

The Web site is basically divided into sections: one section is limited to instructors and the other is mainly for students. However, some material, including the new short video clips from the Business Week and NBC archives, are available on both "sides" of the Web site.

The Web site will have a host of other features, including:

- downloads of instructor materials and software products
- links to information about current events related to marketing
- information about marketing careers
- self-test questions
- learning objectives and
- Internet exercises,

to name but a few.

Please note that updates about the two Internet exercises found in each chapter of the *Basic Marketing* text will be provided at the Web site. Because web addresses are subject to change, we will try to keep this information as up-to-date and reliable as possible.

In all stages of producing *Basic Marketing* and the whole package, we work hard to provide the highest quality possible. On the other hand, there are often questions that arise after the fact that we didn't anticipate. There are also ways for errors to occur (at any stage of writing or production) and with such a large set of materials they sometimes do. So, we will also take advantage of the Web site to keep you up-to-date with answers to frequently asked questions and info on any "errata" or problems that may be identified after publication. So, help us and help your colleagues in the marketing discipline by letting us know if you encounter a problem of some sort.

BLOG & TWITTER FEED FOR INSTRUCTORS - TEACH THE 4 Ps

We have developed the "Teach the 4 Ps" blog (www.teachthe4ps.com) to help instructors of the introductory marketing course with up-to-date examples, teaching tips, and ideas for student assignments. We make several blog posts a week year around – with links to recent articles, videos, podcasts, teaching tips, and more – as well as suggestions about how you might use them to support your teaching. The handy list of "Categories," "Tags," and "Search" allow you to find the most recent posts on the topic you are teaching tomorrow (or today!). At the blog you can link to an RSS feed – or sign up to follow us on Twitter.

Part III:

Ideas about teaching the first marketing course

INTRODUCTION

This part of the manual provides a number of ideas about teaching introductory marketing--including some ideas about the possibilities open to you with different elements of *P.L.U.S.*

There are 20 major sections in this part of the manual. As an overview, these sections are listed below:

- Section 1: Comments on approaches to teaching beginning marketing.
- Section 2: Suggestions for writing course objectives.
- Section 3: Suggestions for the pace and coverage of courses with various lengths.
- Section 4: Comments on the *Online Learning Centers to Accompany Basic Marketing*.
- Section 5: Comments on the *Connect Marketing* exercises
- Section 6: Comments on the *Marketing Plan Coach*.
- Section 7: Comments on the *Computer-Aided Problems*.
- Section 8: Comments on the Internet Exercises.
- Section 9: Comments on the Ethics Questions.
- Section 10: Comments on the end-of-chapter Questions and Problems.
- Section 11: Comments on the Cases and Video Cases.
- Section 12: Comments on *The Marketing Game!*
- Section 13: Comments on the *Manual of Objective Tests*.
- Section 14: Comments on the *Multimedia Lecture Support Guide*, Interactive PowerPoint Lecture Slides, and PowerPoint Archives.
- Section 15: Comments on the *Instructor's Resource CD to Accompany Basic Marketing*.
- Section 16: Comments on the *Teaching Videos*, *Video Cases*, and *Video Clips*.
- Section 17: Comments on creating a Web site for your course.
- Section 18: Ideas for student projects.
- Section 19: Feedback to the authors.

1. COMMENTS ON APPROACHES TO TEACHING BEGINNING MARKETING

Basic Marketing and P.L.U.S. Support Many Approaches

The preface to *Basic Marketing* exposes many of the authors' preferences and priorities for the beginning marketing course. But certainly there are many ways to teach this course--and we have worked to develop a complete set of materials that will support many different teaching needs. The "best" approach depends upon the instructor and his or her objectives. We firmly believe that *any* teaching approach can be used effectively as long as the instructor really believes that he or she has something to teach--and that it is important for students to take the course. As is clear throughout the text, the authors firmly believe in the importance of marketing--and a strong effort is made to impress its importance upon students.

The major differences among various teaching approaches are:

- the kind and extent of student participation (including whether the course is a traditional in-class offering or a distance learning course), and
- the extent to which the course incorporates or uses computer-based technologies, multimedia materials, or both.

Basic Marketing provides extensive support for whatever approach meets the objectives set by the instructor. Many of the student materials can be used either independently for self-study or as the basis for class assignments (and discussions). All of the instructor-support materials are available in both “hard copy” as well as digital formats. (For a more comprehensive discussion of the digital materials available, see the *Multimedia Lecture Support Guide*.)

The authors think that it is desirable to get students really involved in the course. Otherwise, material may be “poured in” during lectures and then “poured out” at examination time--but without as much active learning taking place as would be desirable. This involvement can be achieved in a variety of ways:

- (1) The “self-help” parts of the *Basic Marketing Online Learning Center* Web site can be assigned to involve the student *without* committing the instructor to additional time--either in or out of class. For example, the self-test quizzes on the *Online Learning Center* Web site can stand alone--with answers and text page numbers provided. These can be a great resource, especially in larger classes where stimulating in-class involvement may be more of a challenge.
- (2) The *Marketing Plan Coach* (available at the *Basic Marketing Online Learning Center* Web site) can be used to help review and integrate readings from the course--or to help students analyze a firm's current marketing strategy or develop a new marketing plan.
- (3) The *Computer-Aided Problems* (at the *Basic Marketing Online Learning Center* Web site) help students develop a better understanding of important topics in the text--and give them hands-on practice in using spreadsheet analysis to help solve marketing problems. The questions for these problems can be the basis for effective classroom discussions.
- (4) The chapter opening examples and the special highlighted teaching cases (there is one in each chapter of the text) can serve as the basis for some motivating class discussions. The *Multimedia Lecture Support Guide* provides ideas about possible topics for class discussion and additional background information for these cases.
- (5) The two Internet Exercises in each chapter of the text (and also available at the *Basic Marketing* Web site with up-to-date links to the Web sites in the exercises) provide students with a great opportunity to see how marketing concepts are being applied on the Internet and serve as an excellent basis for in-class discussions (or, at schools with support for classroom technology, live demonstrations).
- (6) The Ethics Question integrated into each chapter provides an excellent basis for student discussion and debate. For many of these questions there is not a simple “correct” answer, so different students are likely to have different opinions—which helps to make even a short discussion interesting.
- (7) Discussion of the Questions and Problems at the end of each chapter can be fruitful.
- (8) Class discussion of the cases available at the end of the text can be engaging. There are 36 traditional cases to offer choices in using this approach. In addition, there are 8 video cases that are accompanied by 15-minute video segments. Any of these can help to stimulate discussion and bring the concepts to life. Case discussion--perhaps supplemented with use of the *Marketing Plan Coach* (available at the *Basic Marketing Online Learning Center* Web site) and/or coupled with preparation of a written case analysis--can be very useful.
- (9) *The Marketing Game!* involves students in the excitement of making marketing decisions in a dynamic, competitive situation. Students are more motivated to learn from the class because they have an immediate application of the ideas--in their next marketing plan. Each student can run his or her own firm. Or, if you wish, the game is a good way to get students involved in a team--which also means a team-learning effort. Teams are an especially good way to get involvement when

the in-class activity is primarily focused on a large lecture section. Competition and peer pressure are great motivators!

- (10) The interactive exercises (including the graphical exercises) in the Interactive PowerPoint Lecture Slides provide an interesting, high-involvement basis for in-class discussion and lectures. With or without the interactive exercises, many of the lectures include a number of suggested discussion question slides. Lectures can be used in combination with the videos, materials from the *Instructor's Resource CD*, or the *Multimedia Lecture Support Guide*, or any of the other materials noted above to bring variety and interest to class sessions.
- (11) The PowerPoint slides of color ads provided with the *Multimedia Lecture Support Guide* can be used as a stimulus to class discussion. The *Basic Marketing Online Learning Center* Web site also feature electronic slide shows of annotated ads that illustrate concepts in each chapter of the text. The ads at the *Basic Marketing Online Learning Center* Web site are different from the ones in the instructor materials.
- (12) The teaching videos can be the opener for a high-involvement class discussion.
- (13) In the endnotes for each chapter, a variety of references to additional "classic" and current readings on the key text topics are included. We provide a much more extensive set of references than is available with any other text. Thus, these can be used to direct additional library reading on selected topics, or to get students started on term paper projects.

The various aids are offered to help you motivate and involve your students in studying marketing. If you can get them involved in investigating and organizing the material, they will really start thinking for themselves--and begin to draw useful conclusions. In this sense, marketing can be the very best course a student has--one that develops the student's ability to think, analyze, and express thoughts--along with the added feature that the subject material has practical application in the "real world." Think about picking a "portfolio" of the items that you like the best. Students will benefit from being stimulated in a variety of ways, and for today's MTV generation of students the variety can help build relevant interest in the topic.

Of course, lectures are an important part of many courses, and the ideas found in the *Multimedia Lecture Support Guide*--along with the Interactive PowerPoint Lecture Slides and PowerPoint Archive--are important resources for easily preparing interesting lectures that go beyond what students read in the text. Busy instructors will appreciate the lecture scripts and the ready to use Interactive PowerPoint Lecture Slide shows. The PowerPoint resources provided on the *Instructor CD* make it easy to use a full multimedia presentation without a lot of preparation.

The *Teaching Videos and Video Cases* can also add dimension here. They are consistent with the text--but they go into more depth on selected topics. In addition, they deal with products, ads, and organizations that are part of the students' everyday lives. The *Basic Marketing* Web site also features links to the Internet Web sites of many of the companies featured in the videos. All of these materials can save the instructor time and make the lecture part of the course stimulating and involving.

Regardless of the specific approach you select for your course, students will want to know what you have planned and what is expected of them. The following sections share some ideas on these topics. Perhaps some of them will be helpful to you as you plan your course.

It Helps to Remind Students about the Structure of Your Course

Basic Marketing was written so that there is a logical progression of topics from the beginning to the end. If you assign chapters in the order in which they appear in the text, you will probably not need a specific explanation of the logic behind this structure for your students. The ideas build logically on the 4Ps framework introduced in Chapter 2 and the integrative framework for the marketing strategy planning process introduced in Chapter 2 (see Exhibit 2-9). Moreover, with this edition we have added a series of chapter-opening exhibits that highlight how a chapter fits with other related chapters and the course as a whole. Even with this structure clearly presented, some students may benefit from an occasional refresher. An instructor may wish to occasionally remind students of the overall structure--and why the next topic is next. One simple and useful approach here is to reuse Exhibit 2-9 from the text (it is available in the PowerPoint archive for Chapter 2) to reinforce where the topics of the day fit within the whole course.

The chapters of the text fall into three broad groupings. The first seven chapters introduce marketing and a broad view of the marketing strategy planning process. They cover topics such as segmentation, differentiation, the market environment, and buyer behavior, as well as how marketing information systems and research provide information about these forces to improve marketing decisions. The next 10 chapters go into the details of planning the four Ps, with specific attention to the key strategy decisions (and what influences them) in each area. Then, in Chapter 18 we conclude the coverage with an assessment of marketing's challenges and opportunities.

The first chapter deals with the important role of marketing—focusing not only on how a marketing orientation guides a business or nonprofit organization in the process of providing superior value to customers but also on the role of macro-marketing and how a market-directed economy shapes choices and quality of life for consumers.

Chapter 2 builds on these ideas with a focus on the marketing strategy planning process and why it involves narrowing down to selection of a specific target market and blending the four Ps into a marketing mix to meet the needs of those customers. With that foundation in place, the chapter introduces an integrative model of the marketing strategy planning process that serves as an organizing framework for the rest of the text.

Chapter 3 alerts students to the importance of evaluating opportunities in the external environments affecting marketing. This chapter also highlights the critical role of screening criteria in narrowing down from possible opportunities to those that the firm will pursue.

Chapter 4 shows how analysis of the market and external market environment relate to segmentation and differentiation decisions as well as the criteria for narrowing down to a specific target market and marketing mix.

You have to understand customers to understand marketing, segment markets, and satisfy target market needs. So the next three chapters take a closer look at *customers*. Chapter 5 introduces the demographic dimensions of the global consumer market and provides up-to-date coverage on important geodemographic trends. The next chapter studies the behavioral aspects of the final consumer market. Chapter 7 looks at how business and organizational customers--like manufacturers, channel members, and government purchasers--are using e-commerce and how they are similar to and different from final consumers.

Chapter 8 is a contemporary view of getting information--through marketing information systems and marketing research--for marketing management planning. This chapter includes discussion of how information technology--ranging from intranets and speedy collection of market research data--is transforming the marketing manager's job. This sets the stage for discussions in later chapters about how research and marketing information improve each area of marketing strategy planning.

The next group of chapters--Chapters 9 to 18--is concerned with developing a marketing mix out of the four Ps: Product, Place (involving channels of distribution, logistics, and distribution customer service), Promotion, and Price. These chapters are concerned with developing the "right" Product and making it available at the "right" Place with the "right" Promotion and the "right" Price to satisfy target customers and still meet the objectives of the business. These chapters are presented in an integrated, analytical way--as part of the overall framework for the marketing strategy planning process--so students' thinking about planning marketing strategies develops logically.

Chapters 9 and 10 focus on product planning for goods and services as well as new-product development and the different strategy decisions that are required at different stages of the product life cycle. We emphasize the value of developing really new products that propel a firm to competitive advantage and long-run profitable growth. Chapter 10 also details how quality management approaches can improve products and implementation, including implementation of better customer service.

Chapters 11 through 13 focus on Place. Chapter 11 introduces decisions a manager must make about using direct distribution (for example, selling from the firm's own Web site) or indirect distribution (working with other firms in a channel of distribution). We put special emphasis on the need for channel members to cooperate and coordinate to better meet the needs of customers. Chapter 12 focuses on the fast-changing arena of logistics and the strides that firms are making in using e-commerce to reduce the costs of storing and transporting products while improving the distribution service they provide customers. Chapter 13 provides a clear picture of retailers, wholesalers, and their strategy planning--including exchanges taking place via the Internet. This composite chapter helps students see why the big changes taking place in retailing are reshaping the channel systems for many consumer products.

Chapters 14 to 16 deal with Promotion. These chapters build on the concepts of integrated marketing communications, direct-response promotion, and customer-initiated digital communication, which are introduced in Chapter 14. Then, Chapter 15 deals with the role of personal selling, customer service, and sales technology in the promotion blend. Chapter 16 covers advertising, publicity, and sales promotion, including the ways that managers are taking advantage of the Internet and other highly targeted media to communicate more effectively and efficiently.

Chapters 17 and 18 deal with Price. Chapter 17 focuses on pricing objectives and policies, including use of information technology to implement flexible pricing, pricing in the channel, and the use of discounts, allowances, and other variations from a list price. Chapter 18 covers cost-oriented and demand-oriented pricing approaches and how they fit in today's competitive environments. The careful coverage of marketing costs helps equip students to deal with the cost-conscious firms they will join.

Chapter 19 offers up-to-date coverage of how information technology is reshaping marketing implementation and control.

Chapter 20 deals with the links between marketing and other functional areas. The marketing concept says that people in an organization should work together to satisfy customers at a profit. No other text has a chapter that explains how to accomplish the "working together" part of that idea. Yet, it's increasingly important in the business world today; so, that's what this important chapter is designed to do.

The final chapter considers how efficient the marketing process is. Here we evaluate the effectiveness of both micro-and macro-marketing--and we consider the competitive, technological, ethical, and social challenges facing marketing managers now and in the future. Chapter 21 also reinforces the integrative nature of marketing management and reviews the marketing strategy planning process that leads to creative marketing plans and programs.

After this chapter, three appendixes are included to aid student learning. Appendix A explains some of the economist's tools including demand and supply curves, elasticity and inelasticity of demand and supply, and competitive market situations. Appendix B discusses some of the accountant's tools including operating statements, operating ratios, stockturn rates, markups, markdowns, and ROI and

ROA. Appendix B also includes forecasting. Then, the student might want to look at Appendix C--which is about career opportunities in marketing and getting career information on the Internet.

However, great care has been taken in writing so that the chapters can be reorganized in a number of different sequences--to meet different needs. For example, some professors prefer to cover marketing research after covering the marketing mix chapters, and this reordering should cause students no problem. Similarly, some professors prefer to cover Price topics (Chapters 17 and 18) immediately after introducing Product concepts (Chapters 9 and 10), or to save the Place chapters until other marketing mix decisions have been covered. Some faculty elect to cover the Promotion chapters last, mainly because many students are interested in promotion and they end the course on topics that they are already interested in. *Basic Marketing* is carefully written to be flexible in this regard--so changes in order can be made quite readily.

As a general suggestion, instructors who assign chapters in an order that differs from the text order should consider explaining to students briefly but explicitly the logic for the selected structure. The instructor who sees the "big picture" can have very good reasons for selecting a particular order, but students going through the material for the first time may wonder what the special value of the structure might be. They may not realize that *Basic Marketing* was prepared so that an instructor would have such flexibility.

Students Often Appreciate a Written Course Overview

Most of us like to have some idea of what is expected of us, and usually students in the beginning marketing course do, too. A written course overview (syllabus) posted on a Web site or handed out at the beginning of the term--along with a schedule of assignments and dates when they are due--can often play an important role in clarifying what the instructor expects of students, and what the students can expect from the instructor. Many instructors make their course overview available on the school's computer network and/or on a Web site, perhaps a Web site that is handled with Blackboard, WebCT or one of the other course management systems being used at many colleges. (The PageOut Web site hosting service available from McGraw-Hill is another good way that *Basic Marketing* makes it easier and faster to build a Web site for your course).

A written course overview might include some or all of the following:

1. Instructor's name, office location, and office hours (and instructor or Web site address, if applicable).
2. How students can get a message to the instructor, if necessary (email address and/or telephone number, if appropriate).
3. Instructor's grading policy, including:
 - a. which aspects of course performance will be evaluated;
 - b. how final grade will be determined;
 - c. instructor's policy for dealing with "late" assignments, missed tests, and the like;
 - d. procedure, if any, for reconsideration or change of an assigned grade;
 - e. types of tests and exams.
4. Policy concerning class attendance and expectations concerning in-class participation, questions, and the like.
5. Special requirements or specifications (i.e., page limits on term papers, bluebooks needed for exams, etc.).
6. What work for the course may be done with another person, and what must be done independently, along with any information concerning the school's honor system (if applicable).

7. Key dates (last day to drop or add the course, due date for term paper topic, test and exam dates, etc.).
8. Information (title, authors, date, publisher) about assigned and optional course text and materials.
9. Statement of what instructor wants course to do for students (special skills to be enhanced, career preparation, and the like; also see following section on writing course objectives).
10. Outline of assignments and due dates.

Some instructors prefer not to have a written course overview because they think that it limits their flexibility to make adjustments as needed during the term. Certainly, some items may change during the term and those that are not clear need not be specified, or can simply be noted as yet to be decided. But putting in writing some of the key policies should at least be considered. This can help to prevent problems that might otherwise arise from misunderstanding. After all, at least some of the items above apply to almost every course. And, *if there is some problem during the course the overview can be consulted as a "fair" source for resolving questions*--without a student feeling that he or she has been singled out by the instructor.

In addition, many students view a well thought-out course overview as a sign that the instructor takes the course seriously--and they in turn take it seriously. A good course overview often can be a worthwhile front-end investment that helps to keep a course on track--and the investment can pay off again because such an overview usually can be adapted or modified for similar teaching situations in the future with relatively little effort. For illustrative purposes, we are including a **sample copy of a course overview** used by one of the authors in a recent semester. Of course, our intent here is not to suggest that the policies reflected in this overview would be right for anyone else--but rather to simply share some ideas about how topics might be addressed.

In the list above, reference was made to a statement of objectives for the course and to the outline of course assignments. Both these topics can require a lot of time and thought--especially the first time they are developed for a course. The next two sections (following the sample course overview) provide information that makes effective preparation of course objectives and outlines faster and more convenient.

Sample Course Overview

Professor William D. Perreault, Jr.
 4526 McColl Building; phone: 919-962-3171
 email: Bill_Perreault@unc.edu
 Kenan-Flagler Business School
 University of North Carolina - Chapel Hill
 Intranet Web site address: \courses\Busi-406

PRINCIPLES OF MARKETING

(Busi 406, 9:30-10:45 MW)

"Marketing requires separate work, and a distinct set of activities. But, it is a central dimension of the entire business. It is the whole business seen from the point of its final result, that is, from the customer's point of view. Concern and responsibility for marketing must permeate all areas of the enterprise."

Peter Drucker, *Management*

COURSE OBJECTIVES

This course provides a decision-oriented overview of marketing management in modern organizations. The most basic objectives of the course are to provide you with a broad introduction to marketing concepts, the role of marketing in society and in the firm, and the various factors that influence marketing decision making. Like other introductory survey courses, you will be exposed to and expected to learn the "language of marketing" (that is, terms, concepts, and frameworks) used by practicing marketing managers. However, it is also expected that by the end of the course you will have a solid understanding of the major decision areas under marketing responsibility, the basic interrelationships of those decision areas, and an appreciation of *how to apply* key frameworks and tools for analyzing customers, competition, and marketing strengths and weaknesses. In combination, then, the course should help you to develop insight about creative selection of target markets and blending decisions related to product, price, promotion, and place (i.e., the marketing mix) to meet the needs of a target market.

These objectives can only be achieved through a joint effort: I will work to stimulate your interest and learning in these areas, but you will be expected to display initiative and a program of self-study as well. In that sense, a complementary objective of the course is to provide you with an environment that will encourage and reward your own intellectual effort, while simultaneously maintaining rigorous standards that identify those who are motivated to pursue excellence in their own educational preparation for a business career.

OFFICE HOURS AND CONFERENCES

I look forward to the opportunity to get to know you during the term. I will be glad to talk with you about any aspect of the course--or for that matter anything that is on your mind. Please let me know if I can be of help. My office is 4526 McColl. I will hold regular office hours (reserved specifically for this class) and be available to you for conferences from 10:00-11:00 on Monday and Wednesday and from 8:00-8:50 on Tuesdays and Fridays. You do not need an appointment to drop by during regular office hours, but if you would like to reserve a specific appointment time in advance that's fine with me. I will also be glad to talk with you before or after classes as our schedules permit. If you have a conflict during my scheduled office hours, I will also be pleased to make an appointment to see you at a time that is more convenient for you. I will be in my office and available much of the time outside of my scheduled office hours...and I am glad to have you just drop by my office whenever it's convenient for you. However, I do have other courses, committee responsibilities, etc. and so the best way to be certain that we'll have a chance to talk is for you to let me know you're coming.

My office phone number is 962-3171, my cell phone is 919-619-2436, and my email address is Bill_Perreault@UNC.edu. Please feel free to call or send me an email if you have a question and it is more convenient than dropping by. Please leave a message (including a number where I can return your call) on the phone mail system if you call and I am not in. If a situation arises where you can't reach me and leaving a message is not adequate, please call the administrative assistant for the marketing faculty at 962-3199.

PREREQUISITES

Busi 406 is designed for students who are majors or minors in Business Administration and who have successfully completed the prerequisite courses outlined in the catalog. Assignments and class discussions will assume that you have a working knowledge of the material from these background courses. More generally, after the semester starts the program office will drop from the course anyone who has not met these requirements (unless you have obtained special permission to register for the course). I don't want anyone to face those complications after it is too late to do anything about it--so please be certain that you have met the requirements set forth by the policies of the School if you are registered for this course! I will consider waiving the prerequisites when there are logical reasons to do so. However, students who have not had the required courses usually have some catch up work to do.

TEXTBOOKS

Your basic readings for this course will be from *Basic Marketing*, 18th edition, by Bill Perreault, Joseph P. Cannon, and E. Jerome McCarthy (published by McGraw-Hill/Irwin, Burr Ridge, Illinois). You will also have reading assignments and a team project based on *The Marketing Game!*, a microcomputer-based marketing strategy simulation (by Charlotte Mason and Bill Perreault and published by McGraw-Hill/Irwin).

COURSE FORMAT

Your time during the course will be allocated among a set of interrelated activities:

- * independent reading and preparation for tests
- * lectures, class discussions, and guest speakers
- * independent preparation of daily assignments
- * class discussion of readings and assignments, including cases, and
- * independent and group work on The Marketing Game!

The specific assignments for each class session are in a course schedule at the end of the syllabus.

GRADES AND WHAT'S EXPECTED

Course grades will be based on a weighted composite of performance evaluations in several areas:

1.	1st test	20%
2.	2nd test	20%
3.	Daily Assignments (and class participation):	10%
4.	The Marketing Game	15%
5.	Objective portion of final exam:	25%
6.	Essay portion of final exam:	10%

Because your grade will be based on a number of different elements, your success in the course does not hinge on any single outcome. However, your independent reading and study of your text assignments is a core element of the course and thus it will be a basic contributor to how well you do.

Tests and Final Exam

The tests during the term and about two-thirds of the final exam are based on a modified objective-test format. The tests will consist of multiple-choice questions presented in a test booklet. You will be asked to pick the best answer from among those presented and mark your answer on an answer sheet. However, if you think that a question is ambiguous or that more than one answer is appropriate (for example, the answer depends on some unstated assumption), you will have the opportunity to write out a brief explanation (defense) of your logic and your answer. You will be given credit if your explanation reveals that you understand the issues involved. (Note: there is not a requirement to write explanations--and most students find that they are not necessary.)

The tests during the term will involve about 50 questions each, and they will sample about evenly from both the general concepts and the details presented in the text and in class. (I will include some questions from the self-test questions available at the Basic Marketing Online Learning Center Web site, so that's one way to prepare and

get a feel for the type of questions you'll see on the tests. Please bring a few good number 2 pencils (and a good eraser) to the test session; I'll provide you with the answer sheets and a place to write any explanations you might want to offer.

The objective portion of the final exam will be like the midterms, but it will be cumulative and will involve about 90 questions. The final exam will not include any "repeat" questions asked on one of the earlier tests. The final exam will also include a discussion question, probably based on a short case--so please bring a bluebook with you to the final exam.

You should recognize from the very beginning that there is much more material in your reading assignments, cases, and related exercises than is possible to cover, repeat, and develop in detail in class. Lectures and class discussions will only touch on some of the most important issues. Thus, although tests tend to place somewhat more emphasis on topics that are covered in both the text and in class, the focus of the two tests and the *objective* portion of the final is on the core material from your reading. Class lectures and related assignments will be directly relevant to your understanding of the material and other aspects of your performance (i.e., quality of your decisions in The Marketing Game, participating in class discussions of cases, and essay portion of the final exam), but the exams will go into depth on what you have been assigned to read.

Note that the discussion portion of the final exam will be 10 percent of the course grade--and about a third of the final exam grade. The discussion portion of the exam will not simply ask you to recite/rehash a particular idea or concept developed in your reading or a specific class discussion, but will require that you demonstrate an ability to analyze a situation, determine relevant issues, and integrate a set of ideas. That is what you are expected to do with the case assignments we will be covering throughout the course. Thus, that work on those assignments will be particularly important in developing skills relevant to this portion of the exam.

Please keep in mind that being prepared and present for the tests is your responsibility. The tests are on the schedule and I urge you to mark them on your calendar now. Missing a scheduled test without prior permission will result in a zero for that test.

I return graded tests and discuss them in class as quickly as possible--usually the period after they are given. I do a comprehensive analysis of the responses to the test before handing them back, so in class I typically focus primarily on questions and review issues that proved to be more difficult. I take up the test booklets at the end of the discussion. However, you are welcome to come by at any point to review your test in more detail if you wish--and I will be pleased to go over your test with you personally if you have questions or concerns that are not discussed in the class review of the exam.

Daily Assignments (and Class Participation)

Most class sessions will follow a lecture/discussion format. Lectures will be related to the assigned readings--and devoted to presentation and discussion of concepts, frameworks, and techniques useful for assessing marketing opportunities and developing marketing programs.

But, some of the time in most class periods will be devoted specifically to discussion of the assignment material--assigned questions, exercises, computer-aided problems, short cases, or issues related to The Marketing Game. The assignment sheet outlines the specifics of the daily assignments. In most cases, these do not require a heavy time commitment. But, preparation is important.

Some of the assignments involve a brief set of written notes. For example, the exercise sheets I distribute with the syllabus have space for you to write your answers right under the questions. When I assign a case, I expect you to prepare a page of notes that reflect your thinking and key ideas about the case. This need not be in narrative form if you find it more comfortable to create an outline of bullet points or a summary table of points, etc. However, I'd like these notes to reflect your thinking/conclusions, and not be just a summary of the "facts" presented in the case. We will typically discuss a portion of all of the assignment material in class--so you will have instant feedback on your thinking. I will collect the written work from the daily assignments on an intermittent basis. I check the daily work to see if you are doing the assignment, and I keep a record. However, this is basically a "check-off" type grading system and I focus primarily on whether you have put a reasonable effort into it more so than on being picky about the precision of a particular answer. Because that is the nature of the evaluation, and because we will have discussed the concepts in class, I may or may not return the papers from the daily work (and if I do it often will not be at the next class).

Attendance at every class is not mandatory--but class attendance is important and strongly encouraged. Class lecture and discussions will supplement test materials and will be included as an aspect of the tests. Further,

you are responsible for everything that is discussed in class, taken up in class, or handed out in class. I will generally hand out material (including graded tests) only once. However, I do post copies of all course materials on the course Blackboard site.

If you miss a class, you do not need to provide me with an excuse. Further, I recognize that there are many other pressures (tests in other classes, etc.) and legitimate problems (sickness, etc.) that arise. Thus, you should not worry unduly if you miss one or two daily assignments. In fact, I drop the two lowest daily grades for each student because of just that sort of reason. So, you have some flexibility. But, overall, there needs to be a pattern of responsible involvement in the course and in your own learning experience.

The class provides an opportunity for you to develop abilities in communicating with others about your ideas and approaches for dealing with marketing management problems. This is important. After graduation you will spend much of your professional career doing just that--regardless of the specific career area you pursue. The potential of this opportunity is only fully realized if you make meaningful contributions to the course in class discussions and debate.

In general, prepared and constructive participation in class is expected. However, I try to weight it as a positive, not as a negative. In other words, effective contributions to class tend to help grades, not hurt them. I recognize that some students simply do not like to speak out in class--and that others are quick to take all the "air time" that is available. I don't want to penalize someone who in general is less inclined to talk in class. However, I do "cold call" and there is a difference between not being prepared to respond when called on and simply wishing to be less verbal. Students who show a pattern of not being prepared will be graded down on class participation.

Evaluating the quality of class participation is necessarily subjective. It is based on the direct substantive contribution of the participation, and on the indirect indicators of quality participation.

The significance of substantive ("content") contributions will be evaluated relative to the context of the assignment and class discussion. It is also useful to think about criteria that are used in evaluating process-oriented aspects of class participation. These are summarized by the set of questions listed below:

- * Is the participant a good listener?
- * Are the points made--or questions raised--relevant to the discussion?
- * Are points linked to the comments of others, but not just a restatement of a point that has already been made?
- * Do comments show evidence of thorough analysis of the assignment?
- * Do comments contribute to our understanding of the situation?
- * Is there a willingness to participate?
- * Is there a willingness to test new ideas or are all comments "safe" (e.g. repetition of assignment facts without analysis and conclusions)?
- * Do comments show an understanding of theories, concepts, and analytical devices presented in class lectures or assigned reading materials?
- * Do comments and questions reflect a critical but open-minded weighing of alternative and sometimes conflicting points of view, or are they limited to advocacy of previously held beliefs?

The Marketing Game!

The Marketing Game! is a competitive marketing simulation. You (and other members of your firm/team) make marketing decisions for your firm and compete against other firms for the business of target customers. Your decisions will be based on analysis and application of concepts from your assigned readings, on performance feedback after each decision, and on analysis of the opportunities and competition you face. The game is like a "living case"--you must integrate many concepts and ideas, learn from what works and what does not work, and make ongoing corrections/refinements to improve the effectiveness of your strategy. Good decisions can lead to good profits--and sloppy decisions lead to disappointments. It's fun--but it's also challenging.

More information about the game will be provided during the semester, but a brief overview of your responsibilities here will help you to plan what is ahead.

The game is a team activity. I like for you to have some choice of team members for your firm--if you have preferences. But, we will need to balance the teams (typically 4 students each) and there will be four firms competing in each "industry."

Each firm will submit marketing plan decisions eight times during the semester. Decisions will be due at the beginning of class on the dates shown on the schedule. It is critical that decisions be submitted on time--as a tardy

response would influence everyone. (Warning: If a decision is not submitted on time, the decision from the previous period will be used and the firm will be fined \$50,000 from its budget for the next period.)

At the end of the course I will ask you to complete a brief, confidential evaluation of your own contributions to your team and the contribution of others in the group. You should keep this in mind from the beginning. Managers often maintain ongoing personal notes on the contributions of individuals in their organizations. You are encouraged to consider developing such a set of notes during the course. They will be a resource for peer evaluations at the end of the course. In addition, I encourage you to schedule--in advance--several frank discussions in your groups about individual contributions to the group effort. Constructive performance appraisal--including feedback on each person's strengths and weaknesses--can help each person develop more confidence in areas of strength and pinpoint areas of potential weakness where improvement is needed.

Your overall grade for The Marketing Game! will be based on a combination of the quality of the decisions and the peer evaluations.

A Final Note on Grades

The "percentages" given earlier for different components of performance are provided to give you a specific and clear idea about how grades are calculated. No one's final course grade will be lower than the grade calculated based on the straight averages outlined above. At the end of the semester, however, I look carefully at what each individual has accomplished--and at the overall pattern of performance. When the overall pattern of the evidence supports it, I give the student the benefit of the doubt in assigning a final grade. For example, I have sometimes given a student who does an exceptional job on the final exam and game an extra "lift" at the time of the final grade because these are integrative jobs and thus ability demonstrated in these areas is evidence of the type of learning I hope will take place in the course.

I feel strongly that your grades will reflect your overall effort and knowledge. Further, you should feel free to discuss your grades (or grade situation) with me along the way during the term. However, no changes will be made in grades at the end of the semester unless I have made a clerical error. Thus, please don't ask that a grade be changed unless you think that there has been an error of that type.

THE HONOR CODE

UNC has had a student-administered honor system and judicial system for over 100 years. Academic honesty and trust are important to all of us as individuals, and they are encouraged and promoted by the honor system. This is a most significant university tradition. The honor system is the responsibility of students and is governed by students. As a faculty member, however, I share the commitment to the ideals of the honor system. Further, as you prepare to enter the world of business, it is important to make a personal commitment to ethical behavior in you everyday life.

There is no need to review all of the details of the honor system here--complete details of the honor system are provided in the Instrument of Student Judicial Governance. However, a few comments about what is proper and what is not in this specific course will help to eliminate any possible confusion--especially as it relates to group work.

The Marketing Game! often involves group work. Thus, any assignment related to the game may be (and in fact should be) based on a group effort with the other member(s) of your team. Such collaboration is appropriate and encouraged. However, you or the other member(s) of your team should not consult with anyone else (or material prepared by anyone) other than the instructor in game-related assignments.

You may also find it helpful to study for tests--or do initial preparation related to assignments--with other members of the class. However, actual preparation of any non-game written assignment is an individual responsibility and the final product should reflect your own work (and only your own work). At no time should notes or papers or personal consultations or another student's answers be used in completing an assignment, test, or examination. This includes answers based on previous semester versions of Business 406 (or concurrent sections taught by another professor). Such use is a violation of the Honor Code.

If you have questions about your responsibilities under the Honor Code, please bring them to me or consult with the Office of the Dean of Students (phone: 966-4041) or the appropriate student leaders (phone: 966-4084).

SOME GENERAL GUIDELINES

Please participate. What you put into the class will determine what you get out of it--and what others get out of it.

Please come on time. Late arrivals disturb everyone else.

Please raise your hand to contribute. A number of people may be eager to have the floor at any given point, but uncontrolled discussions degenerate into chaos.

Develop confidence in participating. Some people have good ideas or questions but are hesitant to speak up. Good ideas are lost if they are not shared. And if you have a question it is likely that others will as well. If you are not confident about participating, seize this opportunity to develop in that area. And please talk with me about it if you are having some problem participating.

I'll work at learning names and faces as quickly as possible. I'll use a seating chart because that will help to speed the process. So please pick a seat that you like and stick with it--and be certain that you are on the seating chart. (I'll hand out a copy so you can get to know others in the class, too).

Please keep up with the assignments and come to class prepared. It will make the class more interesting and more valuable to you in the time ahead. There is quite a lot of work--but it is a reasonable amount and manageable if you do it along the way. If you don't, you may find yourself surprised at test time--or trying to pull yourself out of a hole. No one is well served by that. Work aggressively in the course from the very beginning.

I want this course to be a good experience for you. But I can't read minds and if you don't tell me what you are thinking there is little way for me to know. If you have criticisms of the course, the material, or my teaching I hope you will let me know.

DAY-BY-DAY ASSIGNMENT SCHEDULE

1. Thursday (January 9):
Read syllabus carefully; read Chapter 1 and scan remainder of text. Go to the Basic Marketing Online Learning Center and check it out; be familiar with the different study aids it offers. Class discussion will focus on the objectives of the course, introduce distinctions between managerial (micro-) and macro-marketing, and discuss the basic concepts of how a market-directed economy works.
2. Tuesday (January 14):
Read Chapter 2 carefully. It is a good overview of where we are headed in the course. Quickly review material in Appendix A if you are not familiar with what it covers.
Class will start with a short video, then as part of a discussion of the video we will develop the ideas of marketing strategy planning--including the concepts of target marketing, the marketing mix, and how they relate to the structure and objectives of the course.

... assignment materials continue, with varying levels of detail, but in particular noting key dates (tests, major assignments, projects, Marketing Game decisions, etc.)

2. SUGGESTIONS FOR WRITING COURSE OBJECTIVES

Some schools are now requiring each instructor to write a set of course objectives--and some have gone even further and specified that they be behavioral or performance objectives (i.e., that they should be stated in terms of what the student should be able to do at the end of the course or even class by class). To help you meet this requirement, the following suggestions are offered. Depending upon your own personal objectives for the course, two basically different objective statements can be developed. And depending upon the detail that is desirable at your own school, these statements can be either short or very long--as explained below.

The *first possible objective* would be concerned with being sure that the students are able to identify and understand the concepts that are usually introduced in the basic marketing course. It could be phrased as follows:

Students should be able to identify and explain the (following--if they are to be listed) important concepts in marketing.

If all of the concepts are to be listed, then the "important terms" which are listed in the glossary can be reproduced here--identifying each set of terms with the chapter where they are covered. Note that there are about 500 such concepts. The definition-oriented true-false and multiple-choice questions in the *Manual of Objective Tests* are intended to measure whether the students have accomplished this objective.

The *second possible objective* is more ambitious. If the instructor wishes students to be able to make use of--apply--the concepts and tools that are introduced in a basic marketing course, then he might want to specify the following objective:

Students should be able to identify and explain, and then apply (use) the (following) important marketing concepts in case situations.

Depending upon the instructor's own preference with respect to teaching methods, this objective could be achieved by using the text with the cases and video cases at the end of the text--and/or some of the end-of-chapter questions and problems--and/or the computer-aided problems. *The Marketing Game!* also provides students with an *integrative* case situation and good opportunity for ongoing analysis and application of marketing concepts. The important point with this type of objective is that the instructor should give assignments that require students to apply the concepts in case situations. The integrating and application-oriented multiple-choice questions in the *Manual of Objective Tests* are designed specifically to be used when the instructor has chosen this objective.

If you identify with the second objective--but are especially concerned with the development of case analysis ability--then you might want to add the following statement to the second objective:

By applying these concepts cumulatively, the student should develop an ability to confidently and meaningfully analyze marketing case problems--providing a solid foundation for subsequent case analysis.

Implementation of this objective could be accomplished by more use of the cases and video cases at the end of the text. If you want your students to have skills in quantitative aspects of marketing analysis, you might intermix some or all of the computer-aided problems into your course.

3. SUGGESTIONS FOR THE PACE AND COVERAGE OF COURSES WITH VARIOUS LENGTHS

This section provides some suggestions concerning the pace and coverage of the course to accommodate school terms with various lengths. Sometimes, especially with distance learning courses, the time for a student to complete the course is self-paced or customized. However, here our focus is primarily on courses that are taught as part of a regular term schedule.

The suggestions here assume that topics will be covered in the textbook order. However, as discussed in more detail in Section 1, care has been taken in writing so that the chapters can be used in different orders--to meet different needs.

The pace at which the class can move through the text will depend on the background of the students (and the other assignments, of course). For students without any accounting background, Appendix B on *Marketing Arithmetic* might be useful early in the course--especially if you plan to use the computer-aided problems, or place much emphasis on case analysis. For students without any economics background, Appendix A on *Economics Fundamentals* will be useful. And more time probably should be allocated to Chapter 17. For students without any previous exposure to business legislation, the legislative material in Chapter 3 might be reassigned along with Chapter 16--to reinforce this material. On the other hand, if your school sets accounting and/or economics courses as prerequisites to the first marketing course, you might decide not to assign Appendices A and B as required reading, but rather suggest that any students who need a review should go over this material on their own.

Ideally, some of the questions and problems at the end of the chapters--should also be discussed to stimulate thinking and help "set" the material. Similarly, one or a few cases probably would be beneficial. The extent of this, of course, will depend on the length of the course--and perhaps the size of the class.

The instructor might also want to recommend and/or assign the self-test questions at the Online Learning Center. They guide students to important concepts and the questions also have text page references--to facilitate review of "missed" questions.

The separate *Instructor's Manual for the Marketing Game* provides a detailed discussion of timing and pacing issues for using the game in the first course. Basically, there are two approaches. One is to start the game early--with the first set of marketing plan decisions due soon after Chapter 4 has been covered and with decisions spread out over the term. With this approach, the game serves as a very motivating "living case" throughout the whole course. The other approach is to start the game later in the course--and then schedule more frequent decisions. This later approach focuses on using the game as an integrating experience.

With either approach, it usually makes sense to start the game at Level 1--the lowest difficulty level. If students are showing skill in developing their plans, you can easily raise the difficulty level, perhaps after the second or third decision period.

A Three-Quarter Hour Course

Such courses usually have 30 to 33 class-hour periods--one or more of which is used for examinations. The text has 18 chapters--plus the *Economics Fundamentals*, *Marketing Arithmetic*, and *Career Planning in Marketing* appendices--so there is ample time to cover one chapter per period with some leeway for chapters that the instructor expects to be especially difficult or for which supplementary or more intensive treatment is desired. Note: It probably would be desirable to assign Appendix A--*Economics Fundamentals*--before Chapter 3 and Appendix B--*Marketing Arithmetic*--before Chapter 17 (or even earlier if cases, computer-aided problems, or the game are to be assigned). At schools where students are required to take courses in economics and accounting before taking marketing these appendices can serve as a reference or review but it is probably not necessary to assign them or discuss them in class.

This course is long enough to permit fairly heavy usage of the video cases and/or the cases at the end of the text. In addition, or as an alternative, there probably will be time for discussion of the "thought-provoking" questions (which are discussed below in Section 10--Comments on the end-of-chapter Questions and Problems). Yet another alternative is to use some of the computer-aided problems or spend more time on the discussion questions included in the lecture scripts.

The Marketing Game! is another alternative here. It also gets the students actively involved in "doing"--and applying the concepts on an ongoing basis. We like to use cases in class, but recognize that is sometimes more of a challenge if there are a large number of students in the course.

A Three-Semester Hour or Four- or Five-Quarter Hour Course

Such a course has from 40 to 55 class-hour periods. Thus, there is ample time to cover one chapter per period--with another class period for discussion, exercises, cases, computer-aided problems, videos, readings or whatever would help the instructor meet his or her objectives. See the suggestions under the three-quarter hour course for the range of possibilities.

This longer course provides quite a lot of flexibility. There should be ample time for assignments beyond reading in the text. For example, there might be time for the end-of-chapter discussion questions noted in Section 11. Also, more cases and video cases from the end of the text or use of *The Marketing Game!* could be introduced at the end of the course.

This longer term also makes it easier to use the computer-aided problems. The issue here is not so much how long it takes the student to do the exercises--but rather the availability of computer facilities. Many schools have a limited number of computers available for student use. With longer elapsed time between computer assignments, there is less likelihood of a problem in students being able to get access to a computer.

A Two-Semester or Two-Quarter Course

A longer course provides a great deal of flexibility--but it also raises the question of how to divide the material. Many schools have a basic course--and then a follow-up course with a title such as marketing problems, marketing strategy, or marketing management. In this situation, *Basic Marketing* and the *Computer-Aided Problems* can be used in the first course as discussed above--and then the cases and *The Marketing Game* can be used in the second course.

If the instructor prefers to stretch the basic course across the two periods, then combined use of the *P.L.U.S.* materials along the way is a practical approach.

In particular, if the course is split across two terms it is suggested that the text material through Place (Chapter 12) be covered during the first half of the course. This would allow ample time for the development of enough institutional details so the students will be able to handle fairly complicated channel cases. In the second half of the course, the material on Promotion and Price can be combined with more cases--and still leave time for a number of integrating cases or game decisions at the end.

One approach to developing case analysis skills in this sort of course is to use the cases at the end of *Basic Marketing*--perhaps in combination with some of the computer-aided problems--along the way during the first half of the course--to get students started in thinking about solving real problems. Then, as students are exposed to a broader background of marketing concepts and tools, the instructor can begin to place greater emphasis on *The Marketing Game!*

Examples of some possible course outlines for different teaching situations are presented on the following pages.

POSSIBLE OUTLINE FOR A 10-WEEK COURSE (3 MEETINGS PER WEEK)*

WEEK	TOPICS	ASSIGNMENTS
1	Marketing's Value to Consumers, Firms, and Society, Marketing Strategy Planning, Evaluating Opportunities in the Changing Market Environment	Text: Chapters 1, 2, start 3 CAP: 1, 2
2	Evaluating Opportunities in the Changing Market Environment (continued), Focusing Marketing Strategy with Segmentation and Positioning, Demographic Dimensions of Global Consumer Markets	Text: finish Chapter 3, 4, 5 CAP: 3, 4, 5
3	Final Consumers and Their Buying Behavior, Business and Organizational Customers and Their Buying Behavior, Improving Decisions with Marketing Information	Text: Chapters 6, 7, 8 CAP: 6, 7, 8
4	Elements of Product Planning for Goods and Services, Product Management and New-Product Development, Review for exam	Text: Chapters 9, 10 CAP: 9, 10
5	Examination, Place and Development of Channel Systems, Distribution Customer Service and Logistics	Text: 11, 12 CAP: 11, 12
6	Retailers, Wholesalers, and Their Strategy Planning, Promotion--Introduction to Integrated Marketing Communications	Text: Chapters 13, 14 CAP: 13, 14
7	Personal Selling and Customer Service, Advertising, Publicity, and Sales Promotion	Text: Chapters 15, 16 CAP: 15, 16
8	Pricing Objectives and Policies, Price Setting in the Business World	Text: Chapters 17, 18 CAP: 17, 18
9	Implementing and Controlling Marketing Plans: Evolution and Revolution, Managing Marketing's Link with Other Functional Areas	Text: Chapters 19, 20 CAP: 19
10	Ethical Marketing in a Consumer-Oriented World, Course wrap-up	Text: Chapter 21

*NOTES: Text = *Basic Marketing*, 18th edition; CAP = *Computer-Aided Problems* (numbers are problem numbers).

COMMENTS: *If students have not had some economics prior to this course, it probably will be desirable to assign Appendix A with Chapter 3. Similarly, if they have not had some accounting prior to this course, it probably will be desirable to have them read Appendix B, Marketing Arithmetic, and do problems 4, 5, and 6 early in the course. Using a day for this purpose will speed understanding of text material in several places, especially regarding channel planning and pricing.*

For instructors who want their students to do marketing analysis on a microcomputer, the Computer-Aided Problems can be used. If some (or all) of these are assigned, they might substitute for some other assignments.

POSSIBLE OUTLINE FOR A 14-WEEK COURSE (4 MEETINGS PER WEEK)*

WEEK	TOPICS	ASSIGNMENTS
1	Marketing's Value to Consumers, Firms, and Society, Marketing Strategy Planning	Text: Chapters 1, 2 CAP: 1, 2
2	Evaluating Opportunities in the Changing Market Environment, Focusing Marketing Strategy with Segmentation and Positioning	Text: Chapters 3, 4 CAP: 3, 4
3	Demographic Dimensions of Global Consumer Markets, start Final Consumers and Their Buying Behavior	Text: Chapters 5, start 6 CAP: 5, 6
4	Final Consumers and Their Buying Behavior (continued), Business and Organizational Customers and Their Buying Behavior, review, first test (Chapters 1-7)	Text: finish Chapter 6, 7 CAP: 7
5	Return and discuss test, Improving Decisions with Marketing Information, start Elements of Product Planning for Goods and Services	Text: Chapter 8, start 9 CAP: 8, 9
6	Elements of Product Planning for Goods and Services (continued), Product Management and New-Product Development	Text: finish Chapter 9, 10 CAP: 10
7	Place and Development of Channel Systems, Distribution Customer Service and Logistics	Text: Chapters 11 and 12 CAP: 11, 12
8	Retailers, Wholesalers, and Their Strategy Planning, review, second test (Chapters 8-13)	Text: Chapter 13 CAP: 13
9	return and discuss test, Promotion-- Introduction to Integrated Marketing Communications, start Personal Selling and Customer Service	Text: Chapter 14, start 15 CAP: 14
10	Personal Selling and Customer Service (continued), Advertising, Publicity, and Sales Promotion	Text: finish Chapter 15, 16 CAP: 15, 16
11	Pricing Objectives and Policies, start Price Setting in the Business World	Text: Chapter 17, start 18 CAP: 17
12	Price Setting in the Business World (continued), Implementing and Controlling Marketing Plans: Evolution and Revolution	Text: finish Chapter 18, 19 CAP: 18, 19
13	Managing Marketing's Link with Other Functional Areas	Text: Chapter 20
14	Ethical Marketing in a Consumer-Oriented World, review and course wrap-up	Text: Chapter 21, review 1-21

*NOTES: Text = *Basic Marketing*, 18th edition; CAP = *Computer-Aided Problems* (numbers are problem numbers).

See **COMMENTS** on previous page.

4. COMMENTS ON THE STUDENT CD AND ONLINE LEARNING CENTERS TO ACCOMPANY BASIC MARKETING

Another set of resources is designed to be directly accessed by students. These resources have been placed on the *Student CD*, the Online Learning Centers (www.mhhe.com/foups), or all of these. Access to the free Online Learning Center is included with the purchase of the textbook. Optional book packages may be ordered which include the *Student CD* or access to the book's premium content Web site. The additional resources may be assigned by instructors or purchased independently by motivated students. The resources and location are briefly described in the table below.

	Free Online Learning Center	Premium Online Learning Center
Availability	Book Web site*	Book Web site*
Self-Test Quizzes – 10 multiple-choice questions per chapter	X	
Applications in <i>Basic Marketing and Essentials of Marketing</i> – links to current online articles, Web sites, podcasts, and videos. Organized by content area.	X	
Marketing Plan Coach - this online software tool helps students build marketing plans using materials and concepts directly from the text book. Created by the authors specifically for use with <i>Basic Marketing</i> .	X	
Computer-Aided Problems – easy-to-use spreadsheet software program works with exercises at the end of each chapter to help develop analytical skills needed by today's managers.	X	
Narrated Slide Shows – overviews of key marketing concepts usually from a set of chapters. Eight in all, these are great to use before reading a new section in <i>Basic Marketing</i> or for help in studying for tests. May be viewed on computer or iPod.		X
Learning With Ads – a great way to preview concepts from each chapter and see how they are applied in real print ads. About 10-15 ads per chapter.		X
Bonus Self-Test Quizzes – 10 additional multiple-choice questions per chapter –may be taken on computer or iPod.		X
Video Cases – clips from video cases in the book – available for viewing on computers or iPods.		X

*NOTES: www.mhhe.com/foups

The spreadsheet software for the *Computer-Aided Problems* and the *Marketing Plan Coach* are discussed in more detail in subsequent sections of this part of the *Instructor's Manual*. Another section provides more details on the other features which are discussed on the following pages.

Accessing the Basic Marketing Online Learning Centers (OLC)

The *Basic Marketing* Online Learning Centers can be found at the book's Web site (www.mhhe.com/fourps). At the site, students will find they can access self-test quizzes, *Applications in Basic Marketing* and *Basic Marketing*, the *Marketing Plan Coach*, and the Computer-Aided Problems at no additional cost. If a student's book package includes the Premium Web site, they can enter their password to gain access. Or they can purchase access to the Premium Web site by using a credit card.

Self-Test Multiple-Choice Quizzes

The Online Learning Centers at the *Basic Marketing* Web site feature a set of multiple-choice questions keyed to each of the chapters in the text. A student selects an answer from those presented and gets immediate feedback. Coupled with the other learning aids at the Online Learning Centers, these give a student a way to check his/her understanding of basic concepts from the text. The *Free Online Learning Center* provides 10 self-test questions per chapter. The *Premium Online Learning Center* offers an additional 10 "bonus" self-test questions -- making a total of 20 questions per chapter. We've also added the self-test questions to the database for the *Manual of Tests (MOT)*. They are clearly identified in the *MOT* so that an instructor who wants to exclude questions that are available for self-testing can do so easily. On the other hand, these self-test questions are readily available and easy to include on regular tests if the instructor wants to reinforce independent study and self-practice at the Online Learning Centers.

Applications in Basic Marketing and Essentials of Marketing

Applications in Basic Marketing provides direct access to online "clippings" from the popular business press. Accessible through the *Free Online Learning Center (OLC)*, *Applications* offers students the opportunity to read (links to articles), listen (links to podcasts), or watch (links to videos). These resources may be used to give students up-to-date real world examples of marketing in action. The articles are organized by content area and are updated twice a year – around January 1 and July 1.

Fully-Narrated Electronic Slide Shows

There are eight different narrated video slide shows that provide overviews of key topics for most of the chapters in the text:

- Introduction (for use with Chapters 1 and 2)
- Segmentation and Positioning (for use with Chapters 3-4)
- Buying Behavior (for use with Chapters 5-7)
- Marketing Research (for use with Chapter 8)
- Product (for use with Chapters 9-10)
- Place (for use with Chapters 11-13)
- Promotion (for use with Chapters 14-16)
- Price (for use with Chapters 17-18)

The instructor can recommend that students use these slide shows in a variety of ways. For example, before reading the related chapters, students may want to watch the slide show and get an overview of what the chapter is about. Each slide show takes about 15-20 minutes. They can also be used for review after reading a chapter or set of chapters. Some instructors eliminate some material on which they normally lecture (since that material is already on the *Premium Online Learning Center*) to free up time for more videos, class discussions, case analysis, and the like.

Learning with Ads – the Annotated Slide Show of Print Ads

For each chapter, the *Premium Online Learning Center* lists a number of print ads that have been used by companies in a variety of marketing situations. The student simply clicks on the name of a company in the list and the relevant ad is displayed along with comments that highlight how it relates to concepts from that chapter. Thus, the *Premium Online Learning Center* allows the student to review ads independently of the instructor and the ad set on the *Premium OLC* is different from the ad set in the instructor materials.

Full-Motion Video Clips for Use with the Basic Marketing Video Cases

The *Premium Online Learning Center* offers video clips to go with each of the eight video cases at the end of the text. We provide general suggestions concerning the video cases later in this manual, and the separate *Instructor's Manual for the Teaching Videos and Video Cases* provides detailed suggestions on each of the individual cases. The videos can also be downloaded for viewing on a computer or iPod.

Additional Comments on the Basic Marketing Online Learning Centers and Web site

The *Basic Marketing* Web site address (url) is: <http://www.mhhe.com/fourps>. We recommend that you visit the Web site, bookmark it, and check back on occasion to see what is new. We will plan to routinely add new material not only on the student section of the Web site but also the sections that are reserved for instructors.

We have urged McGraw-Hill/Irwin to ensure that the faculty portions of the *Basic Marketing* Web site are secure and that only faculty, not students, have access to the material available there. This is an arena where some other publishers have not exercised due caution. The instructor side of the *Basic Marketing* Web site will be password protected, so you may need to contact Irwin faculty services to get a password or to validate/update the one you have. Or, your local sales representative can probably handle that for you.

We urge you not to give your Web site password to anyone else. Even if *you* are not drawing on certain materials that are intended to be used by instructors only, it will create problems for many other instructors if these materials become available to students. Of course, this possibility has always existed in the past to some extent. An instructor's manual, for example, could end up in the wrong hands. However, the technology that now helps us in so many ways also creates much greater potential for problems. We've heard about a situation where a psychology professor gave her faculty password (for the instructor portion of another publisher's introductory psychology Web site) to a student to quickly check the answer key on a problem set. However, the student sent an email with the password to every other chapter of his fraternity at colleges all over the country. So, we urge you to use caution.

The same cautions apply to CDs that are intended for instructors only; if you decide to dispose of these items it is best to scar the surface of the CD so that an unauthorized user cannot take it out of the trash and access the materials on it.

5. COMMENTS ON THE CONNECT MARKETING EXERCISES

Connect Marketing is an exciting new addition to our supplement package. *Connect Marketing for Basic Marketing* is a web-based assignment and assessment platform that enriches the learning experience for your students. We have created more than 80 – about 4 per chapter – of these interactive exercises. *Connect* exercises go beyond basic recall and create highly engaging interactive content that assesses student performance on key course objectives.

Connect Marketing works for students. It helps students connect the marketing dots – in a fun and interactive way. The exercises are not busy work; they are designed to stimulate critical thinking and

reinforce key concepts from each chapter. All assignments can be instantly graded (you decide when and how much feedback students receive) – so your students will know right away what they understand and what they don't.

Connect Marketing works for instructors. It fits right in with the teaching and learning package you have become accustomed to with this text by giving you even more options for teaching your students your way. While many instructors want to give application and understanding-oriented homework assignments to their students, giving timely student feedback is time-consuming and often impractical. With *Connect Marketing*, assignments are automatically graded – with grades dropped right into your *Connect* grade book. Plus, with dozens of exercises to choose from, the instructor has options and control. All assignments are tied to AACSB Assurance of Learning knowledge standards and Bloom's Taxonomy guidelines.

You can also easily create your own exercises and online quizzes – that will also be automatically graded. You can even pull questions right from the *Basic Marketing* test bank (linked to EZ Test) – create your own quiz, offer it via *Connect* to your students, and set up all the policies for the quiz.

There are so many different ways you can use *Connect Marketing for Basic Marketing*, here are a few ideas:

- Assign all the exercises – each one takes 10-15 minutes to complete.
- Select exercises that reinforce concepts you want to emphasize – or perhaps don't have time to cover in class.
- Create your own quizzes – to help students study for exams or to grade.

Joe gives his students access to most of the exercises – only a few chapters at a time. There are some exercises which require instructor grading – and I don't assign these because my classes are so large. For example, he posts access to chapters 1 -4 and then close those down after the exam on chapters 1 – 4. Joe tell students that he will count their 10 highest *Connect* grades – I make each *Connect* exercise worth 10 points so the total points equal one exam. So they can choose to do as few as 10 exercises – or as many as 60-70. Most students enjoy *Connect*, feel it helps them learn the material, and perform better on exams. So even after earning high scores on 10 exercises they continue to do more.

Check the *Basic Marketing* Online Learning Center (www.mhhe.com/fourps) for *Connect Marketing* exercises. Oh, and did we mention *Connect Marketing* is fun, too?

6. COMMENTS ON THE MARKETING PLAN COACH

The *Marketing Plan Coach* has been completely reworked for this 18th edition of *Basic Marketing*. It now has an HTML base (no longer PDF). It is integrated with other student materials at the *Free Online Learning Center* (www.mhhe.com/fourps).

The *Coach* is based on our framework for marketing strategy planning and it's designed to help students develop (or evaluate) a marketing plan. It also includes an actual plan for a small service business (a veterinary clinic) to give students experience in working with a real marketing plan. The *Coach* includes a basic "outline" of what is in a marketing plan, but each element of the plan is "linked" to additional information covered in *Basic Marketing*. The *Coach* is created as a series of almost 200 interlinked Web pages, so navigation is simple and intuitive – like a familiar Web site. For example, a student might link to a particular topic, or look at the linked outline/template of a marketing plan. From that point, the student can link to related concepts that appear in the outline. You can think of it as a "help file" for marketing strategy planning. We developed it to be specific to the needs of students in the first marketing course so it is completely consistent with the text.

The main application of the *Coach* is for developing a marketing plan or analyzing an existing one (for example, the sample plan that is integrated with the *Coach*). This use is consistent with the *Creating*

Marketing Plans exercises included at the end of each chapter in *Basic Marketing*. Students find it difficult to analyze unfamiliar marketing situations because they are often not certain exactly where to begin, or how to proceed. The *Coach*, like the text, offers a number of frameworks that are designed to help a marketing decision maker tackle this type of problem. Even so, there is often a need in marketing analysis to "iterate" among different decision areas--so that the strategy can be refined as more and more detail about the target market and the marketing mix is developed.

The *Marketing Plan Coach* is extremely useful in stimulating this iterative type of thinking and analysis. The student (decision maker) can select *any* starting point that seems important. That starting point might be based on some characteristic of the situation (such as: new-product development) or more broadly the outline of the contents of a marketing plan. Then, from one of those starting points the links implicitly prompt the student to consider frameworks relevant to the decision area or other, related decision areas. And, after linking to those decision areas, it is easy to continue exploring additional frameworks--or to "back up" and consider a topic considered earlier.

Each instructor may have different ideas and suggestions for how students might use the *Marketing Plan Coach*. To get students thinking about the possibilities, it's useful to demo the *Coach* in class--projecting each screen as it appears. The *Coach* might also be used "real time" in class to stimulate additional thinking about a case that students have analyzed using conventional approaches. An instructor may want to practice a bit before using this approach for the first time, but once some experience is gained it works effectively without preparation--with students making suggestions about what to do next.

Once students have seen and experienced the power of the *Coach*, they will continue to use it as an aid in thinking about integrative marketing strategies and plans.

Alternatively, some professors like to have students develop a marketing plan as a course assignment, perhaps as a team effort. The *Coach* provides a good way to structure such an assignment and generate discussion in the group. The *Coach* is completely consistent with the text, so there is not a worry that students will be confused by terms or ideas that are not covered in the course.

7. COMMENTS ON THE COMPUTER-AIDED PROBLEMS

Problems with a Focus on Marketing Decision-Making

The *Computer-Aided Problems* and the related spreadsheets at the *Free Online Learning Center* (www.mhhe.com/fourps) are a unique supplement for use with *Basic Marketing*. This section discusses the objectives that the problems are designed to achieve--and what is involved in using some or all of the problems in your course. Some instructors may want to place heavy emphasis on these problems--and others may decide that they are not well suited to their objectives for the course. Hopefully, the discussion in this section will help you decide.

The computer-aided problems describe 19 marketing management problems, and each problem in the set is different. As a set, they are designed to cover a full array of important topics from the first marketing course--ranging from issues related to market segmentation to the product life cycle to break-even analysis.

Each problem is based on a specific marketing management decision situation--and is described in a short "caselet" at the end of the chapter. Each case description is accompanied by questions for the student to answer. The student reads the case description of the problem and the questions, and then uses the spreadsheet at the *Free OLC* to analyze data related to the case and to make a decision. The spreadsheet has been specially designed and tested to be easy for students to use. At the same time, it provides students the opportunity to do the type of analysis that marketing managers do to evaluate the appropriateness of different decisions in different situations.

Teaching/Learning Objectives

As a set, the computer-aided problems are designed to achieve three basic objectives:

- to provide students with a simple analytical experience in learning about marketing concepts--so that they can see how strategic elements of marketing management decisions interrelate and influence the profitability of the organization.
- to deepen student understanding about specific marketing concepts, theories, and frameworks--because the problems require students to work with marketing "numbers"--and see how the numbers relate to the details of the situation and the marketing problems.
- to give students experience in using spreadsheets the way marketing managers often use them to analyze marketing problems.

It is important to emphasize that the objective here is *not* to teach the student skills related to computer programming. Such skills are potentially important as part of an overall curriculum, but the objectives of the introductory marketing course are focused on marketing content, not programming. Thus, the problems and accompanying spreadsheets are structured and designed to focus on content-related objectives. Here, using the software is a means to an end, not an end in itself.

Specific Benefits of the Approach

There is a great deal of material to be covered in the first marketing course. And students must get a good introduction to marketing concepts and ideas that are necessary for effective market-oriented strategy planning. *Basic Marketing*--and class lectures/discussion--can do this very well. But it is usually difficult for an instructor to create learning environments in the first course that help the student to see how the qualitative ideas and the analytical aspects of marketing decision-making come together. Case analysis can help here. But this is a primary focus of the computer-aided problems. As students analyze values on the spreadsheet for a problem--and interpret the results--they see how the different decision areas relate and how they affect the firm's "bottom line." They see that marketing managers don't make decisions just on hunches and intuition, but with careful analysis of strategies. And the student is doing it with the type of analysis that managers often use.

Further, the problems are not based on complicated mathematical "models." Rather, the spreadsheets are based on simple arithmetic--so students can see what is being analyzed and why. The focus is on thinking about the marketing problem--not on the "sophistication" of the approach. The student doesn't need to create the spreadsheet relationships or do any programming. Rather, the initial problems are very simple and students can do the work without help from the instructor.

Complete Solutions to All of the Problems

The chapter-by-chapter materials in Part IV of this manual provide complete suggested answers for all of the computer-aided problems. Along with the suggested answers for specific questions, this *Instructor's Manual* also provides summaries of all of the relevant spreadsheets and ideas for framing class discussions. The instructor materials that accompany the computer-aided problems make it fast and easy to incorporate them in the course and discuss them in class.

Other Factors to Consider: Time Required

The computer-aided problems are designed so that students can do them quickly. However, here as with any other type of assignment there are time trade-offs--especially if the instructor plans to use most of the problems and they become a central activity in the course.

However, the problems are not interrelated. Thus, you don't need to use all of them. By reviewing the "suggested answers" in Part IV of this manual, you can determine which problems are of most interest to you--and most consistent with points you want to emphasize.

Content

These computer-aided problems cover topics across all of the chapters in *Basic Marketing*. More detail about the learning objectives and managerial setting for each problem is provided in the chapter-by-chapter materials (Part IV of this manual). However, to provide a brief overview, the following list shows the major content focus of the different problems:

- | | |
|---|--|
| 1. Revenue, Cost, and Profit Relationships | 11. Intensive vs. Selective Distribution |
| 2. Target Marketing | 12. Total Distribution Cost and Distribution Service Level |
| 3. Competitor Analysis | 13. Selecting Channel Intermediaries |
| 4. Segmenting Customers | 14. Selecting a Communications Channel |
| 5. Demographic Analysis | 15. Sales Compensation |
| 6. Selective Processes in Consumer Behavior | 16. Sales Promotion |
| 7. Vendor Analysis in Organizational Buying | 17. Discount Policy in Pricing |
| 8. Marketing Research | 18. Break-Even/Profit Analysis in Pricing |
| 9. Branding Decisions | 19. Marketing Cost Analysis |
| 10. Changes during the Growth Stage of the Product Life Cycle | |

The content areas were carefully selected to give students exposure to analytical marketing problem-solving in a variety of contexts. As students work through the problems, they see that careful analysis is relevant in all areas of marketing decision-making--and that the decisions that the marketing manager makes in these different areas has an impact on the success or failure of the firm.

The content of the problems follows the chapter organization in *Basic Marketing*. For example, the first few deal with broad issues related to targeting, segmentation, and developing a competitive advantage. Then, the next two deal with buyer behavior and how it affects marketing strategy. The following one deals with how marketing research information is used. Then, the problems move into the marketing mix decision areas--progressing through the "4Ps." Thus, the organization of the problems represents a logical building-up of marketing knowledge and topics. Like the text itself, however, the problems are flexible and they can be used in a different sequence--if the instructor desires.

Problem 9--which deals with branding decisions--is illustrative. Most students come away from a traditional study of branding decisions with an understanding of the differences between manufacturer brands and dealer brands, and with an appreciation of the importance of branding decisions. But, in Problem 9, a marketing manager for a producer of condensed milk is faced with a dilemma. A major retail chain wants the producer to supply its store brand. If the producer doesn't do it, the retailer is likely to take the business elsewhere--and sales will be lost. Yet, if the producer does what the retailer wants, profits are likely to be affected. The spreadsheet for the problem puts the student in the manager's shoes. It provides data about the various costs and revenue opportunities associated with the "status quo" and with the retailer's proposal. The student uses sensitivity analysis to see different results depending on the producer's decisions and on what the retailer does. The computer analysis does not give the student a specific answer about what would be best to do. Rather, it provides information from which the student will clearly see the implications of different possibilities. The student is thus stimulated to think about what he would do in this situation--and why.

Ideas on Ways to Incorporate the Problems in the Course

The computer-aided problems can be used as a homework assignment, as an assignment for a recitation section, or for independent study by the student. Some instructors use them for optional assignments--perhaps for extra credit.

A basic decision here is the extent to which in-class time will be devoted to discussion of the problems. There is quite a lot of flexibility in this regard. The problems are experiential in nature--so the student can learn from doing the problems even without much class discussion. But, they can provide an effective backdrop for subsequent class discussion.

One approach is to assign some of the problems that are most closely related to topics the instructor emphasizes in class lecture or discussion. By working the problems, students will have a deeper understanding of material in that area. The instructor can then reference the exercise as an example of points made in the lecture--without needing to spend a significant amount of time developing the details of the example. The suggested answers for the problems (found in Part IV of this manual) are very helpful in this regard.

Student work on the problems can be checked if the instructor desires--perhaps on an intermittent basis. There is a button for students to print their spreadsheets (or save them as a file) along with their answers. So, it's quick and easy to turn in without a lot of busy work on the student's part or eye strain on the part of the instructor to read.

The computer-aided problems can add a different dimension to the first marketing course. They are a high-quality teaching resource. But, they are not for everyone. The types of objectives that are achieved with the computer-aided problems can sometimes be accomplished in other courses in the curriculum, or in the introductory marketing course those objectives can sometimes be achieved through other approaches--such as use of case analysis or participation in *The Marketing Game!*

8. COMMENTS ON THE INTERNET EXERCISES

The Internet exercises that appear in every chapter throughout *Basic Marketing* were developed to give students "wired" experiences of how marketing concepts are being applied on the Internet. Our objective in developing these exercises is not to simply send students to Web sites of companies used in the examples. The practical matter is that most students don't need encouragement to just surf the Net. Most of them are pretty adept at that! So, we think that the real trick is to integrate good conceptual coverage of how the Internet relates to the concepts discussed throughout the text, and, where appropriate, to offer good discussions of how the Internet is changing marketing. Each of the Internet exercises encourages students to think carefully about ideas discussed in the text and how those ideas apply at the Web sites they visit.

The Internet exercises we offer represent a good balance of time spent and return on the effort. Most of the exercises are quite directed and can be completed (assuming that the student has convenient Internet access) in about 15 minutes. If the instructor wishes, and an Internet hookup is available in the classroom (or computer lab), five or ten minutes of every class period can be spent covering the key points of each exercise. The reason for any given exercise is usually self-evident from what students are asked to do, where the exercise is located in the text, and what is actually experienced once the student gets to the Web site. Thus, to a large extent the exercises are (and are intended to be) experiential in nature. The understanding and thinking occurs as a result of doing the exercise. Discussion in class--with some sharing of views and some checking to see that students have actually had the experiential "ah ha" desired--can add value. But, it does not take an elaborate discussion to cover the basic points of each exercise.

One issue to keep in mind is that Web site addresses and the content of Web sites are constantly changing. In fact, experts admonish companies to frequently "change stuff" so that people will keep coming back. Because of that, what we consider to be a great exercise when the book is published may turn into a not-so-good one if and when the Web site changes. In light of that, we recommend that the

real focal point for our Internet exercises be the *Basic Marketing* Web site rather than the text itself. At the Web site we will be able to update or modify exercises and relevant addresses (with active “links” to the target Web sites) as the need occurs.

For purposes of planning assignments, it is convenient to have a ready list of the Internet exercises as they appear in the text, so below we have assembled them together in one place, organized by chapter, along with the page where they are found in the text.

Chapter 1: Marketing's Value to Consumers, Firms, and Society

Internet Exercise: Target

Go to the Target home page (www.target.com) and click on a tab for one of the product categories. How many different manufacturers' products or brands are shown? Would consumers be better off if each manufacturer just sold directly from its own Web site? For related discussion in the *Basic Marketing* text, see page 10.

Internet Exercise: Curves

What does Curves offer its customers at its Web site (www.curves.com)? How does this increase the value a customer receives from being a Curves member? What could Curves do with the Web site to further enhance its relationships with customers? For related discussion in the *Basic Marketing* text, see page 21.

Chapter 2: Marketing Strategy Planning

Internet Exercise: Preschoolians

Jeffrey Silverman, the founder of Toddler University, recently started Preschoolians, which specializes in shoes for preschool kids. Go to the Preschoolians Web site (www.preschoolians.com) and review the site to learn about the company. Concisely describe its strategy. For related discussion in the *Basic Marketing* text, see page 40.

Internet Exercise: Scion/Fiesta

The Scion brand targets a similar group of customers as the Ford Fiesta. Go to the Scion Web site (www.scion.com) and check out the different Scion models and the features each offers. Look at the pricing and the information provided at the Web site. Then, go to the Fiesta Web site (www.fordvehicles.com/cars/fiesta) and check the same information. Based on the Web sites, which car do you think appeals better to a younger target market? Why? For related discussion in the *Basic Marketing* text, see page 46.

Chapter 3: Evaluating Opportunities in the Changing Market Environment

Internet Exercise: KeywordSpy

A marketing manager for Netflix may find it helpful to know more about how competitors advertise on search pages (like Google and Yahoo). The Web site KeywordSpy (www.keywordspy.com) offers that information and more. Go to this site and type “dvd rental” into its search bar. What competitors are identified? What information can you learn about Netflix and its competitors at this site? How could this information help Netflix's marketing manager? For related discussion in the *Basic Marketing* text, see page 67.

Internet Exercise: Trendwatching

Trendwatching.com monitors the world to get a feel for consumer trends and then prepares monthly Trend Briefings. Go to the company's Web site, www.trendwatching.com, click on “Current Briefing,” and read through the report. What specific insights might be useful to a marketing manager for Procter & Gamble shampoo? What insights would help a clothing retailer like American Eagle? For related discussion in the *Basic Marketing* text, see page 76.

Chapter 4: Focusing Marketing Strategy with Segmentation and Positioning

Internet Exercise: Intercontinental Hotel Group

The Intercontinental Hotel Group owns a number of different hotel brands including Holiday Inn, Holiday Inn Express, Crowne Plaza, and Staybridge Suites. Go to the Holiday Inn Web site (www.holidayinn.com) and click on the link for “IHG brands” at the bottom of the screen (or search for “IHG brands” on Google). Click through to each of the hotel brands. In which of the product-markets in Exhibit 4-12 does each brand compete? Why? For related discussion in the *Basic Marketing* text, see page 107.

Internet Exercise: Brand Tags

The Brand Tags Web site (www.brandtags.net) asks visitors to type the first word or phrase (a “tag”) that comes to mind when a logo or brand name appears on the screen. Go to this site and tag a few brands. Then, click through to see how others tagged the brand. Note that the larger the font, the more frequently that word or phrase has been used. How could a marketing manager use this information to better understand her brand? A competitor’s brand? For related discussion in the *Basic Marketing* text, see page 110.

Chapter 5: Demographic Dimensions of Global Consumer Markets

Internet Exercise: MSU’s globalEDGE

Michigan State University’s Center for International Business Education and Research (CIBER) created globalEDGE—a Web site with information and tools for learning about global markets. At the home page for the globalEDGE Web site (<http://globaledge.msu.edu>), select “Countries>Europe>Italy.” Then select “Italy>Statistics.” Examine the statistics listed under the headings “Economy” and “People.” Now check the same statistics for Brazil. How are these countries similar? How are they different? What marketing opportunities might be available in each country? For related discussion in the *Basic Marketing* text, see page 127.

Internet Exercise: Easy Analytic Software

Easy Analytic Software, Inc. (EASI) compiles and repackages U.S. census data. Go to its Web site (www.easidemographics.com). Choose the “FREE Census 2000 Reports, Ring Studies.” After you register, log in. (*Note: This exercise is free but requires you to register on the site.*) Then, choose “EASI Site Analysis” for a free ring study. A ring study gives you demographic data for residents within a ring around a specific address. Enter an address in your town, choose a three rings study with rings 1, 3, and 5 miles, and then select a summary report. What information did you learn? How could this be helpful if you wanted to open a retail store at this location? For related discussion in the *Basic Marketing* text, see page 134.

Chapter 6: Final Consumers and Their Buying Behavior

Internet Exercise: Climate Counts

Climate Counts is a nonprofit organization that provides information to help consumers make choices that have a positive impact on the planet. Go to the Climate Counts Web site (www.climatecounts.org), click on the “Climate Scores” link, choose a market sector, and compare the different companies. Do you think this information will affect how *consumers* behave? Do you think the information will affect how *companies* behave? What will be the effect on consumer and company behavior if some consumers use Twitter to tweet ratings, or e-mail to share ratings with others? For related discussion in the *Basic Marketing* text, see page 154.

Internet Exercise: Strategic Business Insights’ VALS

The VALS survey described in the text can be taken at the Strategic Business Insights Web site (www.strategicbusinessinsights.com/vals/presurvey.shtml). Read about and then complete the survey. For related discussion in the *Basic Marketing* text, see page 156.

Chapter 7: Business and Organizational Customers and Their Buying Behavior

Internet Exercise: Buyer Zone

Go to the BuyerZone Web site (www.buyerzone.com). What types of products could be purchased by requesting a free quote on this site? From the home page, scroll down and click “Buying Advice>Buyer’s Guides>Furniture (Chairs).” Then look through the Chair Buyer’s Guide. Look at the Buyer’s Guides for other products as well. What can be learned about buying different products from BuyerZone.com? For a marketing manager targeting smaller businesses, how could this site be helpful? For related discussion in the *Basic Marketing* text, see page 182.

Internet Exercise: North American Industry Classification System (NAICS)

Comprehensive information about NAICS codes is available online (www.naics.com). At the Web site select “Code Search” and when the search page appears submit a query for the keyword “welding.” If your firm was interested in selling its lasers to manufacturers of laser welding equipment, what is the NAICS code of the industry for which you would want to get a list of manufacturers? For related discussion in the *Basic Marketing* text, see page 189.

Chapter 8: Improving Decisions with Marketing Information

Internet Exercise: BlogPulse

Blogs provide a place for people to write about what interests them and post it on the Internet for all to read. One way to learn more about trends in Internet word-of-mouth is to track the frequency with which certain words are used in blogs. BlogPulse automates this process. Go to www.blogpulse.com and click on “Trend.” You’ll compare three digital camera brands: type the names “Canon,” “Kodak,” and “Nikon,” in the trend search terms edit box. Choose 180 days for the date range and then click “Get Trend.” Which brand name appears most frequently in blogs? What causes the sudden spikes in the charts? How could this information be helpful to a marketing manager at Canon? For related discussion in the *Basic Marketing* text, see page 209.

Internet Exercise: Google

Assume that your boss has asked you to do a customer satisfaction survey. As part of a situation analysis, you want to get ideas about what others have done in this area. Go to the Web site for the Google search engine (www.google.com). In the dialogue box type ‘customer satisfaction survey’ (include the single quote marks) and click on Google search. Look at some of the Web sites identified. How helpful is this? How could it be improved? For related discussion in the *Basic Marketing* text, see page 212.

Chapter 9: Elements of Product Planning for Goods and Services

Internet Exercise: Nike

To support runners, Nike created a Web site and online services devoted specifically to them. Go to the Web site (www.nikerunning.com) and explore its contents. Be sure to learn about Nike+. What services are available? How do these services create value for runners? How does Nike gain value from the site? For related discussion in the *Basic Marketing* text, see page 231.

Internet Exercise: Procter & Gamble

Go to the Procter & Gamble Web site (www.pg.com) and click on “Brands,” then “Beauty & Grooming,” and then select “Hair Care” from the category menu. Look at the different shampoos that P&G makes. Click through to each brand. How are the different brands positioned? What target markets does each appeal to? For related discussion in the *Basic Marketing* text, see page 239.

Chapter 10: Product Management and New-Product Development

Internet Exercise: Starbucks

Starbucks asks customers for new product ideas at its www.mystarbucksidea.com blog. Go to this site and click on “View All Ideas”; then choose two of the “Popular Ideas.” Read the ideas and commentaries. How do you think Starbucks benefits from this site? What could be done to improve the site? For related discussion in the *Basic Marketing* text, see page 269.

Internet Exercise: Quirky

A company called Quirky draws on an online community to move products through the new-product development process. Go to the Quirky Web site (www.quirky.com). Watch the short video overview and peruse the site. What advantages and disadvantages does Quirky have compared to a corporation or individual inventor? What would you do to improve the site? For related discussion in the *Basic Marketing* text, see page 275.

Chapter 11: Place and Development of Channel Systems

Internet Exercise: Avon

Avon Products, Inc., has created a separate “mark” line of cosmetics and other beauty products that is targeted at young women. Avon sells mark at a Web site and through independent sales reps (agents), including college students who sell to their friends. Review the mark Web site (www.meetmark.com). Do you think that mark reps view the Web site as competing for their customers’ purchases and a source of conflict, or do they think that it helps them promote mark and identify new prospects? Explain your thinking. For related discussion in the *Basic Marketing* text, see page 294.

Internet Exercise: My Bone Yard and Gazelle

Some Web sites are willing to buy your used electronics components. Go to My Bone Yard (www.myboneyard.com) and Gazelle (www.gazelle.com) and enter information about your cell phone or other electronic product. What were you offered? Would you be interested in using this type of service? What concerns do you think phone makers Motorola or Nokia might have? For related discussion in the *Basic Marketing* text, see page 303.

Chapter 12: Distribution Customer Service and Logistics

Internet Exercise: Council of Supply Chain Management Professionals

Managers who are members of the Council of Supply Chain Management Professionals usually have responsibilities in purchasing, logistics, or materials management. The Web site of this organization (www.cscmp.org) provides many useful resources to members and nonmembers. Review some of the resources shown. How could this site be useful to these managers? How is it useful to students interested in a career in a supply chain area? For related discussion in the *Basic Marketing* text, see page 317.

Internet Exercise: Ocean Schedules

Shipping by sea can be a less costly mode of transportation. But with more than 100 carriers operating ships, it can be difficult to get a handle on all the options. OceanSchedules.com (www.oceanschedules.com) aims to change this. Go to the Web site and do a “port to port” search, with “Hong Kong” as the origin and “Vancouver, British Columbia” as the destination. Next select “by departure” and enter today’s date and 14 days out. Finally, click “Get Schedules.” How many different boats could take your shipment? Now change the longest transit time to 28 days and check what difference that makes in the number of available boats. What happens if you change the arrival date? How could this Web site be useful to a company shipping light fixtures from Hong Kong to Canada? For related discussion in the *Basic Marketing* text, see page 321.

Chapter 13: Retailers, Wholesalers, and Their Strategy Planning

Internet Exercise: ShopSavvy

ShopSavvy is an application that allows a shopper to use his Web-connected cell phone to scan a product’s bar code and then check prices for the product at other stores. Go to the ShopSavvy Web site (www.biggu.com) and watch the video demonstration. How will this type of application affect retail stores and their marketing mix decisions? Which types of stores will see ShopSavvy as a threat? As an opportunity? For related discussion in the *Basic Marketing* text, see page 342.

Internet Exercise: Fastenal

Check out the different aspects of the Fastenal Web site (www.fastenal.com). Give examples of ways that the Web site is intended to help Fastenal's customers and suppliers. For related discussion in the *Basic Marketing* text, see page 351.

Chapter 14: Promotion--Introduction to Integrated Marketing Communications

Internet Exercise: Sony

Sony produces a very wide variety of products. Does the information available on its Web site (www.sony.com) appear to be part of an integrated marketing communications effort? Explain your thinking. For related discussion in the *Basic Marketing* text, see page 365.

Internet Exercise: BzzAgent

BzzAgent has a code of conduct for its agents, but even so it has received some negative publicity that questions the ethics of its agents. Go to the BzzAgent site (www.BzzAgent.com) and click on "Join BzzAgent" and then on "Code of Conduct" to read through the code. If a BzzAgent follows the guidelines in the code, do you think the practice is ethical? In your opinion, what actions would make a BzzAgent's behavior unethical? For related discussion in the *Basic Marketing* text, see page 378.

Chapter 15: Personal Selling and Customer Service

Internet Exercise: Logitech

Go to the Logitech community support forum at <http://forums.logitech.com>. Scroll down the list to "Universal Remotes" and then choose the list of forums for "Harmony Remotes—Programming." Look through a few of the threads. Are customers getting their questions answered? How quickly do they get answers? How do you think this affects customer satisfaction for Logitech? For related discussion in the *Basic Marketing* text, see page 399.

Internet Exercise: Selling Power

Sales managers need to think about what training their salespeople need, but sales reps also need to take the initiative and stay up-to-date on what is happening in the sales profession. *Selling Power* magazine maintains a Web site at www.sellingpower.com. Go to the Web site and identify several ideas that could be used by a salesperson to enhance his or her skills. For related discussion in the *Basic Marketing* text, see page 403.

Chapter 16: Advertising, Publicity, and Sales Promotion

Internet Exercise: eBags

Go to eBags.com (www.ebags.com). Click on "Backpacks" and then "School Backpacks." Choose one of the "Best Sellers." Read a few of the reviews—both positive and negative. Look at pictures of your best seller choice and other information about it. Would you buy this bag? How was each source of information helpful in making a decision? For related discussion in the *Basic Marketing* text, see page 439.

Internet Exercise: ePrize

ePrize.com is an agency that specializes in sales promotion. Go to www.eprize.com and click on "Portfolio" to see samples of its work. Evaluate two promotions the agency has put together for different clients. For each, name the intended target market and indicate the objectives you think the client wanted to achieve with the promotion. For related discussion in the *Basic Marketing* text, see page 444.

Chapter 17: Pricing Objectives and Policies

Internet Exercise: X-Rates

There is a Web site (www.x-rates.com) that converts one country's currency to another. Go to the Web site, click on "Currency Calculator," and determine how much \$100 U.S. is worth in Thai bahts, British

pounds, and euros. How do those numbers compare with April 2010 (see Exhibit 17-7)? For related discussion in the *Basic Marketing* text, see page 464.

Internet Exercise: FatWallet

FatWallet (www.fatwallet.com) is one of many Web sites that can help consumers find good deals. To see how it works, assume that you are interested in buying a new printer for your personal computer. Start by selecting a specific model that you like at the HP Web site (www.hpshopping.com). Then, search at www.fatwallet.com to see what you can learn about buying that printer. For example, check for advice in the consumer forums and see if there are any coupons. Identify different retailers that sell the printer, and read the ratings of those retailers. Where would you buy the printer, and why did you choose that retailer? For related discussion in the *Basic Marketing* text, see page 468.

Chapter 18: Price Setting in the Business World

Internet Exercise: Bizrate

Bizrate.com is a Web site that makes it easy to find different brands of products from different sellers and compare prices. Go to www.bizrate.com and search for “popcorn popper.” Review the products and prices listed and check a few of the links to related information. How useful is this sort of service? Is there more variety in features and prices than you expected? Do you think that this sort of comparison makes people more price sensitive? Why or why not? For related discussion in the *Basic Marketing* text, see page 497.

Internet Exercise: Tiffany

Tiffany & Co. is widely recognized as one of the world’s premier jewelers. It commands high prices for what it offers. Go the Tiffany Web site (www.tiffany.com) and review the different sections. Do you think that the Web site communicates superior customer value to the Tiffany target market? Explain your opinion and which specific aspects of the Web site support your view. For related discussion in the *Basic Marketing* text, see page 504.

Chapter 19: Implementing and Controlling Marketing Plans: Evolution and Revolution

Internet Exercise: Customer Complaints

Companies handle customer complaints in different ways. Select three products that you use, and then, for each product, go to the Web site of either the firm that produces it or a retailer that sells it. How easy is it for you to register a complaint with each business? Does the company encourage phone calls? Or emails? Was it easy to find this information? Which of the three companies you visited does the best job with complaint management? Why? For related discussion in the *Basic Marketing* text, see page 517.

Internet Exercise: SPSS

SPSS sells software that can be used for a variety of purposes, including analyses of sales, cost, and customer data. Browse the SPSS Web site (www.spss.com) and identify three ways that SPSS could make it easier for a manager to do a performance analysis. For related discussion in the *Basic Marketing* text, see page 522.

Chapter 20: Managing Marketing's Link with Other Functional Areas

Internet Exercise: Prosper

Prosper is an online network that matches borrowers and individual lenders. Go to the Web site (www.prosper.com) and click on “How Prosper Works” to learn more. Then click on “Invest” and then “Individual Loans” and review three different business loan requests. Click on each loan request to read the entire application. Would you loan money to any of these businesses? Why or why not? Would you borrow money using Prosper? Why or why not? For related discussion in the *Basic Marketing* text, see page 543.

Internet Exercise: Nike

Nike offers an online service called Nike ID in which customers can design their own shoes (or other Nike products). Go to the Web site (www.nikeid.com) and see how the Nike system works. Do you think that it's easy to design to your own preferences at the Web site? What do you think are the major strengths and weaknesses of this service? For related discussion in the *Basic Marketing* text, see page 549.

Chapter 21: Ethical Marketing in a Consumer-Oriented World: Appraisal and Challenges

Internet Exercise: American Customer Satisfaction Index

Let's take a closer look at the American Customer Satisfaction Index (ACSI). Go to the organization's Web site (www.theacsi.org). Click on "ACSI Scores Commentary" and look at "Scores by Industry." In some industries, ACSI has been measuring customer satisfaction since 1994. What industries have shown the greatest improvement since that time? What industries have declined in customer satisfaction? Why do you think some industries have moved up, while others have moved down? For related discussion in the *Basic Marketing* text, see page 565.

Internet Exercise: Consumerist

The Consumerist (www.consumerist.com) is a widely read blog. It operates as a consumer watchdog and monitors corporate behavior. Go to this blog and read a posting critical of some firm's behavior—click through to the original source if necessary. What do you think of this story? Does it change your attitude toward the firm? How could sites like these influence consumers? How could they influence firms? For related discussion in the *Basic Marketing* text, see page 582.

9. COMMENTS ON THE ETHICS QUESTIONS

Each chapter includes an Ethics Question. These provocative scenario-based exercises place students in real-world situations that might be faced by students in their first job or at a lower level of management. The questions encourage students to take a stand and think more deeply about the dilemmas facing marketing managers. The flexible format allows instructors to create written assignments, discuss the questions in class, or simply encourage student reflection while they read. Part IV of this Instructor's Manual provides a detailed discussion of each of the Ethics Questions.

10. COMMENTS ON THE END-OF-CHAPTER QUESTIONS AND PROBLEMS

To provide maximum flexibility, there are two different kinds of questions and problems at the end of each chapter. The first kind has fairly definite answers that are covered in the chapter. They are designed for student review or for "policing" by the instructor to check if students have studied the reading assignment and understand it. Some instructors use these questions for "pop" quizzes in class--or as short answer questions for essay-type examinations. These questions give some students a feeling of accomplishment--because they can find the answers in the text.

The second kind of question is designed to be thought-provoking--to force the student to integrate previously acquired knowledge--and then project it into future or unfamiliar situations. Questions of this type may require the extension of ideas, concepts, or principles developed in the text. Frequently, the student's own background and common sense must be used to begin to work toward such ideas, concepts, or principles. In many questions the students are asked to develop a terminology, a classification system, or approaches or objectives which the firms might (or should) have--before they are equipped with the commonly accepted definitions and terminology. It is very pleasing to find how closely the students come to many of the commonly accepted definitions. Student solutions to some of the more difficult questions and problems of this nature are presented in Part IV--to give the instructor an idea of what to expect the first time these questions are used. Obviously, the correct terminology cannot be expected (reading ahead to find the correct terminology should be discouraged if the full value of the exercise is to be obtained). If you are inclined to experiment with the second kind of question, you might assign some of the following questions--along with other questions.

Chapter: question(s)

1: 1, 4, 5, 10, 13, 14, 15	12: 2, 14
2: 7, 9, 10	13: 1, 4, 6, 18
3: 3, 8, 13, 14	14: 4, 9, 11, 14
4: 3, 5, 6, 7, 8	15: 2, 5, 10, 14
5: 4, 6, 7, 9	16: 6, 7, 9, 14, 15, 16, 17
6: 3, 9, 10, 13	17: 5, 11, 13, 18
7: 3, 5, 14	18: 5, 11
8: 5, 10, 11, 18	19: 8, 10, 11
9: 3, 4, 12, 17, 18, 25	20: 2, 7, 11
10: 2, 5, 8, 12	21: 2, 5, 7, 8, 12, 14
11: 5, 7, 13, 15	

There are a variety of ways to use the different questions. The most direct approach--which works especially well in smaller classes--is to assign some of the questions along with the reading assignments and then discuss them in class. Students can be asked to prepare written answers--or alternatively to outline their key thoughts so that they will be ready to participate if called upon. If the instructor has time (or grading help), the written work can be collected and graded (or simply "checked off"). If the instructor does not have time to do much of this type of grading, an alternative is to tell the students that the work will be collected and graded on an intermittent basis--perhaps three or four times during the course. That can motivate improved preparation for the class--while reducing the total amount of grading.

Some students don't like to "volunteer" to talk in class--even if they are well prepared. And, a subset of students seize every opportunity for "air time"--even if their comments add little to the class. By focusing some or all of the class participation grade on responses to the questions, these problems can be minimized. Because the questions have been assigned in advance, the instructor can tell who is prepared--not just who is most verbal. Students who would otherwise be hesitant to "spontaneously" speak up in class may be more willing to talk if they have had a chance to think about what they would want to say--and if they know that everyone is going to be called on sooner or later.

11. COMMENTS ON THE CASES AND VIDEO CASES

Although marketing cases can be used in a number of ways, most instructors assign cases to give their students an opportunity to apply principles and develop decision-making ability. Following the emphasis in this text, they would probably also wish their students to evaluate cases in terms of the kinds of marketing strategies the firms have developed--or should have developed. Case assignments also give students an opportunity to sharpen their ability to communicate--whether in writing or orally--about marketing problems. This is a skill that will be important later in their careers, but recruiters point out that it is a skill that is not well developed.

The 36 regular cases included in the text are designed to give students an opportunity to work with case situations without having to buy an additional text. There is substantial variety in the nature of the cases and they can be used in different ways. The video cases and the regular cases also serve different objectives.

The 8 video cases are longer than the other cases and, in general, they go into more detail on some aspect of marketing. They have been prepared so that they can be spread across the course to correspond to sections of reading. They highlight ways that companies are currently applying concepts covered in the text. Thus, it is possible to simply show the video segments for the case in class as the basis for a class discussion without prior preparation of the written case by the students. The discussion can be focused on analyzing the firm's market situation and its strategy, and as desired it can be coupled with other assignment ideas outlined in the *Instructor's Manual to Accompany the Teaching Videos*. Or, students can be asked to read the printed version of the case and prepare answers to the questions at the end of the case either as a written assignment or for class discussion. Then, the video can be shown

in class. The *Premium Online Learning Center* provides clips from the full videos, so students can get a feel for the company and situation even if the full video is not shown in class.

The 36 other (standard) cases are designed to deepen skills in marketing analysis and marketing problem solving. Some of the cases are quite simple and have been written so that they can be handled early in the text. Some of the cases which are particularly effective for use in this way are suggested at the end of each chapter--and suggestions for using them are included with the chapter-by-chapter aids in Part IV. A large number of cases have been provided--so an instructor can vary cases to be assigned from section to section or from one term to the next.

Part V of this manual contains a discussion of all of the 36 traditional cases. Often, the suggestions alert you to a direction that students tend to take with the case, or particulars of how the case relates to concepts in the text. The comments on these cases are intended merely to be helpful--not definitive. An instructor's own lecture emphasis may lead students to handle some cases differently than the authors' students.

Often students ask how to analyze cases. You may have a preferred approach for students to follow. However, the authors have found that the cases provide a good opportunity to really drive home the marketing strategy planning framework that is the thrust of the *Basic Marketing* text. Yet, students may have been in other courses where it was not clear to them how to apply what they were learning in the course. So, without your help early in the beginning marketing course, they may not make the "connection" that the approaches suggested by the text for marketing problem-solving are precisely the approaches that will guide them to developing logical and effective case analyses.

Moreover, when the professor explicitly encourages students to apply the text's marketing strategy planning to their case analyses, the students realize that it really does work, and their appreciation for the whole course is heightened. Specifically, the instructor might suggest that the students think about how good a job the firm has done in selecting target market(s), and what other target markets should be considered. In the same vein, students can use the 4Ps framework to think about how the firm's marketing mix fits the needs of the firm's target market(s). The elements of the market environment should be considered--to determine if they are likely to be important in evaluating or shaping the marketing strategy. Students should be encouraged to think about the characteristics of target customer buying behavior in the case, and how it relates to the selection of the marketing mix. This problem-solving approach for evaluating the case is "intuitive" for instructors--but students just starting with the case method benefit from the reminder--both when a case is assigned (and perhaps on a recurring basis as the case is discussed). In this vein, Exhibit 2-9 from the text (available in the PowerPoint archive for Chapter 2), can be shown before, during, or after the case discussion as a way to highlight topics considered (or not considered!) in the case and to provide structure to the discussion.

Some cases involve two or more possible target markets and marketing mixes. These situations may warrant a special comment here. Many students will have a tendency to "lump" all of their recommendations together into a grand marketing program. If done well, this may be fine and in line with what the instructor prefers. The authors have found, however, that students have a tendency to fall into "sloppy thinking" unless they are specifically encouraged to *first* really focus on and specify each *individual* strategy (i.e., target market and corresponding marketing mix) separately--*before* trying to come up with some combined or overall marketing *program* (as discussed in Chapter 2). When the students do not think first about individual strategies, they tend to see only the general--often superficial--problems and challenges that a firm faces.

Even with "coaching" in advance about how to approach a case analysis, many students are very uneasy about preparing a case. They may not have ever had cases in any other course, or may simply need more confidence in their own abilities to cope with the open-ended type of thinking that is involved. Because of this, if an instructor plans to grade students' case analyses it is often best to give students at least one "practice case" and some feedback before assigning grades that "really count." Some instructors require every student to prepare the first case assignment, but include the grade for that case work in the final grade only if it does not lower the student's average on the case work portion of their

grade. This rewards those who do a good job from the very beginning, but does not frustrate those who need a little time to become accustomed to case work.

Case analysis can be a flexible means to encourage a wide variety of student skills. Some instructors assign students to a group, and have the group prepare a presentation of their case analysis and recommendations for the rest of the class. This is a good way to give students experience both in working with others and in developing skills in speaking before a group. Sometimes it is interesting to have two or more different student teams make presentations on the same case, and then have the rest of the class indicate which set of recommendations they would follow and why.

Cases also offer an excellent means to give students an opportunity to develop skills in written communication. The authors have found that a page constraint (like one or two double-spaced pages) can be helpful in encouraging students to get to the important points--and not simply repeat the descriptive material in the case.

The authors have found that students often ask to see an example of a "good" case write-up when a case written "brief" is assigned. Yet some instructors are hesitant to provide such a sample because of concern that students might think that there is only one "good" answer. On the other hand, distributing a copy of a case prepared by one or more of the students--especially for one of the "early" case assignments--can help to show students that the instructor has realistic expectations--and that the instructor doesn't necessarily expect a short write-up to cover every possible idea. If the instructor decides to duplicate and distribute a case prepared by one or more students, it is usually best not to identify the name of the student who prepared the case (and privacy considerations prohibit this at most institutions). While most students like having their work used as a good "example," they may be embarrassed when they are publicly identified to the class as having done a "good job." Moreover, if a sample case brief is distributed, it is usually good to point out to students that clearly reasoned "recommendations" other than the one(s) in the distributed case could elicit a very favorable reaction. If this precaution is not taken, some students may feel that they were somehow supposed to "read the instructor's mind" to get the "right" answer.

When the instructor of a larger class asks students to prepare a case for class discussion, some may only give the case a passing reading--or less than that--if they think that they will be able to sit quietly and let other students volunteer their analyses. One simple way around this problem is to encourage students to prepare a single page of "notes"--perhaps simply in outline form--in which they list what they consider to be the key "facts" of the case and their analysis and major recommendations. The instructor can indicate that these notes need not be "polished," but rather are simply to be used as a reminder during class discussion and that the notes will occasionally be collected--as part of an evaluation of daily preparation. This does not create a lot of extra work for the students (or grading for the professor)--but does usually raise the percentage of students who are well prepared for class discussion.

See the table on the following page for an overview of the cases.

Overview of Marketing Situations in Cases

Case Name	Firm Type			Firm Size			Product Class		Good/Service		Product Life Cycle				Nature of Competition			
	P	W	R	S	M	L	C	B	G	S	I	G	M	D	M	O	MC	PC
1. McDonald's			•	•			•		•	•			•				•	
2. Sunnyvale Food.	•					•	•		•				•					•
3. Rocky Soccer	•			•			•			•		•					•	
4. Lakeside Tech.	•			•			•			•			•				•	
5. ApplPoly Prod.	•					•		•	•		•						•	
6. Steelco	•					•		•	•				•		•	•		
7. Ben Ohau Lod.	•			•			•			•			•				•	
8. Palio's Rist.			•	•			•		•	•			•				•	
9. GoodNight Inn			•	•			•		•	•			•				•	
10. Swan's Ice			•	•			•			•	•		•				•	
11. Fleet of Foot			•	•			•		•		•		•				•	
12. DrGlen.com	•					•	•			•		•					•	
13. Office Supplies	•	•	•		•			•	•				•				•	•
14. Showtime Med.			•	•			•	•	•				•				•	•
15. Herrera Group		•		•				•	•			•	•				•	•
16. Wright Wood		•		•				•	•	•	•		•				•	•
17. Pure & Sparkl.			•	•			•	•	•			•					•	
18. Ralston Valley	•			•			•	•		•				•	•			
19. SplendidWed.	•			•				•	•		•	•					•	
20. Spare Time Eq.			•	•			•	•	•	•			•				•	•
21. Worldwide Ch.	•					•		•	•	•	•		•				•	
22. Bright Light	•			•			•		•		•				•			
23. Furniture Tod.			•	•			•		•				•				•	
24. A Better Wire	•				•		•	•	•		•		•				•	•
25. Harbor Plastics	•				•			•	•				•		•	•	•	
26. Harmony Val.	•	•	•		•		•		•				•					•
27. Excel Molding	•				•		•	•	•		•		•				•	•
28. A Cut Above	•	•			•			•	•		•		•				•	
29. Custom Cast.	•				•		•	•	•				•			•	•	•
30. River Ridge M.	•					•	•		•				•				•	
31. Domicile Heath			•	•			•			•	•	•	•				•	
32. Lever	•					•	•		•				•	•			•	
33. Allen & Lynch	•				•			•		•			•				•	•
34. Creative Alum.	•				•		•		•				•				•	•
35. De Angelo's			•	•			•		•				•				•	
36. Mountain View	•			•			•		•		•						•	

KEY: *Firm Type*: producer, wholesaler, retailer. *Firm Size*: small, medium, large. *Product Class*: consumer, business. *Product Life Cycle*: introduction, growth, maturity, decline. *Competition*: monopoly, oligopoly, monopolistic competition, pure competition.

12. COMMENTS ON THE MARKETING GAME!

The separate *Instructor's Manual for The Marketing Game!* is comprehensive and provides many detailed suggestions and ideas about incorporating the game in the introductory course (and/or follow-up electives). Further, Chapter 2 of that manual overviews the special features of *The Marketing Game!*--so instructors who have had previous experience with marketing simulations will be able to find (in one place) a discussion of how the game is different from, and similar to, other simulations. Thus, all of that material will not be repeated in detail here. However, a few general comments are provided for perspective.

The Marketing Game! is a high-involvement learning experience for most students. Perhaps student excitement about the game is generated because it *is* competitive--or perhaps it is because it thrusts them actively into the exciting and dynamic role of a marketing manager. Whatever the reasons, students like the game and they appear to learn a lot by participating in it.

The game is also easy and fast to administer. Most instructors get decisions and return results in a totally electronic format--often attached to an email. In fact, at schools that have good computer support (a network, access to email and the Internet, or the like) the administrative aspects are nearly "automatic" with the new version of the game. Even when plans and reports are not handled electronically, the game is easy to administer.

The game is designed to be an integrating experience. Students select target market opportunities to pursue, and blend decisions across the strategy decision areas of the 4Ps to develop a marketing mix. The dynamic nature of the game also puts emphasis on the control aspects of marketing--and the need to adjust strategies over time based on feedback about the strengths and weaknesses of previous plans--and based on changes in competition and the market.

Feedback to students comes in the form of financial summaries and a variety of marketing research reports. Thus, the game is a "living case" that stimulates students to think about the profit implications of marketing decisions. They must work within a budget--and that encourages them to think in detail not only about what they want to accomplish, but how much it might cost to accomplish it. Thus, as with the computer-aided problems, the game encourages students to develop a "bottom line" orientation in thinking about marketing plans and marketing programs.

The amount of time required to use a simulation is always an issue. *The Marketing Game!* was designed with this in mind--and, because of the unique design, it is quite flexible. It can be used as a major activity in a course (even a higher level elective to follow up on the introductory course)--or at the other extreme as an add-on element of the first course that does not involve much time in class. The game is flexible because the instructor can select the level of difficulty for the game. With students in the first course, the first level of difficulty is a good starting point. At this level, students are required to make decisions in fewer areas, and less time is involved in analysis.

The game provides the instructor with special "diagnostic reports" that are not available to students. These reports allow the instructor to tell--at a glance--which "firms" are doing well and which are not. It also pinpoints why--so the instructor does not need to wade through piles of printouts to be able to advise students or assess performance. A professor's time can be reduced further by using student teams rather than having each student compete individually. We recommend teams because that also enhances discussion of the concepts among students.

The instructor can use the game to illustrate key points in lectures throughout the course. The game is developed to be consistent with--and build on--the marketing strategy planning frameworks developed in *Basic Marketing*. Thus, students get very involved in the ideas--and as the course progresses and they learn more about marketing they are eager to apply their new knowledge in the game.

Of course, there can be a potential disadvantage of this sort of "high involvement" learning activity. At the extreme, some students get so excited about the game that they will devote all available time to it--even

to the point of ignoring other assignments! Thus, the instructor needs to make some trade-offs between different types of assignments.

Look at the separate *Instructor's Manual for the Marketing Game!* (available as a pdf format file on the *Instructor's Resource CD to Accompany Basic Marketing*) for more discussion of the game and ideas on integrating it with your course. At this point, however, the basic issue probably comes back to the objectives you have for your course. The game is very effective in achieving a number of teaching/learning objectives. The objectives you want to stress in the first course will be important in deciding if the game is your best choice--or if other elements of *P.L.U.S.* are better suited to your style and your students' needs.

13. COMMENTS ON THE MANUAL OF OBJECTIVE TESTS

Complementing this *Instructor's Manual* is a separate and very complete *Manual of Objective Tests* of 5,000 true-false and multiple-choice questions. Comments on the use of these test questions--including an explanation of the EZTest software (and test question database) available to accompany the printed questions--are included at the front of that manual. So, all of that material is not repeated in detail here.

In the manual, all of the questions are arranged in the same order as the material in the text (and include a specific page number immediately before the question)--to make it easy to ensure even coverage. Immediately below each T-F question, the correct answer is given. Similarly, with each M-C question, the correct alternative is identified. Each true-false and multiple-choice question is classified according to: (1) an AACSB classification code, (2) the expected difficulty level (Easy, Medium, Hard), (3) the number of the relevant learning objective from the chapter, and (4) the type of knowledge tested (i.e., definitional, application, comprehension, self-test, math, and the like). This information is summarized below each question--making it easier to select the questions you want for a test.

The large variety of carefully-prepared questions allow the instructor to easily develop an objective test that corresponds to the course objectives--whether the objectives focus on learning concepts and definitions or include higher level abilities--like the ability to apply the concepts, or understand how a variety of topics interrelate. This means that the instructor can spend more time on other aspects of the course--or other responsibilities. Further, the EZTest test-generator software makes it easy to generate tests.

The printed *Manual of Objective Tests* is available through your local Irwin/McGraw-Hill sales representative or by contacting the publisher's faculty services group at 1-800-634-3963. The EZTest software and database of questions is available on the *Instructor's Resource CD to Accompany Basic Marketing*. For security reasons, the test bank is not available as a download from the text's Web site.

14. COMMENTS ON THE MULTIMEDIA LECTURE SUPPORT GUIDE, INTERACTIVE POWERPOINT LECTURE SLIDES, AND POWERPOINT ARCHIVES

The *Multimedia Lecture Support Guide to Accompany Basic Marketing* provides a comprehensive and flexible set of materials to assist you in preparing for lectures and class discussions. It also provides information and ideas about other separately packaged materials we have prepared to work with this *Multimedia Lecture Support Guide*. These include:

- Interactive PowerPoint Presentation Slides and Lecture Scripts, for each chapter, which provide a "ready-to-go" (or easy to modify) basis for class lectures and accompanying slide shows. The provided PowerPoint viewer allows the instructor to display the slides even if the instructor does not have the full PowerPoint package. However, instructors who have their own copy of PowerPoint can easily modify or add to the PowerPoint presentations. The lecture scripts to accompany the slide presentations are printed in the *Multimedia Lecture Support Guide* but are

also available in digital form on the “notes pages” of the PowerPoint files so that they are easy to modify (or incorporate with other material the instructor wants to use). The lecture slides for many chapters include a fully integrated interactive exercise that can be used to boost student involvement and stimulate class discussion. Several chapters also include interactive graphical exercises that help to illustrate the impact of marketing concepts.

- The Instructor’s Resource CD provides all of the materials from the *Multimedia Lecture Support Guide* in popular digital formats (Word files, PowerPoint files, etc.) It also provides Word-processing files or Acrobat Reader format (*.pdf) files for the other instructor materials (such as this Instructor’s Manual) as well as the PowerPoint Archive files (one per chapter) that include all of the exhibits and illustrations from the text. This CD also includes the EZTest exam generator software and other programs, such as the PowerPoint viewer (for faculty who do not have access to the full PowerPoint package).
- A PowerPoint file with slides for 76 current ads from consumer and trade publications that do not appear in the text.

Chapter-by-Chapter Materials

The *Multimedia Lecture Support Guide* facilitates different types of class presentations and discussions. Regardless of the approach(es) you select, there is a wealth of supporting material for each chapter.

For each chapter in *Basic Marketing*, the *Multimedia Lecture Support Guide*:

- offers the script of a complete lecture, which can be used “as is” or modified by the instructor, that is, coordinated with the Interactive PowerPoint electronic presentation slides. As appropriate, the scripts are also cross-referenced to specific pages in the text. They also provide suggestions for class discussion questions and ideas for using the interactive exercises.
- lists learning objectives and a summary table with all of the important terms/concepts introduced in that chapter.
- provides a chapter outline, including call-outs for relevant slides in the PowerPoint archive for that chapter.
- includes master pages (for class handouts) of a set of student notes based on the lecture script and PowerPoint slides.
- gives suggestions on color advertisements (available as PowerPoint slides) to use in illustrating concepts for that particular chapter.
- discusses perspectives on teaching that chapter, including ideas on how to build on the high involvement teaching examples and cases (at the beginning of each chapter and in a boxed insert in the chapter).

The learning objectives, important terms, and chapter outlines are printed in a large typeface that makes them easy to reference during class.

The learning objectives and important terms can be especially helpful at the beginning of class--as the topic for the day is introduced. (They are available in both the chapter outline and also in the PowerPoint presentation slides). Often, lecture points will complement or supplement students' reading related to these objectives.

The chapter outlines can be used to structure a lecture or class discussion that is less formal than the lecture slides. The outlines include entries for all of the major topics and subtopics covered in each chapter. The important terms are included and highlighted (in capital letters and underlined)--along with their definitions. The outlines show places where slides in the PowerPoint archive might be used; slides are identified by title and appear in italic so they are easy to spot. If a slide corresponds to an exhibit in the text, the exhibit number is also included. This cross-referencing makes it easy if you want students to be able to look in the text at their own copy of the exhibit.

In addition to exhibits, photos, Web site screenshots, and ads from the text, the PowerPoint archives provide hundreds of useful exhibits that are not in the text. Some of these are "conceptual organizers"--figures or diagrams like the ones in the text that can be used to help organize a presentation and students' thinking. Some of them consist of a set of "bullet points"--key topics to be considered in a given area. These can help to structure a presentation or discussion--while at the same time maintaining flexibility.

Basic Marketing features special chapter-opener examples and highlighted "teaching cases" for each chapter. These examples have been carefully developed so that they are not only interesting and involving in their own right, but also so that they can provide the basis for a more extensive and integrating treatment in class--if the instructor wishes. Even though they are brief, they are developed in sufficient detail that they can provide the basis for class discussion (perhaps as a follow-up to questions assigned by the instructor). Ideas for such assignment questions are provided in the "perspectives" section of the guide along with the other chapter-by-chapter materials. Many of these ideas build on the case as an integrating device to relate topics in the current chapter with ideas covered earlier in the course--or to encourage students to start thinking about topics that will be developed in more detail later in the course. They also serve as a vehicle to motivate additional discussion of key issues that cut across chapters--such as the impact of competition and international opportunities on marketing.

Color Ads

We provide a PowerPoint file with a slide for each of the more than 70 current color print ads that do not appear in the text. *The Multimedia Lecture Support Guide* provides a summary list that includes the names of the sponsoring firm and the headline copy). These were selected to be flexible--to illustrate and support discussion of a variety of different points. There are consumer ads, business ads, and ads targeted toward intermediaries. They represent a variety of different types of products and organizations. Each PowerPoint slide is keyed with the number of the ad to make it easy to reference the teaching suggestions for that ad.

There is no single "best" way to use these ads. In the *Multimedia Lecture Support Guide*, however, we offer specific suggestions for ads that can be used to illustrate ideas discussed in each chapter, and provide a few comments on each suggested ad. For each suggestion, the number of the ad is provided, along with the name of the product or company and the headline from the ad. The notes appear in sequential order by ad number. This makes it easy to quickly find and review the ads you want to use. The instructor may simply want to show an occasional ad--to illustrate points and give students vivid "real world" examples beyond what is already included in the PowerPoint lectures. Most instructors will also have their own ideas about points to make with the ads--beyond the ones suggested in the chapter-by-chapter notes.

The *Premium Online Learning Center* also has an electronic slide show of example ads (with annotations) that serve the same type of purpose. The student can review these without help from the instructor and without taking valuable class time. The ads on the *Premium OLC* are all different from the ones on the Instructor CD. We should note, however, that most of them are from the instructor materials for the *previous* edition of *Basic Marketing*. This information is especially useful to instructors who have "favorites" from the previous set and would like access to electronic versions.

Rather than the instructor being the one to use an ad to illustrate a point, the ads can be a good stimulus to get *students* interested in participating in class. This works well in a nonlecture-oriented class--and can bring student involvement to even larger classes that are primarily lecture-driven. The instructor can show an ad and ask student volunteers to explain what concepts from the assignment for the day are illustrated by the ad. The authors' own experience--and feedback from many other instructors--suggests that this can be a good "ice-breaker" at the beginning of class, and may provide the instructor with an idea of how well students understand key ideas in a chapter. Alternatively, the questioning approach can be used toward the end of class--after the lecture. The ads provide useful flexibility for the time at the end of a class. If a lecture or class discussion has gone faster than expected and extra time is left, more time

can be used to discuss the ads. If time is short, the instructor can quickly show selected ads to emphasize key points from the lecture or reading. The ideas in the Guide should give you a good start if you like this approach.

Another approach is to couple the ads with beginning-of-class "warm-up" exercises. Students might be asked to write a brief paragraph about the ad, explaining what concepts it illustrates--or discussing how it deals with the relationship between two topics. For example, an ad for a business product might illustrate issues relevant to both business purchasing and business product classes. The ad could be used as a visual cue, accompanied by a short open-ended question. Some instructors might want to experiment with this approach for daily quizzes--or as part of a longer exam.

Because there are so many ads, they will not become too "familiar" if they are used several times during the course. In fact, repeating an ad to illustrate different points in a course can have a positive side effect. By the end of the course, students realize that they are "seeing" a lot more in the ad--and the marketing concepts behind it--than they did at the beginning of the course.

Recommendations about ads that might be used with individual chapters are provided. However, it makes sense for the instructor to go through the whole set and jot down ideas about how each ad can be used. This can be done very quickly, and can be quite productive. Usually, new ideas will come up if this process is repeated a few times during the semester. Once the instructor has been through the ads and they are familiar, it is easy to "think through" the set relative to a planned lecture or class discussion. One simple way to keep your notes and the ads together is to type your ideas right in to the "notes" page in the PowerPoint file that includes the ads. The notes page view shows both a miniature version of the ad and a place to type your notes.

15. COMMENTS ON THE INSTRUCTOR'S RESOURCE CD TO ACCOMPANY BASIC MARKETING

The *Instructor's Resource CD to Accompany Basic Marketing* was briefly discussed in the previous section. It is a powerful resource that makes the process of preparing for and teaching the introductory marketing course more efficient and more effective. It provides, in one easy-to-access place, a quick way to create and present elaborate multimedia slide shows and to find, review, and/or assemble supporting materials from supplements such as this *Instructor's Manual* and the *Multimedia Lecture Support Guide*. It allows you to select from literally thousands of presentation slides, including illustrations from the text, graphics from the PowerPoint archives, Interactive PowerPoint Lecture Slides, PowerPoint slides developed for *The Marketing Game!*, and segments from the teaching videos.

It also provides easy access to the EZTest test-generator software and a number of other software systems we have developed to support teaching with *Basic Marketing*.

16. COMMENTS ON THE TEACHING VIDEOS, VIDEO CASES, AND VIDEO CLIPS

With this edition of *Basic Marketing*, we have significantly updated, expanded, and improved the set of videos available to accompany the text. We offer you a choice among a total of 23 teaching videos that focus on key topics from the text, 8 video case segments that deal with specific companies and aspects of their marketing strategy, 35 short videos from the Business Week and NBC News archives, and a host of short clips (extracted from new videos or from previous videos) that are easy to include in PowerPoint presentations and effective to help make points and concepts from a lecture more vivid. Each of the video cases may be used independently or assigned in combination with the corresponding printed cases in the text. Your McGraw-Hill/Irwin representative can give you additional information about obtaining the videos for your school.

All of the teaching videos, video cases, short videos, video clips, and supporting materials in the separate *Instructor's Manual to Accompany the Teaching Videos* have been specifically developed by marketing

experts to work with the 18th edition of *Basic Marketing*. Judy Wilkinson (Youngstown State University) played a big role as producer and coordinator of the video series for this edition.

All of the teaching videos and video cases were designed to heighten student interest in important marketing concepts and trends. A key focus has been to cover a variety of interesting organizations and marketing contexts—including material such as up-to-date ads, exclusive interviews with marketing executives, and "insider" views of the planning and implementation of marketing strategies. We have developed the whole series of *Teaching Videos*, *Video Cases*, *Short Videos*, and *Video Clips* so that they cover topics across the complete text—so you have a variety of choices throughout the course.

As noted above, the video segments are supported by their own *Instructor's Manual*. That manual provides substantial detail about each of the videos, and many useful ideas and suggestions about how to incorporate them in your course. Each of the video segments has been developed so that it can be played in about 15 minutes. By contrast, most of the new short videos and the video clips are two minutes or less—and many are less than a minute. This provides significant flexibility. An individual video segment can be used in combination with lecture and class discussion—perhaps including analysis of possible recommendations concerning the video cases. Alternatively, a variety of short videos or video clips can be shown in the same class period and interspersed with lectures or discussion to provide variety.

The summary table on the next several pages provides a brief overview of the topics and chapter(s) with which each video can be most effectively used. Looking through the *Instructor's Manual to Accompany the Teaching Videos* as you are developing the schedule for your course will help you to decide which videos you want to use and how much time you might want to leave for discussion.

Summary of Basic Marketing Teaching Videos

Video Segment	Text Chapter (time)	Title of video segment and brief description
1	1, 2 (18:12)	Introduction to Marketing. This video features one of the authors speaking about the importance of a basic knowledge of marketing to all business students, regardless of major or career objective. The video also features clips of the new videos in illustrations of the 4Ps.
2	3 (12:25)	America's Concern For Health and Wellness. Opportunities For Some, Threats For Others Increasingly, Americans are pursuing healthier lifestyles. The consequences for some products and the companies that make them differ, depending on whether consumers perceive them as being beneficial or detrimental to health and wellness. This trend in the cultural and social environment of marketing is creating opportunities for some products/companies and posing threats to others.
3	4 (8:09)	YUM! Brands: Multibranding in the QS Segment of the Restaurant Industry. YUM! Brands, Inc. has multiple brands in the Quick Service segment of the restaurant industry: A&W All-American Food, KFC, Long John Silver's, Pizza Hut, and Taco Bell. Each of these restaurant chains competes in a separate quick serve product market (food category). However, a recent target marketing strategy is to combine two of YUM! Brands restaurant brands under one roof. This approach enables a single restaurant facility to satisfy the needs of diners for multiple brands of QS food at one location.

Video Segment	Text Chapter (time)	Title of video segment and brief description
4	5,6 (14:23)	Targeting the Premium Dog Market: Cashing in on “Doggy” Love. This video covers consumer behavior concepts and theories relevant to the design of marketing strategies in the growing market for premium pet products. It showcases several successful firms in this arena.
5	2,7 (15:20)	Business-to-Business Marketing at the Timken Company. Timken is the world leader in three complementary product and service lines: tapered roller bearings, needle roller bearings, and alloy steels. Timken’s winning strategies include innovative customized solutions to customer needs, value-added products (bundling), customer service (bearing maintenance and repair, e-business strategies), and quality. The video also features a discussion of Timken’s brand management and presentation strategies.
6	8 (16:21)	Collecting Quality Information for Marketing Decisions. This video explains the process of gathering information to reduce the inherent risk in marketing decision-making. Company examples include Burke Marketing Research, Nielson, Kroger, and Envirosell and help to reinforce important marketing research issues.
7	9, 10 (11:22)	Fiesta®: Homer Laughlin’s “Comeback” Brand. This video tells the story of Fiesta®, which was first manufactured and marketed to U.S. consumers in 1936 by The Homer Laughlin China Company.
8	10 (17:30)	Clean Shower: New-Product Development and Launch Strategy. Clean Shower was the brainchild of inventor and entrepreneur Bob Black who saw an unmet need in the marketplace. The video illustrates each stage of the new-product development process as Bob Black successfully brings his new product idea to market using creative strategies to obtain shelf space in supermarkets and achieve product trial by consumers.
9	11,12 (12:37)	PepsiAmericas: A Bottler/Wholesaler in the Pepsi Channel of Distribution. The channel of distribution for PepsiCo’s soft drink products is illustrated in this video. The three channels for Pepsi beverages are: the large format channel, the small format channel, and the on-premise channel. The role of PepsiAmericas as a large franchised anchor bottler and wholesaler for PepsiCo, Inc. is to mix the concentrate (or syrups) with carbonated water, bottle the product, and distribute the product to retailers. Soft drinks are distributed intensively through as many outlets as possible. PepsiAmericas must achieve widespread distribution coverage and implement Pepsi’s “push” strategies.
10	11,12 (15:04)	Country Pure Foods: Delivering Juice to a Thirsty World. This video illustrates the channel and physical distribution strategies (the PLACE element of the marketing mix) used by Country Pure Foods, a manufacturer and distributor of beverage products, including juices, single serve water and most recently, ready-to-serve iced coffee.
11	13 (11:14)	U.S. Retailers: New Challenges, New Opportunities. This video illustrates several major challenges and opportunities facing U.S. retailers over the second decade of the 21st century.
12	14 (10:20)	Capital One Asks, “What’s in Your Wallet?” explores Capital One’s efforts to differentiate its financial services and how its promotion efforts have shaped how it is viewed by consumers.

Video Segment	Text Chapter (time)	Title of video segment and brief description
13	9,14,16 (4:25)	Real California Cheese: Branding and Promoting a Commodity Product features the California Milk Board's integrated marketing communications campaign to increase demand for Real California Cheese products. The campaign included TV advertisements, billboards, magazine ads, event promotions, publicity, in-store sampling, and coupons to promote the brand/logo.
14	15 (13:04)	Professional Selling: Serving Customers – Serving the Firm The covers three learning objectives: (1) the role of salespeople-- salespeople have several important roles in an organization (selling, meeting buyers' needs, and providing marketing information back to decision-makers); (2) the structure and content of a consultative sales call; and (3) the major types of salespeople-- order takers, order getters, and supporting salespeople. A 1:55 long "trailer" provides an interview with a salesperson.
15	14,16 (8:00)	Digital Signage: Versatile and Effective High-Tech Marketing Communication. When it comes to advertising, the medium is extremely important. Each medium has its advantages and disadvantages. This video examines the fast-growing medium of digital signage.
16	17,18 (14:30)	Root Candles Sheds Light on Its Pricing Decisions. This video explains the pricing method used by Root Candles to price the product it manufactures—candles sold under the family brand name of "Root Candles." A number of pricing concepts are explained in the video: markup pricing, variable and fixed costs, price sensitivity, and price reductions. The influence of competition on pricing, in particular foreign competition, is addressed.
17	9,21 (17:04)	Services Marketing deals with some of the challenges in the marketing of services and shows how a variety of large and small service organizations (Hilton Hotels, California Science Center, Louise's Trattoria, and Continental Airlines) have modified their marketing strategies.
18	14,16, 21 (11:00)	Bluesky Creative, Inc: Next Generation Marketing. Bluesky Creative, Inc. is a marketing company that is very similar to an advertising agency. It provides four core services: graphic design, production, fulfillment, and account management.
19	21 (17:20)	Marketing Ethics: Current Issues and New Challenges. This video defines ethical issues as gray areas in terms of right and wrong and illustrates some recent ethical dilemmas for companies along with the 4Ps. Information resources for ethics codes and issues are presented, and the role of an ethics officer is illustrated.
20 (Video Case 1)	1, 2 (14:58)	Chick-fil-A: "Eat Mor Chikin" (Except on Sunday). This video examines the marketing efforts at Chick-fil-A, a fast-food chain that has sparked profitable growth with a differentiated offering, clever promotion, value pricing, and locations that fit a carefully considered plan for geographic expansion.

Video Segment	Text Chapter (time)	Title of video segment and brief description
21 (Video Case 2)	2, 4,13 (13:51)	Bass Pro Shops (Outdoor World). Bass Pro Shops is the nation's leading retailer of outdoor gear. It also is regarded as a master marketer for a unique shopping experience that blends goods and services with theater and entertainment—a trend in retailing called “destination development.” Destination retailers don't just sell a product; they create an unforgettable experience for their customers. Exactly how Bass Pro Shops achieves this level of experiential retailing is shown in the video.
22 (Video Case 3)	9,10 (14:58)	Toyota Prius: The Power of Excellence in Product Innovation and Marketing. This video showcases the development of Toyota's very successful—and innovative--Prius hybrid and how it was introduced in the market.
23 (Video Case 4)	2,3,4,21 (8:23)	Potbelly Sandwich Works Grows through “Quirky” Marketing is a case that looks at a firm that has grown, in a very competitive market, with a benefit offering that is part excellent food and part distinctive eating environment—coupled with a clever strategy that sets it apart.
24 (Video Case 5)	2,3,13 (20:14)	Suburban Regional Shopping Malls: Can the Magic Be Restored? This video examines the shopping center industry from the standpoint of historical development and illustrates the various types of shopping malls. Interviews with shopping center developers explain the problems and opportunities for the traditional suburban regional shopping mall—the oldest mall concept in the modern shopping center industry.
25 (Video Case 6)	2,19, 20, 21 (13:45)	Strategic Marketing Planning in Big Brothers Big Sisters of America looks at the strategy planning process for a national nonprofit organization with many local member organizations and illustrates different aspects of how the marketing strategy has evolved to meet the changing market environment.
26 (Video Case 7)	2,4,9 (13:28)	Invacare Says “You Can!” to Customers Worldwide is a case that looks at The Invacare Corporation wjocj produces home medical equipment for the domestic market as well as select global markets.
27 (Video Case 8)	2,4,10 (12:56)	Segway Finds Niche Markets for Its Human Transporter Technology is a case that looks at a truly innovative product—a technological breakthrough—that has not experienced rapid consumer acceptance but which has worked in creative ways to prompt trial, growth, and exposure with new applications for new target markets.
Bonus Videos. Bonus videos are videos that were dropped in previous editions of Basic Marketing. They are being offered as “extras” in this edition because they were popular videos and they are still relevant to the classroom.		
	3 (17:00)	Deere & Company Responds to Market Opportunities. The experiences of Deere & Company emphasize that marketing managers must consider the resources and objectives of the firm along with the uncontrollable economic, technological, political, legal, socio-cultural, and competitive environments in making strategic decisions.

Video Segment	Text Chapter (time)	Title of video segment and brief description
	9 (14:33)	Product Management at Hillerich & Bradsby. This video features the product history, mix, and licensing strategy of Hillerich & Bradsby Company, located in Louisville, Kentucky. Hillerich & Bradsby has been making baseball bats for over 100 years.
	14, 16 (19:40)	Promoting Kentucky Tourism: Advertiser/Agency Relationships. This video serves as an introduction to the relationships that develop between advertising clients and their advertising agencies.
	2, 4, 9 (7:17)	The GM HUMMER: Brand Equity, Development and Development. This video gives some history of the marketing of GM's Hummer.

Short "Clips" From Teaching Videos

We have developed a number of short video "clips"--selected from our past and current teaching videos--for use in PowerPoint Presentations. The video "clips" are organized by textbook chapter. For each "clip," the following information is provided:

- Name of the "clip" and approximate runtime (in seconds) of the clip
- Textbook concept(s) illustrated,
- and the firm/organization used in the illustration.

Many of the video "clips" are less than 120 seconds, and some are under 60 seconds. A few clips are longer because the message is more complex.

We provide these video "clips" for professors to use in PowerPoint lectures. Also, the video "clips" give professors a choice between using a small "chunk" of video when the video cannot be shown in its entirety.

Chapter One. Marketing's Value to Consumers, Firms, and Society

- Clip: *Welcome to Marketing by Dr. Bill Perreault*. Concept(s): Importance of marketing to all students regardless of major. Illustration: Quote. Length: 1:23.
- Clip: *Value Creation*. Concept(s): Customer value reflects benefits and costs. Illustration: Shopping Malls. Length: 0:40.
- Clip: *Girl Scouts of the USA*. Concept(s): Marketing in nonprofit organizations. Illustration: GSUSA. Length: 1:43.
- Clip: *Marketing Ethics by Dr. Bill Perreault*. Concept(s): Nature of marketing ethics, Marketing codes of ethics, Industry and company guidelines. Illustration: Quote. Length: 3:12.
- Clip: *Marketing Ethics in Practice*. Concept(s): Company ethics code, ethics officer. Illustration: Eaton Corp. Length: 2:32.

Chapter Two. Marketing Strategy Planning

- Clip: *Potbelly Sandwich Works Marketing Mix*. Concept(s): Marketing strategy planning, Developing marketing mixes for target markets. Illustration: Potbelly Sandwich Works. Length: 4:15.
- Clip: *Planning Process and Levels*. Concept(s): Marketing strategy planning. Illustration: Girl Scouts of the USA. Length: 5:20.
- Clip: *Capital One Diversifies*. Concept(s): Marketing strategy planning, Diversification. Illustration: Capital One. Length: 2:25
- Clip: *Strategic and Marketing Planning*. Concept(s): Marketing strategy planning, S.W.O.T. Illustration: John Deere & Co. Length: 2:47 .
- Clip: *Objectives and Programs for Target Markets*. Concept(s): Developing marketing mixes for target markets, S.W.O.T. analysis. Illustration: Girl Scouts of the USA. Length: 4:23.
- Clip: *Industrial Growth Strategy*. Concept(s): Marketing strategy, Marketing opportunities. Illustration: Timken. Length: 5:45.
- Clip: *Potbelly Sandwich Works Growth Strategies*. Concept(s): Types of opportunities, Competitive advantage. Illustration: Potbelly Sandwich Works. Length: 2:56.

Chapter Three. Evaluating Opportunities in the Changing Marketing Environment

- Clip: *Corporate Purpose*. Concept(s): Mission statement, Objectives. Illustration: Chick-fil-A. Length: 1:44.
- Clip: *Purpose Statement for the Girl Scout Movement*. Concept(s): Mission statement. Illustration: Girl Scouts of the USA. Length: 1:00.
- Clip: *Competitive Dynamics in the Automobile Industry*. Concept(s): Competitors, Competitive advantage. Illustration: VW Beetle. Length: 3:28.
- Clip: *Changing Environment and Opportunities*. Concept(s): Marketing environment, Evaluating opportunities. Illustration: John Deere & Co. Length: 5:14.
- Clip: *Environmental Threats to Regional Shopping Centers*. Concept(s): Economic & competitive environments. Illustration: Shopping Center Industry. Length: 2:22.
- Clip: *Hybrid Car Technology*. Concept(s): Technological environment, market opportunity. Illustration: Toyota Prius. Length: 1:40.
- Clip: *Economic Threats to Regional Shopping Centers*. Concept(s): Economic environment. Illustration: Shopping Center Industry. Length: 0:52.
- Clip: *Sociocultural Threats to Regional Shopping Centers*. Concept(s): Cultural & social environments. Illustration: Shopping Center Industry. Length: 3:01.
- Clip: *Environmental Adversity*. Concept(s): Environmental threats. Illustration: Rolling Acres Mall. Length: 1:43.
- Clip: *Obesity and Fast Food*. Concept(s): Changes in cultural & social environment, Environmental threat. Illustration: Fast Food Industry. Length: 1:18.

- Clip: *Bar Code Users*. Concept(s): Technological environment. Illustration: Manufacturing, Retailing, Wholesaling, Transportation, & Medical Industries. Length: 1:54.
- Clip: *RFID Technology*. Concept(s): Technological environment. Illustration: RFID. Length: 2:29.
- Clip: *Product Portfolio Planning*. Concept(s): Strategic planning in multiproduct firms. Illustration: John Deere & Co. Length: 4:40.

Chapter Four. Focusing Marketing Strategy With Segmentation and Positioning

- Clip: *Segmentation Variables*. Concept(s): Segmentation dimensions. Illustration: Graphic. Length: 0:34.
- Clip: *Ethnicity*. Concept(s): Demographic segmentation. Illustration: Graphic. Length: 1:28.
- Clip: *Hispanic Market*. Concept(s): Demographic segmentation. Illustration: Fiesta Mart. Length: 1:57.
- Clip: *Restaurant Industry Market Segments*. Concept(s): Segmenting product-markets. Illustration: Yum! Brands. Length: 3:04.
- Clip: *Market Segments in the Tea Market*. Concept(s): Segmenting product-markets. Illustration: Celestial Seasonings. Length: 1:15.
- Clip: *Shopping Center Types*. Concept(s): Segmentation for business & organizational markets. Illustration: Shopping Center Industry. Length: 3:39.
- Clip: *Consumer Research in Formulating a Positioning Strategy*. Concept(s): Differentiation & Positioning. Illustration: Goodyear Aqualred. Length: 2:33.
- Clip: *HUMMER H1, H2, & H3*. Concept(s): Positioning, Repositioning, Segmentation. Illustration: General Motors Corp. Length: 4:10.
- Clip: *Multibranding in the Quick Service Segment of Restaurant Industry*. Concept(s): Combined target market approach. Illustration: Yum! Brands. Length: 1:21.

Chapter Five. Demographic Dimensions of Global Consumer Markets.

- Clip: *Census of Population*. Concept(s): Population trends. Illustration: Graphic. Length: 1:03.
- Clip: *Baby Boomers*. Concept(s): Population trends. Illustration: Graphic. Length: 1:14.
- Clip: *Baby Busters*. Concept(s): Population trends. Illustration: Toyota, Body Glove. Length: 4:19.
- Clip: *Baby Boomlet*. Concept(s): Population trends. Illustration: Legoland. Length: 3:23.

Chapter Six. Final Consumers and Their Buying Behavior

- Clip: *Generation X as Consumers*. Concept(s): Population trends. Illustration: Quote. Length: 0:26.
- Clip: *Consumer Buying Behavior for Candles*. Concept(s): Economic value, motivation, needs and wants. Illustration: Root Candles. Length: 1:05.

- Clip: *Buyer Behavior for Motorcycles*. Concept(s): Consumer buying behavior. Illustration: Harley-Davidson. Length: 4:05.

Chapter Seven. Business and Organizational Customers and Their Buying Behavior

- Clip: *Original Equipment Manufacturers (OEMs)*. Concept(s): Business and organizational customers. Illustration: Cummins Engine. Length: 1:22.
- Clip: *Partnering with Customers*. Concept(s): Buyer-Seller relationships in business markets. Illustration: Eaton Corp. Length: 0:48.
- Clip: *Website Communication with Customers*. Concept(s): Internet E-Commerce. Illustration: Cummins Engine. Length: 1:01.

Chapter Eight. Improving Decisions With Marketing Information

- Clip: *Tampering With Results of Research*. Concept(s): Ethical issues in marketing research. Illustration: Coke and Burger King. Length: 1:00.
- Clip: *Tourism Research*. Concept(s): Importance of marketing research. Illustration: State of Kentucky. Length: 1:23.
- Clip: *Use of Research in Tourism Marketing (A)*. Concept(s): Defining the problem and analyzing the situation. Illustration: State of Kentucky. Length: 1:09.
- Clip: *Use of Research in Tourism Marketing (B)*. Concept(s): Analyzing the situation. Illustration: State of Kentucky. Length: 1:26.
- Clip: *Use of Research in Tourism Marketing (C)*. Concept(s): Getting problem-specific data & interpretation. Illustration: State of Kentucky. Length: 1:13.
- Clip: *Use of Research in Tourism Marketing (D)*. Concept(s): Solving the problem. Illustration: State of Kentucky. Length: 1:27.
- Clip: *Qualitative Research*. Concept(s): Getting problem-specific data. Illustration: Graphic. Length: 1:06.
- Clip: *Focus Group*. Concept(s): Qualitative research. Illustration: Strategic Record Research. Length: 2:41.
- Clip: *Quantitative Research*. Concept(s): Getting problem specific data. Illustration: Graphic. Length: 0:35.
- Clip: *Survey Research*. Concept(s): Quantitative research. Illustration: National Family Opinion, Walker Information, Inc., Opinion One. Length: 4:26.
- Clip: *Consumer Panel*. Concept(s): Observation methods. Illustration: Information Resources, Inc. Length: 2:13.
- Clip: *Scanner Data*. Concept(s): Observation methods. Illustration: ACNielsen. Length: 2:01.

Chapter Nine. Elements of Product Planning for Goods and Services

- Clip: *Points of Differences Between Physical Goods and Services*. Concept(s): Differences in goods and services. Illustration: Graphic. Length: 0:21.
- Clip: *Intangibility of Services*. Concept(s): Differences in goods and services. Illustration: California Science Center. Length: 3:02.
- Clip: *Inseparability of Services*. Concept(s): Differences in goods and services. Illustration: VCR, dentist. Length: 1:03.
- Clip: *Perishability of Services*. Concept(s): Differences in goods and services. Illustration: Hilton Hotels, airlines. Length: 1:51.
- Clip: *Company Product Lines & Market Segments*. Concept(s): Product assortment & lines. Illustration: Hillerich & Bradsby. Length: 4:47.
- Clip: *Candle Products*. Concept(s): Product line and individual products. Illustration: Root Candles. Length: 1:21.
- Clip: *Brand Image & Presentation*. Concept(s): Brand strategy. Illustration: Timken. Length: 2:21.
- Clip: *Louisville Slugger Brand Name*. Concept(s): Branding, Brand familiarity, Brand equity, Licensing. Illustration: Hillerich & Bradsby. Length: 2:32.
- Clip: *Capital One Decides to Build a Brand*. Concept(s): Branding, Achieving brand familiarity. Illustration: Capital One. Length: 2:12.
- Clip: *Manufacturer and Dealer Brands*. Concept(s): Individual brands, manufacturer brands, dealer brands, co-packing, eco-friendly packaging. Illustration: Country Pure Foods. Length: 2:31.

Chapter Ten. Product Management and New-Product Development

- Clip: *Changing Strategy for the Toyota Prius*. Concept(s): Managing products over their life cycles, Market growth. Illustration: Toyota Prius. Length: 3:47.
- Clip: *Segway's Changing Marketing Strategy*. Concept(s): Planning for different stages of the product life cycle, adoption process. Illustration: Segway. Length: 4:23.
- Clip: *Environmental Trends and the Idea for a Hybrid Car*. Concept(s): New product development, Idea generation and screening. Illustration: Toyota Prius. Length: 2:23.
- Clip: *Idea for the Segway Personal Transporter*. Concept(s): New product development, Idea generation. Illustration: Segway. Length: 0:38.
- Clip: *The HUMVEE*. Concept(s): New product development, Idea generation. Illustration: AM General. Length: 1:28.
- Clip: *Idea for Herbal Teas by Mo Siegel, Founder of Celestial Seasonings*. Concept(s): New product development, Idea generation. Illustration: Quote. Length: 1:35.
- Clip: *"Frog Kissing."* Concept(s): New product development, Idea generation. Illustration: Segway. Length: 0:51.

- Clip: *New Product Development Process*. Concept(s): New product development, new product failure rate. Illustration: Graphic. Length: 0:19.
- Clip: *Source of New Product Idea*. Concept(s): Idea generation. Illustration: UV Protection. Length: 0:53.
- Clip: *Screening & Evaluation of New Product Idea*. Concept(s): Idea screening & evaluation. Illustration: Clean Shower. Length: 1:50.
- Clip: *Evaluating the Toyota Prius*. Concept(s): New product development, Idea evaluation. Illustration: Toyota Prius. Length: 0:11.
- Clip: *Segway's New Product Development*. Concept(s): New product development, Development. Illustration: Segway. Length: 1:36.
- Clip: *Development & Testing*. Concept(s): Development. Illustration: Clean Shower. Length: 2:49.
- Clip: *Targeting and Testing the Toyota Prius*. Concept(s): Development. Illustration: Toyota Prius. Length: 1:04.
- Clip: *Development and Commercialization of the Toyota Prius*. Concept(s): New product development, Development & commercialization. Illustration: Toyota Prius. Length: 0:44.
- Clip: *Segway PT Commercialization*. Concept(s): Commercialization, Target marketing. Illustration: Segway. Length: 1:20.
- Clip: *"Rollout" Commercialization*. Concept(s): Commercialization. Illustration: Clean Shower. Length: 1:22.
- Clip: *Market Introduction of the Toyota Prius*. Concept(s): Commercialization. Illustration: Toyota Prius. Length: 3:20.
- Clip: *Gaining Market Acceptance*. Concept(s): Planning for different stages of the product life cycle, New product introduction. Illustration: Segway. Length: 1:30.

Chapter Eleven. Place and Development of Channel Systems

- Clip: *Pepsi Channel of Distribution*. Concept(s): Vertical marketing systems, contractual channel. Illustration: PepsiCo. Length: 0:54.
- Clip: *Soft Drink Channels*. Concept(s): Dual distribution, Intensive distribution. Illustration: PepsiCo. Length: 2:21.
- Clip: *Soft Drink Distribution*. Concept(s): Indirect distribution, Intensive distribution, Wholesale distributors. Illustration: PepsiCo. Length: 1:27.
- Clip: *Use of Multiple Channels for Fruit Juices*. Concept(s): Multichannel distribution, indirect distribution, channel captain, channel functions, vertical marketing systems. Illustration: Country Pure Foods. Length: 5:26.

Chapter Twelve. Distribution Customer Service and Logistics

- Clip: *Physical Distribution*. Concept(s): Definition of physical distribution. Illustration: Graphic. Length: 0:30.

- Clip: *Customer Service Levels and Cost Tradeoffs*. Concept(s): Physical distribution concept, trade-offs among physical distribution costs, customer service level and sales, service level objectives, total cost approach, physical distribution technology improvements—robotic palletizer system, bar code scanners, EDI, JIT. Illustration: Country Pure Foods. Length: 4:50.
- Clip: *Wireless Mobile Computing Technology*. Concept(s): Physical distribution concept, Cost comparison of alternative systems. Illustration: Brittain Brothers. Length: 3:49.
- Clip: *Physical Distribution Technology*. Concept(s): Physical distribution concept, Cost comparison of alternative systems. Illustration: Ocean Spray Cranberries. Length: 7:23.
- Clip: *Supply Chain Management*. Concept(s): Bar codes, JIT & EDI. Illustration: BMW. Length: 0:49.
- Clip: *Distribution Center Technology*. Concept(s): Distribution center. Illustration: Saks. Length: 1:19.

Chapter Thirteen. Retailers, Wholesalers, and Their Strategy Planning

- Clip: *Chick-fil-A's Retail Strategy*. Concept(s): Retail strategy, Four Ps. Illustration: Chick-fil-A. Length: 6:19.
- Clip: *Destination Retailing*. Concept(s): Retailing, retail strategy, catering to emotional needs. Illustration: Bass Pro Shops. Length: 1:19.
- Clip: *Tracker Marine*. Concept(s): Retail strategy, product & branding. Illustration: Bass Pro Shops. Length: 1:07.
- Clip: *Special Effects and Display*. Concept(s): Retail strategy, shopping atmosphere. Illustration: Bass Pro Shops. Length: 2:27.
- Clip: *Segmentation and Positioning for a Retail Sporting Chain*. Concept(s): Retail strategy, targeting the outdoor shopper. Illustration: Bass Pro Shops. Length: 1:28.
- Clip: *Category Killers*. Concept(s): Evolution of mass merchandising. Illustration: Circuit City. Length: 2:48.
- Clip: *Specialty Retailing*. Concept(s): Expanded assortment and service. Illustration: West Point Market. Length: 3:49.
- Clip: *Catalog & Internet Retailing*. Concept(s): Catalog and distribution center operations, product and video education over the internet. Illustration: Bass Pro Shops. Length: 1:06.
- Clip: *PepsiAmericas*. Concept(s): Full service merchant wholesalers. Illustration: Beverage Industry. Length: 1:33.

Chapter Fourteen. Promotion—Introduction to Integrated Marketing Communications

- Clip: *Promotion Methods by a Retail Chain*. Concept(s): Event promotions, TV programs, publicity. Illustration: Bass Pro Shops. Length: 2:57.
- Clip: *Chick-fil-A's Communication Strategy*. Concept(s): IMC, Promotion methods. Illustration: Chick-fil-A. Length: 2:22.

- Clip: *Pepsi Promotion Strategy*. Concept(s): Push vs pull promotion. Illustration: PepsiCo. Length: 1:43.
- Clip: *Level 10 Marketing and The Constant Marketer Services*. Concept(s): Integrated direct response promotion, direct marketing combining the internet and direct mail advertising, relationship marketing. Illustration: Blue Sky Creative, Inc. Length: 6:12.
- Clip: *Capital One's "What's In Your Wallet?"* Concept(s): IMC, Integrated direct response promotion, Promotion objectives. Illustration: Capital One. Length: 2:41.
- Clip: *Advertising, Sales Promotion & Publicity*. Concept(s): Integrated marketing communications. Illustration: California Cheese. Length: 0:51
- Clip: *Word-of-Mouth*. Concept(s): Early adopters, Opinion leaders. Illustration: Segway. Length: 0:48.

Chapter Fifteen. Personal Selling and Customer Service

- Clip: *Importance of Personal Selling in the Pharmaceutical Industry*. Concept(s): Importance and role of personal selling—representing, relationship building, marketing information, helping customers, & strategy planning. Illustration: Vistakon, Division of Johnson & Johnson. Length: 3:37.
- Clip: *Personal Selling Tasks*. Concept(s): Order getting, order taking, & supporting. Illustration: Graphic, general. Length: 1:47.
- Clip: *Consultative Selling in the Pharmaceutical Industry*. Concept(s): sales presentation. Illustration: Vistakon, Division of Johnson & Johnson. Length: 5:32.

Chapter Sixteen. Advertising and Sales Promotion

- Clip: *Problems With Traditional Advertising Media*. Concept(s): High advertising media costs, low reach and frequency, targeting and market fragmentation, new media technology, promotional budgeting problems. Illustration: Blue Sky Creative, Inc. Length: 3:33.
- Clip: *AIDA*. Concept(s): Planning the best message. Illustration: Coke. Length: 2:31.
- Clip: *Introducing the New VW Beetle*. Concept(s): Planning the best message. Illustration: VW Beetle. Length: 3:20.
- Clip: *Designing a Unique Advertising Campaign*. Concept(s): Planning the best message, Measuring advertising effectiveness. Illustration: Dirt Devil. Length: 3:24.
- Clip: *Capital One Uses Humor in Ads*. Concept(s): Concept(s): Planning the best message, humor. Illustration: Capital One. Length: 1:19.
- Clip: *Celebrity Advertising*. Concept(s): Advertising message. Illustration: Mercedes Benz Advertisement. Length: 0:27.
- Clip: *Ethical and Legal Issues—Herbal Teas*. Concept(s): Unfair and deceptive advertising. Illustration: Celestial Seasonings. Length: 1:14.
- Clip: *Chick-fil-A Store Opening*. Concept(s): Sales promotion—do something different. Illustration: Chick-fil-A. Length: 1:22.

- Clip: *Types of Sales Promotions*. Concept(s): Sales promotion. Illustration: Real California Cheese. Length: 1:10.
- Clip: *Kids Meals*. Concept(s): Sales promotion, Innovation. Illustration: Chick-fil-A. Length: 1:48.

Chapter Seventeen. Pricing Objectives and Policies

- Clip: *Customer Value and Price*. Concept(s): Strategy dimensions of price. Illustration: Graphic. Length: 1:22.
- Clip: *Status Quo Objective*. Concept(s): Pricing objectives. Illustration: Briggs & Stratton. Length: 0:51.
- Clip: *Value Pricing in the Fast Food Industry*. Concept(s): Value pricing. Illustration: Rally's. Length: 2:00.
- Clip: *Unfair Trade Practices*. Concept(s): Antidumping laws, tariffs. Illustration: Root Candles. Length: 0:57.

Chapter Eighteen. Price Setting in the Business World

- Clip: *Markup Pricing*. Concept(s): Fixed and variable costs, markup percent, markup chain and channel pricing. Illustration: Root Candles. Length: 3:33
- Clip: *Factors Affecting Price*. Concept(s): Objectives, Buyer behavior (motive, attitudes, occasion), Costs, Breakeven, & Competition. Illustration: Shelton-Mathews Chocolates. Length: 5:33.
- Clip: *Prestige Pricing for a Luxury Product*. Concept(s): Prestige pricing. Illustration: Joy Perfume. Length: 1:00.

Chapter Nineteen. Implementing and Controlling Marketing Plans: Evolution and Revolution

No Clips Available.

Chapter Twenty. Managing Marketing's Link With Other Functional Areas

- Clip: *Product Innovation, Marketing & Production Flexibility*. Concept(s): Marketing in the broader context. Illustration: Dirt Devil. Length: 1:14.
- Clip: *Growth Through Investment in the Business*. Concept(s): Marketing in the broader context. Illustration: Frog's Leap.

Chapter Twenty-One. Ethical Marketing in a Consumer-Oriented World: Appraisal and Challenges

- Clip: *Planning the 4Ps Through Market Introduction*. Concept(s): Marketing planning. Illustration: Clean Shower. Length: 6:12.
- Clip: *Student Entrepreneurship*. Concept(s): Marketing planning. Illustration: Food From the 'Hood. Length: 5:01.
- Clip: *Creative Marketing of a Product Innovation*. Concept(s): Blending the 4Ps. Illustration: Dirt Devil Broom Vac. Length: 4:56.

- Clip: *Specialty Product Strategy*. Concept(s): Blending the 4Ps. Illustration: Joy Perfume. Length: 4:29.
- Clip: *Countertrade Agreement*. Concept(s): International marketing. Illustration: PepsiCo. Length: 3:40.
- Note: See Chapter One for Ethics Clips.

17. COMMENTS ON CREATING A WEB SITE FOR YOUR COURSE

Many instructors create a Web site for their own courses. If you have not had any experience with this sort of thing, it may seem like a daunting task. However, **creating a *simple* Web site—even the first time—can be quite easy.** McGraw-Hill provides assistance in several forms. If your school subscribes to and uses a standard web-based course management system (such as Blackboard or WebCT), McGraw-Hill creates web content from *Basic Marketing* materials in a format that “drops into” these popular Web site systems and this can save you (or your school’s technical support people) time and effort. Blackboard and WebCT are easy to use, even for a real novice—and students seem to like the way they work. One of the authors, for example, uses a Blackboard Web site for each of his courses and it simplifies distribution of course materials (like course handouts which are posted for download), announcements, discussion (chat) rooms for team work, email management, etc. Talk to your McGraw-Hill rep for more information about the *Basic Marketing* materials available for your school’s course management system. Your rep may already know what works best at your school/college or what system is supported, even if you don’t.

Creating a customized and highly interactive Web site “from scratch” can be complicated and can require skill or the right support. But from the outset you should know that *Basic Marketing* gives you a lot of support and resource materials regardless of what type of Web site you want to create.

There are hundreds of books and software packages that offer help on how to do this. In fact, there are so many choices that just figuring out where to start can seem like a challenge. However, you can do a lot of what you are likely to want to do with simple tools that you are probably already using. For example, if you create your syllabus with Microsoft Word (or WordPerfect) you can save the word-processing file for your syllabus in a format (HTML) that is ready to be used on a Web site. Similarly, PowerPoint, Excel, and most other popular software allow you to save what you have created in formats suitable for use on a Web site. So, a good place to start in terms of thinking about content for your Web site is with materials you have already created (a course overview, a list of reading assignments, handouts for your class, etc.). In addition, because the *Basic Marketing* materials are already available to you in electronic form, it is easy to use them “as is” or to combine them with other materials you might want to use on a Web site.

In addition, most schools have someone on the IT support staff who has the responsibility to help faculty set up Web sites. We’ve found that these folks are usually willing and able. For example, you will probably need to arrange a space on a file server for your Web site materials, get permission to save your files into proper storage locations where others can’t alter them, and learn about guidelines or standards for Web sites that apply to your school’s computer system. For instance, you will need to know what Web site address is available for your use, or if there are any restrictions on the amount of material that can be placed on a course Web site.

So, we recommend that you do some checking to see what support is available at your school for creating a Web site. Even if you are facile with technology, you may be able to save a lot of time, learn from an expert, and get a better result if you start by talking with a specialist about what you want to do. If help is not available in some organized way, check to see if any of your colleagues (or students!) have

created a Web site and ask for a ten-minute demo of what is required. If you see what it involved, it will build confidence that creating something basic isn't very difficult.

18. IDEAS FOR STUDENT PROJECTS

Some instructors find it helpful to require their students to write a weekly one-page report on some marketing-oriented article in a current business newspaper or magazine. A variation on this is to have students select an ad (or several related ads that are part of a campaign) and write a report on what they think the rest of the marketing strategy should consider. At first this idea may seem "backwards," but it actually works quite well if students are steered toward interesting firms.

Some instructors like to tie student projects to use of the Internet. For example, a student (or team of students) could be given an assignment to use the Internet to research marketing changes taking place at a particular company or in a particular industry. A problem here is that students may be tempted to take materials from the Internet without giving credit. Your guidelines for what you view as plagiarism should be very clear and its best to put them in writing.

Other instructors find the use of term papers helpful. One good approach is to have students write papers on topics that are introduced in the text. In the footnotes for each chapter, extensive current references are given to additional sources of information on key topics in the text. Some of these references are for "classic" articles and readings in an area, and others are for some interesting current papers. The references are grouped according to the corresponding topic in the text. Therefore, the footnote references often provide students with all the direction they need to get off to a good start in their research—either in the library or on the Internet. Here again, be aware that many students are tempted to obtain papers as downloads from the Internet, so be clear in stating your policies about what is and isn't acceptable. (The footnotes for all chapters are located at the end of the textbook.)

The instructor can either let the selection of the research topic be guided totally by the student's interests, or can develop a smaller list of permissible topics tied to the available groupings of references or perhaps to companies (and Web sites) used as examples in the text.

Other instructors have found the use of term reports helpful. They may assign specific topics or a general one--such as "The Dimensions and Characteristics of the American Market and Their Implications for Marketing Management."

Specific reports might include an analysis of market potential for some hypothetical new product selected by each student and then the development of their own marketing strategy. This would require some marketing research analysis as well as use of all of the text material.

Another specific project might require the student to select a business or industry with which s/he is familiar (for example, a family business, a business in which s/he has worked, a parent's current business, etc.) Then s/he would be expected to consider fully the implications of a wholehearted adoption of the marketing concept by this firm or industry. Specifically, s/he would discuss the possible changes in the industry and the possibility of completely obsoleting present methods and marketing institutions. The student would be encouraged to "think big" rather than suggesting minor changes. Perhaps whole new distribution methods and marketing specialists--and even new product concepts--would be needed.

As a longer and more comprehensive project, the instructor could assign a term paper project that would consist of several papers. The student would select a broad market which is likely to have several interesting market segments--for example, the senior citizen market, the automobile market, etc.--and carefully analyze the nature and potential in various segments of this market. Then the student would be expected to develop one or more products to satisfy some segment and report on his analysis in a Product paper. Subsequently, the student would develop papers covering Place, Promotion, and Price--and a final paper discussing the integration of the marketing mix. Five or six short papers (six if one is

required to explain which market was selected) would comprise the whole term paper project. It might be desirable for the class to use the same market so that class discussion could use this area as a reference base. (Caution: A lot of paperwork is involved in this project--but it can be fruitful because each student has to do his or her own thinking.)

A shorter paper could require each student to select one example of how significant changes in the market environment affected a major company's marketing strategy. For example, a student might do a report on how a particular firm uses the Internet. Here, the student might be asked to indicate whether it appears that the company's management anticipated this change or merely adapted to it after it was already obvious that others had done so.

Another approach is to have students (perhaps working as a team) create a video or PowerPoint electronic slide show on a topic. One of the authors has had great success with such assignments. Students do some very creative things when they are "turned loose" to use media that excite them. And students have reported that the projects they have produced have been great selling tools when they are interviewing for jobs or trying to get the attention of recruiters. Many companies now *expect* students to have multimedia skills! Recruiters also like to find students who have had successful experience in group projects, so team-building skills are a side benefit.

19. FEEDBACK TO THE AUTHORS

We would like your suggestions and criticisms. Improving *Basic Marketing* and the whole set of P.L.U.S. teaching and learning materials that come with it is an ongoing process. We have been able to continue our position as innovators for the first marketing course for many years because we put a high priority on feedback from users. Even if your feedback is simply a comment about something you want to be able to do but can't now do with the first marketing course, don't hesitate to share your thoughts. We would like to hear them. Sometimes we have been able to create totally new teaching support materials by really focusing on instructor needs and then figuring out what new technology or teaching pedagogy we could draw on to address those needs. (Hey, that sounds like marketing thinking, doesn't it?)

For most instructors, the easiest way to contact us is to send one or both of us an email message, but feel free to use snail mail or give us a phone call. We really want to help.

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Thank you for your support.

Part IV:

Chapter-by-chapter aids: answers to questions and exercises

INTRODUCTION

This part of the manual provides suggested answers (and related points for class discussion) for all of the student assignment material in *Basic Marketing*. Suggestions on ways to use these various assignment materials are provided in Part III of this manual.

These aids are organized on a chapter-by-chapter basis--to make it easier to find the relevant material as you are teaching the course. Within each chapter, the materials are organized as follows:

- * answers to the discussion questions and problems that appear at the end of each chapter in *Basic Marketing*,
- * answers to the questions from the computer-aided problem that appears at the end of each chapter in *Basic Marketing*. The suggested answers for the computer-based questions include copies of the spreadsheets from the CAP software.
- * comments about the use of the suggested cases at the end of each chapter in *Basic Marketing*. (This is in addition to more detailed comments about each of the 36 cases which are provided in Part V of this manual).

The various assignment materials include a mix of questions of different levels of difficulty. Some have fairly definite answers--for example, an answer that a student can find in the text or on a spreadsheet for a computer-aided problem. Others are more difficult--perhaps asking the student to propose a solution to a problem, apply a concept in a specific situation, or extend ideas, concepts, or principles developed in the text. The discussion provided here will help with both types of questions. When a simple answer applies, that answer will be reviewed. On the other hand, you will be alerted when the answer involves subjective judgments--and when you can expect different types of responses from different students. Similarly, suggestions are provided when there are points related to a question that you might want to develop or discuss in class.

CHAPTER 1: MARKETING'S VALUE TO CONSUMERS, FIRMS, AND SOCIETY

CHAPTER 1--COMMENTS ON QUESTIONS AND PROBLEMS

- 1- 1. This question is intended to stimulate the same kind of thinking that is prompted by the introduction to the chapter. The point is to encourage students to take a more personal view of marketing--and how it affects their lives. Clearly, different students will provide different types of responses. At this early point in the class, some students will still take a narrow view--and focus on advertising they heard or on a specific product they tried. Others will have thought in more depth about the thrust of the chapter--and they will deal with a broader set of activities and marketing influences.
- 1- 2. This is really just a contemporary variation on the "better mousetrap" line of thought--framed in the context of an important new technology. Even so, it deals with the question of whether it is "enough" just to develop a good new product that serves an important need. It is certainly possible that web-surfing consumers--on their own initiative--might be able to use the Internet to find out about an important new product and then could go further and get all of the information about it that they might need. But, as a practical matter, that was also true for most new products before the Internet existed. The problem is that with millions of pages of material on the Internet few consumers are likely to simply stumble across information that they need. There are software tools (like search engines, see Chapter 8) that make it efficient to find information that they know they want, but if they don't know they want it they won't look.
- 1- 3. The macro view of marketing is concerned with how a whole marketing system works, while the micro view of marketing is concerned with how individual firms do and/or should operate. In a market-directed economy, the actions of individual firms *and* consumers pretty much determine how the macro system works. But it is possible for others, including the government, to modify the macro-marketing system. It is important to see that individual business firms are only part of the macro-marketing system and their role and apparent efficiency may be affected by others--including consumers and the government; i.e., consumers acting through their representatives.
- 1- 4. Answers to this question will vary from student to student. The point of the question is to prompt the student to think more deeply about the concepts of separation of information and separation of time between consumers and producers. Exhibit 1-1, which is referenced in the question, appears on page 9 of the text. Separation of time results because consumers may not want to consume goods at the time they are produced, and time may be required to transport goods from producer to consumer. Student responses about how these separations are overcome will usually focus on transporting, storing, and functions provided by intermediaries.

Separation of information occurs because producers do not know who needs what, where, when and at what price. Consumers do not know what is available from whom, where, when and at what price. For example, if you want to take a trip by plane you usually know where you want to go and when, but you typically have little idea about what airline, what flight, and at what cost.

If the instructor wishes, this question can be used to preview the special problems that sometimes arise in "service" firms as they try to overcome these separations. For example, services are often consumed as they are produced--since services usually cannot be stored or transported. This means that the producer may need to overcome the possible separation themselves by locating near customers. But, this may result in duplication of facilities, difficulties in achieving economies of scale, and problems in balancing supply and demand.

These topics are developed in more detail in Chapter 9 of the text.

- 1- 5. This question seeks to get the students to see that considerable planning and thinking has gone into providing products which they might like at a convenient or suitable store. A few minutes can be profitably spent developing the idea that there is some order and rationale to the products that one sees in the marketplace and the system that delivers them.
- 1- 6. See pp. 10-12.
- 1- 7. There is no doubt that growth of the Internet will open up new marketing opportunities--it already has, and so far we're just seeing the tip of the iceberg. Will growth of these services ultimately eliminate the need for retailers and wholesalers? Perhaps over the longer run we will see services such as these taking over for some types of retailers and wholesalers. Clearly, at present the focus of the Internet (and other similar network systems) is on fast, interactive communication. In the past, most marketing communication has been limited--it's one way communication from seller to buyer--except in the case of personal selling. The Internet, direct response cable TV, and even toll-free telephone systems are quickly changing that.

The Internet can help to overcome separation in time and information. It might also be possible to create very diverse "virtual" assortments of products that are practical because they are available to a very large number of people. Thus, the Internet is well suited for the buying and selling function (in some situations) and the market information functions. As such, it might also reduce some of the risk that otherwise might be inherent in transactions. On the other hand, someone is likely to need to deal with the transporting and storing functions and perhaps standardization and grading.

While the person or company that sells over the Internet may not take the form of a retail store, it's useful to remind students that firms that sell out of a catalog are already using the basic approach characteristic of electronic shopping over a computer network. What is different here is the sophistication of the technology and speed of the communication more than the basic way the operation works.

- 1- 8. A small producer might want an independent marketing research firm to take over some of its information gathering activities if the research specialists can do the job more effectively (i.e., with greater accuracy) or more efficiently (i.e., at lower cost) than the firm could do it. The focus here should be on the possibilities of capturing the advantages (skill, experience) of specialists without the firm having to make that investment itself. Because a research firm works for a number of different client firms, it can develop economies of scale at what it does. Specialists in research design, data analysis, statistical interpretation, and the like can each contribute to a better overall research effort. Even if the small producer could afford to hire a few marketing research specialists, a full team of specialists with different skills probably would not make sense--or be affordable. (Of course, the disadvantage of outsiders is that they may not know as much about the specific firm and its specific markets. Discussion of this "make or buy" issue applies to many of the marketing activities--and it is a theme that will come up again...for example, with respect to use of intermediaries in channels and agencies for planning advertising).
- 1- 9. In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, and to whom. In a market-directed economy, on the other hand, producers and consumers make their own economic decisions. That is, the producers decide what they are going to offer, and consumers decide, independently, which of all of the offerings they will accept. In other words, the economy is directed by the "market mechanism" that relies on many micro level decisions by individual producers and consumers. Each decision may be small, but together they determine the macro level decisions for the whole economy.

- 1-10. The students should be led to see that the evolution of wholesaling and retailing, as we have traced it, was the result of enterprising businesses attempting to satisfy consumers more efficiently. Some organizations have started with government support, but basically most of our business organizations were formed to make a profit serving consumers. In contrast, in a command economy, some consumer-oriented, but not necessarily profit-oriented, government official would have to evolve a similar system. Consumer satisfaction--especially of every whim--might be played down, but basically the government official would have to satisfy consumers or expect complaints or even revolution. Some government official would have to decide what was to be produced, who was to produce it, and who was to receive the fruits of production. Further, all the marketing functions would have to be provided by someone. See pages 12-14. In a market-directed economy, most of these decisions are made by the interplay of market forces, sometimes very casually described as "supply and demand." In such an economy, the plans, hopes, and efforts of individual entrepreneurs--all competing with each other--make the decisions that in a command economy must be made by a relatively few planners.

Some good students have difficulty visualizing the development of a wholesaling and retailing system under a command economy. They can see the possibility of operating a simple agrarian community where everyone shares according to his needs; but as these economies grow, they have difficulty seeing how such a system can expand (i.e., what or who directs the growth and who provides the risk capital). As has been hypothesized by some economists, perhaps a command economy would not naturally evolve into an advanced system. Incentives may be necessary to keep a command economy growing. And "black markets" may have to develop to adjust for "errors" in planning by government officials. Historically, "black markets" usually develop when there is planning and/or rationing, unless very severe penalties are imposed (and this may only raise the price!).

- 1-11. Students will give many different examples here. The basic point is that a market-directed system encourages innovation because there is incentive (profit) to find a better way to meet customers' needs. Competition is also a related issue. As one new idea is developed and proves to be a success, other competing firms tend to adapt or copy it. Thus, there is constant pressure on firms to find new and better ways to do things--because yesterday's breakthroughs and successes become today's "old" product.
- 1-12. The marketing concept is defined on page 16. A firm must have some objective to guide its efforts--and a profit orientation provides such an objective. But the marketing concept says that an organization should have more than just profit as an objective. It should attempt to satisfy some customers *and* make a profit. Profit can be seen not only as an objective but as a constraint if one really gets carried away with the marketing concept. If a marketing manager really wanted to satisfy some customers very well, he could design a very pleasing marketing mix for them that might include *free* products or services! Adding profit in the definition, however, would preclude such a move. In other words, the marketing concept insists on some balance between fully satisfying some target customers and meeting a firm's own objectives.
- 1-13. The question is intended to deepen the students' understanding of the marketing concept. Applying it to the local situation can be illuminating, especially if there has been much discussion of the role of the student in college affairs. Substantial change might be indicated in some circumstances. But at the same time, it should be seen that "all" students' views (not just those of the few self-appointed "spokespersons") should be considered. Further, this may be a place to bring in the customer value concept with consideration of benefits and costs. And both long- and short-run implications for both the students' welfare and the institutions' welfare should be considered. By considering the problem of balancing conflicting long- and short-run objectives of different groups, they may come to see that applying the marketing concept is not easy--and they may better understand why it is not as widely accepted (or at least well implemented) as they might expect. What they see locally is probably typical of most

institutions--academic, government, and business.

- 1-14. Distinguishing between a "production orientation" and a "marketing orientation" is not always easy because the differences may not be readily observable--that is, they may be more in the mind and attitude of the business manager or his firm than in his physical facilities or actions. Nevertheless, flagrant examples of bad service or excessive concern with a firm's own internal activities are easy to find. Examples include: banks which are open only from ten to three on Monday through Friday; supermarkets which are not open at night or on Sunday when consumers would find it more convenient to shop; retail salesclerks who are more concerned with stocking the shelves than answering customers' questions; engineers who design consumer products with primary concern for ease of manufacturer rather than dependability or ease of use.

- 1-15. If the marketing concept is accepted and the firm comes to see that all the activities of the firm ought to be directed toward satisfying some customers' needs at a profit, then it is obvious that all the internal activities should be integrated as well--into a "total system."

The illustrations are required to force the students to become more specific. Various answers could be suggested by students, but the focus should be on what happens if one or more parts of the firm act independently. For example, if production-oriented research people had their way within a large grocery products producer, they might produce some products which could not be sold. Or the production department might produce large quantities of goods that could not be sold--at least at a profit. It is the job of the marketing manager and top management (which should be market-oriented) to integrate all these efforts into one "total system."

- 1-16. Students will come up with a variety of benefits and costs associated with the products for this question. At this point in their thinking about customer value, it is probably less important that they be detailed or exhaustive in coming up with examples than it is that they grasp the concept that each product (actually, each marketing mix) may have a variety of different benefits and costs. A class discussion is likely to highlight some cases when one student sees something as a benefit, but a different student argues that it is not so much a benefit as it is a cost if it is missing (e.g., good gas mileage may be a benefit of a car, or it may represent a cost if it is missing). The fact that different customers may "frame" benefits and costs in different ways is not treated as an important distinction in the literature on customer value. On the other hand, it can be useful to know when this sort of difference occurs because it is at least indirectly related to customer expectations.

(a) Wrist watch: Benefits: accuracy, attractiveness, durability, warranty, and status; Costs: the opposite of any of the above as well as factors such as hard to service, lack of warranty, price paid, or missing a needed battery.

(b) Weight-loss diet supplement: Benefits: more self-esteem, more energy, greater sex appeal, convenient to prepare or consume; Costs: any unfavorable side effects (nervousness, high blood pressure, etc), difficult or inconvenient to obtain, high price.

(c) Cruise on a luxury liner: Benefits: excitement, variety, relaxation, pleasure, social interactions; Costs: boredom, fear (say, of a fire or of the boat sinking), sea-sickness, expense.

(d) Checking account from a bank: Benefits: convenience, record of spending (and in some cases cancelled checks), ability to obtain cash; Costs: monthly fees, check fees, fees for bounced checks, record keeping hassles, inconvenience of going to bank, some businesses do not accept checks, time to show identification.

- 1-17. Student answers will vary significantly here. The purpose of the question is to prompt students to think more deeply about the difference between buyer-seller exchange and the opportunities that exist for more enduring relationships, especially when a customer is likely to have the same need (or a similar need) again in the future.

One good way to prompt discussion of this question is to ask students to write down a couple of the most important things that the seller could do to strengthen the relationship. Next, call

on a few students to explain the relationship they had in mind. Then, ask a few students to read their suggestions without going into much detail on the particulars of the purchase situation. The interesting thing here is that the recommendations about what the seller could do often apply across many different types of selling situations. This is valuable for students to see that there are indeed "general lessons" that arise from thinking about how to better satisfy customers.

- 1-18. High performance cars are fun, and their popularity has been enduring. At the same time, as accident statistics show, people driving high performance cars are more likely to be in accidents. High performance cars also tend to use more fuel and to spew more fumes into the atmosphere. These side effects impact consumers who are not interested in owning or driving a high performance car. Over time there has been discussion of regulations to limit the top speed or horsepower of cars offered for sale. After all, the speed limit is still 55 on most highways, but in many places it is 65 or even 75. However, there seems to be very little popular support for the idea of limiting the choices that individual consumers can make in this product area.

Nuclear power is an emotional issue. Many people object to the use of nuclear power because of the risks involved. And, as the Three Mile Island incident and similar accidents show, the risks are real. Yet, in some areas there are not cost-effective alternatives to nuclear power. Thus, using other sources of power might sometimes force people who do object to the risk of nuclear power to pay a higher price for energy. Here, what different individuals want may vary. Yet, in the event of an accident everyone might be affected.

Many consumers like the convenience of bank credit cards. They don't like to carry cash, but want to be able to make purchases when the need arises. On the other hand, critics argue that "instant credit" encourages many people--especially the poor--to spend money they don't have. Some economists also argue that "too-easy" credit has had serious economic effects--because many Americans do not save as they once did. Another issue here is the cost of providing credit services. Banks take a percent of the revenue from credit card purchases--and there is a cost of "bad debt" that is included in the cost of using cards. Some critics argue that all consumers--not just those who use credit cards--have to pay higher prices because of this. Of course, some firms offer two prices--one for credit card purchases and one for cash.

For a number of people, the use of pesticides represents a dilemma. On the one hand, the use of pesticides improves the quantity and quality of agricultural yields and thus increases the availability and reduces the cost of many types of farm products. This presumably increases the quality of life and leaves more time/money for purchases that are not necessities. On the other hand, there are some undesirable side effects related to the use of pesticides. For example, run-off of pesticides from fields into lakes, streams, and rivers (or into groundwater in other ways) has the potential to contaminate drinking water. Some people think that the use of pesticides leaves toxic residue in or on crops, and that there is a serious hazard, over time, of eating food that has been treated with pesticides. Other critics argue that the use of pesticides results in the development of more robust (mutated) strains of insects--ones that are an even bigger problem (and which require even stronger pesticides because they become resilient to what is currently used). In highly developed economies, where people are in general adequately fed, it is understandable that much attention might be focused on higher order needs related to the use or misuse of pesticides. However, in third-world agricultural economies where production and distribution of food are still major problems, there is not likely to be much attention to--or concern about--the potential negative effects of pesticides. In that context, the benefits seem to clearly outweigh the costs. In other words, how one views a micro-macro dilemma may depend in large part on the severity of the different needs that might be involved, and the likelihood of the negative outcomes being realized.

DISCUSSION OF COMPUTER-AIDED PROBLEM 1: REVENUE, COST, AND PROFIT RELATIONSHIPS

This is a simple "practice" problem to introduce students to the software, to sensitivity analysis, and to revenue, cost, and profit relationships--a recurring theme in later problems.

The spreadsheet for this problem involves only a few rows. The focus of the questions is on making certain that the student knows how to "read" the spreadsheet. The various questions involved also lead the student through the steps of using the various features in the PLUS software.

The PLUS software is easy to use--and most students will "get up to speed" with it very quickly. But, for some students, working with the PLUS software will be their first experience with microcomputers, with spreadsheet concepts, and more generally in working with marketing numbers. These students may have concerns about their own ability to handle such material. Working this problem will help these students develop confidence--as well as a base of skills to build upon in later problems.

If the instructor decides not to schedule this "practice" problem as a required first assignment, it might be good to encourage students--especially those who do not have previous experience with microcomputers or spreadsheets--to spend a few minutes with this problem before moving on to the substantive problems that follow. The focus of later problems is on the marketing concepts related to a manager's decisions. It is important for students to see that the software is just a tool to facilitate the marketing analysis--that "getting the numbers" is not an end in itself. This practice problem will help to cultivate this point of view.

This is the initial spreadsheet for this problem:

P L U S - SpreadSheet		
	Calendar	Notebook
Selling Price	5.00*	2.00*
Quantity Sold	2700*	6000*
Revenue (Price x Quantity)	13500.00	12000.00
Total Cost	11500.00	9000.00*
Profit or Loss (Revenue - Total Cost)	2000.00	3000.00

Answers to Computer-Aided Problem 1:

- a. This question just encourages the student to study the spreadsheet layout and understand the numbers on the screen. The answers, as can be seen from the initial spreadsheet display above, are as follows:

Revenue from Calendars	\$13,500
Revenue from Notebooks	\$12,000
Profit from Calendars	\$ 2,000
Profit from Notebooks	\$ 3,000

- b. If Quantity Sold remains 2,700 and the price of calendars is increased to \$6.00, then

Revenue from Calendars	\$16,200
Profit from Calendars	\$ 4,700

This question encourages students to do their own "checking" of numbers from the spreadsheet. The objective here is not just to get them to do arithmetic, but rather to make them realize that in this spreadsheet (and all the others that follow!), that they can "follow" how the numbers on the spreadsheet are computed by studying the labels on the spreadsheet--and in the event of any remaining uncertainty by doing a few simple calculations themselves--as a check. You may want to emphasize this point--as it will help eliminate uncertainty later when they get to more detailed problems. If they see from the start that they can always study the "flow" of the spreadsheet display and figure out how numbers are being calculated, it will be less confusing for them. With very few exceptions (noted in this manual), the calculations on the spreadsheet are very straightforward. The spreadsheets are set up so that the "intermediate" steps in calculations are easy to follow. This helps the student develop skill in seeing how to organize and analyze problems.

The spreadsheet from which the answers for this problem are reported will look like this:

P L U S - SpreadSheet		
	Calendar	Notebook
Selling Price	6.00*	2.00*
Quantity Sold	2700*	6000*
Revenue (Price x Quantity)	16200.00	12000.00
Total Cost	11500.00	9000.00*
Profit or Loss (Revenue - Total Cost)	4700.00	3000.00

The calculations are straightforward:

Revenue = Price x Quantity = \$6.00 x 2,700 units = \$16,200

Total cost = \$11,500 (directly from the problem description and the spreadsheet)

Profit = Revenue - Total Cost = \$16,200 - \$11,500 = \$4,700.

- c. This question simply introduces the student to the PLUS program What If capability. The What If data display for this result is given below.

P L U S - What If Data Display		
-Notebook-Selling Price	-Notebook-Revenue	-Notebook-Profit or loss
1.60	9600.00	600.00
<u>1.68</u>	10080.00	<u>1080.00</u>
1.76	10560.00	1560.00
1.84	11040.00	2040.00
1.92	11520.00	2520.00
2.00	12000.00	3000.00
2.08	12480.00	3480.00
2.16	12960.00	3960.00
2.24	13440.00	4440.00
2.32	13920.00	4920.00
<u>2.40</u>	14400.00	<u>5400.00</u>

The correct answers are underlined in the Display. Profit reaches \$5,400 at a price of \$2.40 and is \$1,080 when the price is \$1.68.

CHAPTER 1--COMMENTS ON USE OF SUGGESTED CASES WITH THIS CHAPTER

Case 1: McDonald's "Seniors" Restaurant

This case can be used to illustrate what marketing and business is all about--anticipating the material in Chapter 2--on market-oriented strategy planning--without introducing the technical words which are discussed there and in subsequent chapters. Here, the emphasis can be on the problem of developing a compatible marketing program that includes a marketing plan (strategies) for different customer groups at different times of the day. Many people feel that a firm should have only one strategy and it is desirable to get rid of this idea as quickly as possible. This case can also be used to show that business can have a "social" dimension. And in this case, the McDonald's manager and personnel are concerned about their customers and actually have visited some "seniors" in the hospital. Now they are considering offering bingo. See case discussion in Part V.

Case 2: Sunnyvale Foods, Inc.

This case can be used to illustrate a production-oriented company—as well as showing the need for target marketing to escape from the low profits which usually result from selling “commodities” against many other production-oriented competitors who are doing the same thing. See case discussion in Part V.

Case 18: Ralston Valley Volunteer Fire Department

If this case is used with Chapter 1, the instructor may have to introduce students to some of the terminology used in the case. This includes the concept of promotion objectives and the AIDA model. But these concepts are pretty easy to explain and the rest of the case can be discussed in a simple manner. The case helps students see how marketing can apply in a non-traditional situation. See case discussion in Part V.

Video Case 1: Chick-fil-A

This video summarizes the marketing strategy of Chick-fil-A®, the second largest quick-service chicken restaurant chain in the United States, based on sales (\$1.975 billion in 2005). It operates over 1,250 restaurants in 37 states and Washington, D.C. Its 2005 performance marks the 38th consecutive year of system-wide sales gain. The case provides a nice overview of the micro-marketing. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

CHAPTER 1--COMMENTS ON USE OF ETHICS QUESTION WITH THIS CHAPTER

Situation: A customer purchases a Sony digital camera that comes with a 90-day manufacturer's warranty on parts and labor. The salesperson suggests that the customer consider the store's three-year extended service to cover any problems with the camera. The customer replies, "I'm getting a Sony because it's a reputable brand—and at \$98 the service agreement is one-third the cost of the camera." Four months later, the customer returns to the store and complains that the camera no longer takes pictures and that "the store needs to make it right." If you were the store manager, what would you say? Would your response be any different if you knew that the customer was going to post his complaint on a consumer Web site?

Some students may have encountered a situation like this – either as a consumer or as an employee working in a retail store. And even if a student has not had a warranty expire right before something bad happens to the product, it is likely that in purchasing an electronic product the student has had to decide whether to buy an extended warranty.

While stores (or their suppliers) often have policies about how to handle needed repairs or similar problems that come in shortly after a warranty expires, a store manager may be empowered to make exceptions.

This situation allows for discussion of a variety of topics. One concerns the extent to which customers are responsible for the choices they make. The customer was offered the extended warranty – and made the decision, on her own, to not purchase it. The customer also decided to purchase the Sony rather than some other brand that might have had a longer manufacturer's warranty. The store might be able to get Sony to honor the warranty, but we don't know here if that is possible or if the store manager would want to try. Manufacturers worry that retailers sometimes misrepresent *when* problems with a product occurred to “give customers a break” or pass an out-of-warranty problem back to the manufacturer.

The manager might want to consider how her response may affect the store's reputation (effects which may be greatly magnified by the threat of posting online). The discussion could also reference the marketing concept – where the foundations of profit and customer satisfaction may be seen as at odds in this situation.

One aspect of this situation that may be relevant to thinking about the questions may not be obvious to students. Some well known companies, including Sony, intentionally place relatively short warranty periods on their products, even though their products may be priced at a premium relative to other brands. Other firms, like Samsung or Panasonic, might offer a 6-months or 1-year warranty on the same type product. Students may think about this situation differently if they realize that the combination of Sony's powerful brand name and shorter warranty period gives retailers a greater opportunity to sell the extended warranty and make extra profit on the sale. For this reason, the retailer (or salespeople who work on commission) may have extra incentive to “push” the Sony brand. The retailer likes the chance to “bundle” the sale of the popular-brand product and the warranty. It becomes an ethical balancing act for the salesperson to say “this is a great brand” but in the next breath to say “but you should protect yourself with a longer warranty because repairs can be very expensive.” *Consumer Reports* and most other consumer organizations advise against buying extended service agreements on just about any product—because they are not a good value. Most problems arise within the warranty period anyway. So some students may argue that it is not ethical to sell service agreements. If other students don't counterargue, it may be useful to ask whether consumers are required to buy the agreement and, further, whether it's ok to let consumers (who don't want the risk) decide if it's worth the price.

CHAPTER 1--COMMENTS ON USE OF CREATING MARKETING PLANS QUESTION WITH THIS CHAPTER

Note: The Creating Marketing Plans questions begin in Chapter 2

CHAPTER 2: MARKETING STRATEGY PLANNING

CHAPTER 2--COMMENTS ON QUESTIONS AND PROBLEMS

- 2- 1. A marketing strategy includes the selection of a target market *and* the development of a marketing mix. So a marketing mix is only part of a marketing strategy.
- 2- 2. Target marketing involves consciously picking some target (which might be the "mass market") while mass marketing is not focused on some specific customers. The managers just naively assume that "everyone" or at least enough "someones" will buy to make the business successful. A meaningful example for students might be contrasting the operation of some fast-food franchises which have developed good strategies with a locally owned restaurant which is just serving "food," apparently to "everyone," and not doing very well. Local examples with which the student has had some experience are usually better than discussing the strategies of large companies that are managed from remote cities.
- 2- 3. The target customer is placed in the center of the four Ps because the customer should be the focal point of all marketing efforts and really all business efforts. Without potential customers--and eventually satisfied customers--there is not much point in any company effort. Almost any product, for example ball point pens or sports shirts, might be used to illustrate the way that products can and should be designed with the customer in mind, made conveniently available, promoted to these potential customers, and priced attractively or competitively--again with the customer in mind. The interrelatedness of the decisions (as shaped by the needs and attitudes of the various potential customers) should be noted.
- 2- 4. It is important for a firm to have a clearly defined target market even if a company sells its products only from a Web site. This question is designed to prompt students to think about the idea of the Web site in the context of the marketing mix. The fact that the firm is distributing to customers "direct" via its Web site (rather than through wholesalers or retailers) is certainly an important decision in the marketing mix context, but the fact that the Web site is available to customers from all over the world doesn't mean that the firm's offering will be attractive to customers regardless of geographic location. The marketer still needs to think about the benefits of its product offering relative to the needs of some set of customers, what competitors are offering those customers, when and how the product is going to get to the customer's place, what communications (promotion, customer service, etc.) the customers will need, what price is appropriate, and the like. There is intense competition for attention and business on the Internet, and just "building a better mousetrap" (if the firm has in fact done that...whether it is the product offering OR the Web site itself!) is not any sort of assurance that it will attract, satisfy, and retain customers. A firm that has a specific target market will be able to fine tune its message and the rest of the marketing mix to the needs of the target customers, and that increases the odds that it can offer them superior customer value.
- 2- 5. This question basically serves as a review of the text discussion on pages 36-38.
- 2- 6. This question is designed to get the students thinking more seriously about what should be included in a marketing strategy--that is, to get them below a superficial definition of marketing strategy. Ideally, a strategy should include policy statements with respect to how each of the four *Ps* are to be handled. If these are spelled out completely, then there are comprehensive guidelines for implementing strategy. Usually not all the details of implementation will be set by the strategy, but a detailed marketing plan would provide sufficient detail so there was no doubt that the implementation decisions were primarily concerned with operational (not strategy) matters. The discussion here should not leave the student thinking that there is

"nothing" to implementation efforts. This is certainly not true. The important point is that two different levels of decisions are involved here--strategy and operational.

- 2- 7. Strategy decisions are concerned with "grand plans," while operational decisions are concerned with more detailed decisions--which are made within the framework of the strategy. A local retailer might include as part of his strategy an intention to price his whole line to meet his major competitors' price levels. Regular operational decisions might have to be made, however, with respect to which products' prices to change in order to appear to remain competitive with his various competitors who may be varying prices on different items at the same time. This continual adjusting of prices might be extremely important to his long-run success, but yet should be seen as operational decisions, given his strategy pricing decision.
- 2- 8. This question provides students with an opportunity to demonstrate their level of comfort with this concept. This chapter provides the following definition: "the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time." Students will find a way to put this definition in their own words. The emphasis should be on three elements: 1) profitability, 2) current and prospective customers, and 3) current and future profits. The implications of this approach are important because it provides a financial goal for marketing managers. The approach also emphasizes the need for a marketing manager to both *retain* current customers and *acquire* new ones. Thus, a marketing program will usually have some efforts directed at retaining and growing current customers (one or more target markets) and acquiring new customers (other target markets).
- 2- 9. A *strategy* is a "big picture" of what a firm will do in some market. A *marketing plan* includes a strategy and the time-related details for carrying out the strategy. And a *marketing program* is a blend of all of the firm's marketing plans. A department store might have a strategy for how to handle each of its departments and expect its department managers to develop marketing plans for each department--perhaps month by month for the next year or even up to five years. A marketing program would be the blending of all of the marketing plans into one workable program. Developing the program might require some adjusting of the plans of some departments--in order to make effective use of all of the firm's resources but not exceed them.
- 2-10. This question is designed to get the students thinking about the various target markets which might be aimed at for a particular product--and the many factors which ought to be considered. If the instructor is familiar with the development of a new marketing strategy, it probably will be preferable to substitute this product for one of those suggested--in order to give the students a better "feel" for reality.

This exercise can easily lead into an interesting discussion of marketing strategy planning and all of the problems that can arise (but the instructor must guard against it degenerating into just a "bull" session). The general approach will be illustrated below for the new toothbrush.

The students must be led to see that there are many different potential target markets before going on to the development of one whole strategy. It might help to begin by trying to determine the degree of interest of some target consumers in toothbrushes in general--and the extent of interest they might have in the particular kind of product being considered. Using the marketing strategy diagram (p. 47) as a framework--to begin to segment the "toothbrush market"--you could lead them to ask questions such as: What do consumers look for in toothbrushes? Why do they buy them? Where do they buy them? How much do they pay for them? Who buys them? All of these questions should be raised by the students. Obviously, no one answer can be developed in the classroom for all these questions (there are many target markets), but some tentative conclusions might be advanced--some consumers are worried about their gums, not just their teeth, some people don't seem to think about brushes at all, some what a brush that's easy to pack for travel, etc.

The next step would be to analyze the product in the light of the consumers' image of toothbrushes and the ritual of toothbrushing. If this product seems to have any possibilities for satisfying the needs of some consumers, then the other three *Ps*--Place, Promotion, and Price--will have to be considered. *Where* consumers traditionally buy toothbrushes may have a bearing on where they will have to be distributed. If the same types of places are chosen, a great deal of promotion may not be necessary. However, if an entirely new set of places is chosen, promotion may become more expensive. If the consumer is not particularly enthused about new products of this type, even if they are superior, then the latitude on pricing may be rather narrow. The marketing executive's job would be to weigh all of these four *Ps* in the light of consumer analysis in order to come up with a satisfactory marketing strategy.

At this time, a well-organized discussion of all these points probably should not be expected of the students, but it is surprising what they can do. In the following pages some examples of students' work are presented to give you some idea of the caliber of work which can be expected this early in the course.

- A. The marketing problems I believe I would face if I were to develop a new design for a toothbrush:

Concerning the consumer:

1. Characteristics of buyer and users.
2. Size of purchase.
3. Unfavorable attitudes of buyers of brand.
4. Class of buyers.
5. Number of competitors and brands.
6. Differentiation of own brand from leaders.

Concerning the product:

1. Quality.
2. Models and sizes.
3. Attractiveness.
4. Shape, material, design, color, and copy.

Concerning the place:

1. Number of wholesalers and retailers.
2. Degree of aggressive retailer cooperation.

Concerning the price:

1. Factory price.
2. Wholesalers' and retailers' price.
3. Discounts, allowances, and deals.
4. Price support.

Concerning the promotion:

1. Selling.
2. Advertising.
3. Sales promotion.

- B. The first thing we have to do in setting up the marketing strategy is to determine the target market. The target for a new spinning reel would, most naturally, be the sport fisherman. Since the consumer is of such great importance in the selection of a strategy, he should be considered first and quite well. To begin with, sport fishermen can be from any social or financial class. This fact in itself presents somewhat of a problem. The reel has to be such that it will appeal to the majority of the people from these different groups.

Next we have to determine just how we are going to design this item to accomplish this. We have to make it so it has all the qualities we want to have and still be priced right so it can be sold in the volume necessary to make a profit. We have to decide whether we are going to make all the component parts ourselves or if we are going to do any subcontracting. These and many more considerations must be made in this connection.

Determining places of distribution to the customer is also very important. With an article such as a fishing reel the best markets would no doubt be in or near river towns, fishing resorts, lakes, or oceans. In this same department you must determine how you are going to work your distribution end of the business, whether you are going to use wholesale outlets, brokers, franchised dealers, etc.

The price of the reel now has to be set so that it will move fairly fast on the market. Competition will naturally have something to do in determining this price. You must also take into account the distributors and sales force and whether you are going to pay them a high commission.

Since this is a new product, promotion is going to be of major importance in establishing good markets. You will have to concern yourself with advertising, sales promotions, and training salespeople among other things. I think these would be the greatest problem areas you would encounter.

- C. *Consumers:* The market target for the new wonder drug is all consumers, since at one time or another everybody gets sick. The drug will be also aimed at children since children are always getting sick. The drug should be promoted more to residents of cold or damp sections of the country since susceptibility to sickness is greater in these areas.

The number of other brands are few since this is a new wonder drug. Brand loyalty will be low since this is a new product.

Product: The product will be in pill form. It must be decided how many sizes of bottles and how many pills to each size there should be. The color of the coating of the pill is important in order to make it attractive to children. The color and graphical design of the box should stand out on the shelf.

The brand name should be easy to pronounce and should be connected to the concept of curing sickness so that when someone thinks, "I am really sick, what can I take to get better?", immediately the name will pop into his mind after hearing it only once before.

Place: Samples should be distributed to doctors. The main distribution will be through drugstores and drug counters in department stores.

Price: The price should be within the reach of everybody first of all. It should be priced in the range of other drugs. Many people object to the high price of drugs but most will pay the price if they think the product is good. If the price is high, people feel that they are getting something good. So the price should appear a little high but not so high as to take a big chunk out of the average person's pocket.

Promotion: Since it is a medical discovery and a significant one, an attempt should be made to have articles printed in the various medical journals to show doctors how good the product really is. Television is the best medium for advertising the product. 'A famous doctor says' approach should be avoided since I think it is boring to people. But the doctor should not be left completely out the advertisement. It should be brought out that the drug is safe for all ages. All other modes of advertisement should also be used.

- D. The new type of industrial stapling machine causes students considerable trouble as few of them have had much industrial experience. This provides another opportunity to emphasize the need for careful customer analysis.

For class discussion, it is useful to segment the stapling machine market into at least two parts--thus requiring two sets of answers. The two basic markets are for office use and for plant use for fastening boxes or for assembling wood or metal pieces.

You might show that reaching office managers, production managers, purchasing agents, and even top executives in businesses where fastening is especially important affects the Place and Promotion variables. The problems of marketing industrial products should only be raised here, as they are treated extensively in the rest of the text. By the end of the book, the students will be able to handle such a problem very nicely. It might be fruitful at this time, however, to get the students to notice that industrial marketing would probably be more economically-oriented than final consumer marketing.

- 2-11. This is an integrative question. As indicated in the text, page 17 of Chapter 1, all functional areas are dependent upon a firm's market-oriented plans. A market-oriented plan starts with customers and then expects the rest of the firm to arrange its affairs accordingly. Therefore, an example from any functional area would be appropriate here.
- 2-12. This is an important question. It gets at a key reason why it is hard for firms to be successful! It will prompt a wide variety of different answers (and has the potential to generate some very good interaction if it is discussed in class). Most students think that the marketing concept sounds like a simple idea, and students with less work experience often think that it is easy for a firm to implement. Those with more experience are likely to "make excuses" for companies because they are more attuned to the problems. But discussion of this question helps to highlight some of the reasons that the marketing concept is not easy to implement.

If there is any difficulty getting discussion going, ask students what they think about the firm that provides their cell phone service, the food service on campus, or the outlet where they purchased a computer. These tend to be routine pockets of dissatisfaction and there will be differences of opinion about what is important and how different firms handle issues.

In a class discussion, the point is to try to focus not just on the things that leave customers dissatisfied but (a) what they can do to remedy the problem, and (b) the obstacles that get in the way of such efforts. One approach is to have a few students give brief examples and list them on the board, and then go back and address the remedies and/or obstacles. The trick is to try to generalize from the examples that they give. The list of generalizations can also go on the board and then at the end the instructor can point out that in the course all of those issues will be covered. For example, if a student complains about problems with a purchase then the professor might ask whether the retail firm that generated the problem seemed to have a bad strategy, or whether the firm didn't implement its strategy well? Was the person poorly trained

or maybe just in a bad mood that day? Is it possible that the customer was partly at fault? Is the customer really always right? Can a firm afford to satisfy everyone?

By the end of the discussion the instructor can highlight the fact that the underlying tension in implementing the marketing concept is that it may seem hard to both make a profit and satisfy customers at the same time. Customer satisfaction drives business (and repeat business), but it can also be expensive to satisfy customers. So a firm needs to recognize that different customers have different needs and find needs that it can satisfy at a cost that customers are willing to pay. This of course sets up the discussion of target marketing and the "fit" between the marketing mix and the firm's capabilities relative to those of competing firms.

- 2-13. An "attractive" opportunity for a firm is one that the firm has some chance of doing something about--given its resources and objectives. A "breakthrough" opportunity is an attractive opportunity that will enable the innovators to develop hard-to-copy marketing mixes which will be very profitable for a long time.

Students will give a wide variety of examples here. They are often better at identifying "attractive" opportunities than "breakthrough" opportunities. In particular, it is not unusual for students to think that just about everything is "hard to copy." Discussion of this question is a good way to highlight the importance of analyzing the current competitive environment and/or what is likely to happen with it in the future. This can be used to foreshadow discussion in Chapter 3 as well as product life cycle concepts that are developed more fully in Chapter 10.

- 2-14. By defining a market in terms of a market's needs, it is usually possible to see subsets that are not completely satisfied with the present offerings. And the students should be able to come up with examples--if nothing else, examples of needs that they personally have which are not completely satisfied. Suggestions from the class can be pursued to see whether each "opportunity" is likely to be large enough to be profitable to some firm. At this stage, however, that is not important. We are only seeking opportunities, and getting the students to see that there are opportunities all around them is probably the most important job at this stage.

- 2-15. The basic logic for thinking of the marketing strategy planning process as a narrowing down process is to be certain that the marketing manager considers the various alternative opportunities that might be available before putting all of his or her energy and the firm's investment in a strategy that may not be the best thing for the firm to do. There are usually many more possible opportunities that may require different strategies (potential target markets and variations on the marketing mix) than the firm can actually pursue. The choice that is made may set the firm's course for some time to come, so it's important to be focusing on the strategy that has the greatest chance of success rather than just one that at first glance appears to be OK.

- 2-16. The major differences among the opportunities are related to whether the firm uses its present products or new products while pursuing present markets or new markets. Note: The student's examples should describe what a firm is or was doing before moving on to a new opportunity. In other words, what would be a diversification for one firm might be simply market penetration for a firm that was already in that market.

- 2-17. Familiarity with the firm's current market would probably reduce the cost and risk. The farther a firm moves from its present activities, the less it is likely to know about the market and its problems. "The grass is not always greener on the other side of the fence."

- 2-18. The text provides a discussion of reasons that international opportunities should be considered. Student answers will usually incorporate the reasons given in the text, including:
(a) it's now becoming easier and cheaper to deal with customers in international markets, because of advances in communications and transportation;

- (b) people in a foreign market may have needs that the firm could meet, and the people may have the money they need to be customers;
- (c) serving larger, international markets may result in additional competitive advantages, such as greater economies of scale in production, shared expertise, etc.;
- (d) the product life cycle may be at an earlier stage in an international market, which effectively gives the firm the chance to "turn back the clock" to a stage where there is greater growth in sales and profits;
- (e) the foreign market may offer more favorable trends with respect to the marketing environments, including the competitive environment, the legal/political environment, the economic/technological environment, and the socio-cultural environment. For example, income and population growth has subsided in the U.S., and as a result for some consumer products firms growth will need to come from overseas markets.

- 2-19. The main purpose of this question is to encourage students to think about all of the products that they buy/use/consume that come from foreign producers. The reasons that they give for purchasing a specific product will vary dramatically--ranging from economic-oriented issues (low cost, good reliability) to emotional reasons (the status of French perfume, the "in" styling of an Italian designer). Regardless of the purchase reasons, students will usually conclude that there was a good opportunity for a domestic firm to get their business--often because there is really no barrier to prevent a domestic producer from competing. This will come out in the explanation or the "why or why not" part of the answer. After considering the "foreign" competition from that perspective, it's useful to turn things around and ask whether or not domestic firms have similar opportunities in foreign markets. This discussion might require a short digression on trade barriers (quotas, tariffs, etc.), but it also can highlight the fact that firms from all over the world are competing to "capture" customers wherever they may be.

DISCUSSION OF COMPUTER-AIDED PROBLEM 2: TARGET MARKETING

In this problem, the student evaluates the profitability of a target marketing approach compared to a mass marketing approach. The spreadsheet for the problem focuses student attention on the size of the segments, the "share" that a firm wins in that market, costs of blending a marketing mix to reach the market, and revenue and profit relationships.

The initial spreadsheet for the problem appears below:

P L U S – SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	8.00*	7.50*
PLACE: Distribution Cost per Unit Sold	2.00*	2.50*
PROMOTION: Total Promotion Cost	12000.00*	60000.00*
PRICE: Selling Price per Unit	16.00*	14.00*
Overhead Costs	10000.00*	20000.00*
Number of People in the Market	25000*	275000*
Percent of People Who Will Buy	80.00*	40.00*
Firm's Percent (share) of Purchases	50.00*	20.00*
Quantity Sold (Units)	10000	22000
Total Revenue (Price times Quantity)	160000.00	308000.00
Total Cost (Sum of Above Costs)	122000.00	300000.00
Total Profit (Revenue minus Costs)	38000.00	8000.00

Answers to Computer-Aided Problem 2:

- a. The numbers needed to answer this question are given on the initial spreadsheet (given above). Students will approach the calculations in different ways, but an example approach is given below:

First, let's look at the quantity sold:

25,000 number of people in the market

x .80 percent of people who will buy

20,000 people who will buy

x .50 firm's share of purchases

10,000 people who will buy from the firm = quantity sold

Total revenue is price times quantity:

\$16.00 price per unit x 10,000 units sold = \$160,000 total revenue

Some costs vary with quantity:

\$ 8.00 Production cost per unit

+ \$ 2.00 Distribution cost per unit

\$10.00 a unit (variable) costs

Thus, **total** production and distribution cost is:

10,000 units x \$10.00 a unit = \$100,000

Then, to get total costs we must add total promotion cost and overhead:

\$100,000 total production and distribution cost

\$ 12,000 total promotion cost

+ \$ 10,000 overhead costs

\$122,000 total cost

Finally, profit is total revenue minus total cost:

\$160,000 total revenue

- \$122,000 total cost

\$ 38,000 total profit

Many students will compute profit by simply subtracting costs from revenue. At this point, that is fine. But, it may be useful to go through the type of detail given above in class--or provide the information as a hand-out. The idea here is to encourage students to **think** carefully about the numbers of the spreadsheet--about what they mean and how they relate. Developing skill in this area is important to marketing managers--and attention is focused on this throughout the whole computer-aided problem set.

- b. If the target marketer could reduce distribution cost by \$.25 per unit, from \$2.00 to \$1.75, total profit would increase by \$2,500.00--from \$38,000.00 to \$40,500.00. The point here is that reducing the cost of any element of the marketing mix--if it still meets the needs of target customers--will help to improve profits. The spreadsheet for this analysis is shown below:

P L U S - SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	8.00*	7.50*
PLACE: Distribution Cost per Unit Sold	1.75*	2.50*
PROMOTION: Total Promotion Cost	12000.00*	60000.00*
PRICE: Selling Price per Unit	16.00*	14.00*
Overhead Costs	10000.00*	20000.00*
Number of People in the Market	25000*	275000*
Percent of People Who Will Buy	80.00*	40.00*
Firm's Percent (share) of Purchases	50.00*	20.00*
Quantity Sold (Units)	10000	22000
Total Revenue (Price times Quantity)	160000.00	308000.00
Total Cost (Sum of Above Costs)	119500.00	300000.00
Total Profit (Revenue minus Costs)	40500.00	8000.00

- c. If the target marketer can increase his share of the market from 50 percent to 60 percent, his profit will increase to \$53,000.00 (assuming that the lower distribution cost from question b above is maintained). Or, if the original \$2.00 a unit distribution cost is used in the spreadsheet, the profit will increase to \$50,000. This analysis shows that the target marketer who can really fine-tune his marketing mix to the needs of the target market can increase his share of the business from that target market, and his profitability. The spreadsheet shows that it is often better to get a larger share of a smaller target market than to use a perhaps very expensive marketing mix (note the promotion cost in the mass marketing approach) to inefficiently compete for a small share of a larger "mass market." The spreadsheet for this analysis is shown below (based on the \$1.75 distribution cost).

P L U S - SpreadSheet		
	Targeting	Mass Marketing
PRODUCT: Production Cost per Unit	8.00*	7.50*
PLACE: Distribution Cost per Unit Sold	1.75*	2.50*
PROMOTION: Total Promotion Cost	12000.00*	60000.00*
PRICE: Selling Price per Unit	16.00*	14.00*
Overhead Costs	10000.00*	20000.00*
Number of People in the Market	25000*	275000*
Percent of People Who Will Buy	80.00*	40.00*
Firm's Percent (share) of Purchases	60.00*	20.00*
Quantity Sold (Units)	12000	22000
Total Revenue (Price times Quantity)	192000.00	308000.00
Total Cost (Sum of Above Costs)	139000.00	300000.00
Total Profit (Revenue minus Costs)	53000.00	8000.00

CHAPTER 2--COMMENTS ON USE OF SUGGESTED CASES WITH THIS CHAPTER

Case 3: Rocky Soccer Academy

This case can be used to introduce the marketing strategy planning process and customer equity – both of which are discussed throughout the rest of the book. The Rocky case provides an early opportunity to use both of these frameworks. The marketing strategy planning process in Exhibit 2-9 might be shown on the board and used to help guide discussion. In fact the shortage of information on competitors – at least in the short case – becomes more obvious when this framework is shown. There is a need to match the company strengths with customer needs. A S.W.O.T. analysis might be done to help students understand these concepts.

The options clearly address some of the alternative growth methods suggested by the customer equity discussion in the text (pages 42-44) – acquisition of new customers, retention of current customers, and increasing purchases by current customers. To dramatize the effects of customer retention, ask your students what percentage of its customers Rocky is likely to retain each year. Despite kids moving, changing interests, and growing too old for training, the current retention rate of 80% is really quite high. This means that of the 600 customers Rocky currently serves, it needs to attract 120 new customers each year just to stay even – and Rocky wants to double in size. If Rocky can increase customer retention by 10%, this means the company keeps 60 more customers. But is that even possible? Rocky may have no ability to control families moving from the area, kids changing interests, and aging of its customer base. This means that some customer acquisition efforts will be a necessary part of its strategy. Further, if Rocky can get 25% of its customers to take one additional program per year, then sales should increase by about 25%. These numbers – or variations that you might create – help to dramatize the different customer equity options in the Rocky case. See case discussion in Part V.

Case 4: Lakeside Technology Services

This case can be used to illustrate ideas related to marketing strategy planning, including S.W.O.T. analysis. A young woman decides to go into business (doing computer service work) in a small town where she is in direct competition with another established competitor who has a strong reputation and a loyal following (and it's a firm with which she had a summer job before going into military service). Her choice of this business opportunity is influenced heavily by where she wants to live and what she has done in the past. It is of course reasonable to use these as criteria in evaluating opportunities and screening alternatives, but she doesn't develop the elements of her marketing mix very carefully. Instead she seems to expect that the community will somehow see the wisdom of bringing business to her. Students will have empathy for her situation, but she is nevertheless in a tough situation because it doesn't appear that she has any particular competitor advantage. Equally important, she really has not done anything in developing her marketing mix to try to get an advantage.

Case 5: ApplPoly Products

This case also illustrates a production-oriented company that has ignored potential customers' needs and the uncontrollable environment. It is easy to show the need for target marketing in this case. See case discussion in Part V.

Case 12: DrGlen.com

This case can be used as an opportunity to introduce students to a relatively straightforward financial analysis involving some topics related to customer equity. See case discussion in Part V.

Case 29: Custom Castings, Inc.

This case can be used here to illustrate production-oriented thinking--and the need for more marketing-oriented strategy planning. It also can be used toward the end of the course to "wrap everything up." See case discussion in Part V.

Video Case 1: Chick-fil-A

This video summarizes the marketing strategy of Chick-fil-A®, the second largest quick-service chicken restaurant chain in the United States, based on sales (\$1.975 billion in 2005). It operates over 1,250 restaurants in 37 states and Washington, D.C. Its 2005 performance marks the 38th consecutive year of system-wide sales gain. The case covers each of the 4 Ps, which are introduced in this chapter. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

Video Case 2: Bass Pro Shops

Bass Pro Shops is the nation's leading retailer of outdoor gear. It also is regarded as a master marketer for a unique shopping experience that blends goods and services with theater and entertainment—a trend in retailing called “destination development.” This case covers each of the 4 Ps, which are introduced in this chapter. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

Video Case 4: Potbelly Sandwich

This video summarizes the marketing strategy of Potbelly Sandwich Works, Inc. along the 4Ps and features interview footage with Bryant Keil, Chairman and CEO of the company. Chicago-based Potbelly Sandwich Works, Inc. is a chain of sandwich shops that competes in the Quick Serve segment of the restaurant industry. Billed as a unique and “quirky” sandwich joint, Potbelly has strong appeal to young

urban professionals. The case covers each of the 4 Ps, which are introduced in this chapter. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

Video Case 6: Big Brothers and Big Sisters of America

The video explores the processes by which Big Brothers Big Sisters of America (BBBSA) developed and implemented its strategic marketing planning process. For more than a century Big Brothers and Big Sisters of America (BBBSA) has helped children reach their potential through professionally supported one-on-one mentoring. This case describes the marketing strategy planning process at BBBSA a concept is introduced in this chapter. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

Video Case 7: Invacare

The Invacare Corporation produces home medical equipment for the domestic market as well as select global markets. Some of the manufacturing is in USA facilities, including a factory at the main headquarters in Elyria, Ohio and the HomeFill oxygen concentrator production plant in Florida. The case covers each of the 4 Ps, which are introduced in this chapter. For more details see the Video Instructor's Manual on the Instructor's Resource CD or the Instructor side of the Online Learning Center (www.mhhe.com/fourps).

CHAPTER 2--COMMENTS ON USE OF ETHICS QUESTION WITH THIS CHAPTER

Situation: As a sales manager for a major online retailer in the entertainment products category, you are in charge of DVD sales. You have been approached by a behavioral targeting company with software that can tell whether a visitor to your Web site has also visited other online DVD retailers. Further, the software will allow you to automatically charge different prices to different target markets. Because you'll be able to identify which visitors to your Web site are shopping at multiple sites and which are not, you can charge lower prices to those shopping around and higher prices to those who aren't. The seller claims the software will double profits in the DVD category. Would you purchase this service? Explain your decision.

Behavioral targeting is a controversial practice. Many privacy advocates are concerned about the implications of behavioral targeting. The question also introduces the students to price discrimination. Usually we find student less concerned about invasions of their privacy and more concerned about "unfair" pricing. If a discussion trends in these directions, you might ask students whether they think "ladies night pricing at a bar" or "student discounts" are "fair?" You might also ask how they would feel if they walked into a bookstore and the salesperson came up and suggested books by authors they had read before. Does the online context make it more acceptable to them?

CHAPTER 2--COMMENTS ON USE OF CREATING MARKETING PLANS QUESTION WITH THIS CHAPTER

The Marketing Plan Coach software on the text Web site includes a sample marketing plan for Hillside Veterinary Clinic. Skim through the different parts of the marketing plan. Look more closely at the Marketing Strategy section.

- a. *What is the target market for this marketing plan?*
- b. *What is the strategy Hillside Veterinary Clinic intends to use?*
- c. *What are your initial reactions to this strategy? Do you think it will be successful? Why or why not?*

At this point in the introductory marketing class, students need to learn about the different parts of a marketing plan at a very basic level. This helps them get an appreciation for the various elements of marketing. Often students walk into this class thinking that marketing is “easy” or “obvious.” The marketing plan shows them the amount of analysis that goes into creating a marketing strategy – even for a small business.

The first question simply requires the student to recognize the target market. The HVC marketing plan identifies two target markets: 1) Pet owners with small animals living within 10 miles of Wellington, Colorado, who are not currently customers of HVC and 2) Pet owners with small animals living within 10 miles of Wellington, Colorado, who are currently customers of HVC.

In class discussion, the instructor may ask why HVC has chosen these target markets. Veterinarians often specialize in small animals (cats, dogs, etc.) or large animals (cows, horses, etc.). Other vets may choose to specialize in exotic small animals (monkeys, chinchillas, ferrets, etc.). The marketing strategy process planning model might be referenced. Competitors in the area specialize in large animals – which typically involve house (or ranch or farm) calls. A company factor is Doctor Hardy’s likely training in small animals – and perhaps her innate interests. Also, there are many consumers in the fast-growing area that are likely to have small animals – making for a ready market.

As a transition into the second question, the instructor might also ask the class, “Why does the marketing plan differentiate between current customers and non-customers of HVC?” This allows for a discussion of the two different targets. The former are already familiar with HVC and have an established relationship. The marketing strategy for this group includes tactics that serve to remind customers and introduce them to new products and services offered by the clinic. On the other hand, non-customers may not be aware of HVC – so tactics here try to increase awareness and encourage customers to try the clinic.

The last question is designed to get students to evaluate a marketing strategy. There is no correct answer here, and certainly most introductory marketing students will not be able to offer a detailed critique. But the instructor can encourage students to judge the likely effectiveness in light of the situation analysis.