M Marketing 6th edition Grewal Solutions Manual

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Instructor's Manual: Implementation Guide

This improved **Instructor's Manual** (IM) contains more than just summaries of key concepts and features from the sixth edition of *M: Marketing* that can be used as springboards for class discussion; it also provides best practices for how to utilize the full product suite (from the textbook to SmartBook® to Connect®). In addition, this manual includes a variety of supplemental teaching resources to enhance your ability to create an engaging learning experience for your students. Regardless of whether you teach in face-to-face traditional classrooms, blended (flipped) classrooms, online environments, or hybrid formats, you'll find everything you need in this improved resource.

The IM follows the order of the textbook outline for each chapter and is divided into sections for each learning objective. To ease your class preparation time, we've included references to relevant PowerPoint slides that can be shown during class. Note that you can adjust slides as needed to ensure your students stay actively engaged throughout each session.

Available Instructor Resources

Within the **Instructor Resources Tab,** located in the Connect® Library, you will find the following **Instructor Resources**:

- Instructor's Manual
- PowerPoint Presentations (Accessible)
- Test Bank
- Author Newsletter Blog
- Video Library
- Connect Content Matrix

Instructor's Manual

This **Instructor's Manual** is posted by chapter. Within each section of the IM you will find an assortment of feature summaries, examples, exercises, and Connect® Integration assignments intended to enhance your students' learning and engagement.

PowerPoint Presentations

A set of ADA-accessible **PowerPoints** is available with each chapter and covers:

- Chapter Learning Objectives
- Key examples
- Key exhibits
- Key concepts and frameworks
- Progress checks
- Glossary terms

Some slides include teaching notes to guide your discussion of the content that appears on each slide.

Test Bank

Test Bank questions are posted by chapter. You will find a variety of question types within the test bank such as Matching, Ranking, Multiple Choice, Select-All-That-Apply, True/False, Short Answer, and Essay to test student mastery across Bloom's Taxonomy (i.e., Understand, Apply, and Analyze). Due to the evolving needs around generating high-quality print test experiences, McGraw-Hill Education provides a free copy of the industry-leading test generation software TestGen® to users (more details can be found within the Instructor Resources tab under "Test Bank"). Furthermore, due to its limitations to function with the latest browsers and operating systems, McGraw-Hill Education has discontinued EZ-Test Online. Some of the robust new features present in TestGen®, include:

- Cross-platform software compatibility with Windows and Mac
- Multiple LMS export formats, including Blackboard, Moodle, Desire2Learn, and Sakai
- Highly customizable formatting and editing option

Video Library

The **Video Library** provides links to all the assignable videos in Connect®, as well as legacy videos that are no longer available as assignments, but that remain available as an additional resource. These videos can be directly streamed from within the library that is located in the Instructor's Resource tab. Accompanying each video is a brief **video guide** that summarizes the key concepts of the video.

Connect Content Matrix

The **Connect Content Matrix** provides a brief overview of all the application exercises available in the course. It lists the Learning Objectives, topic tags, Bloom's levels, and difficulty levels associated with each exercise.

Connect®, McGraw-Hill's online assignment and assessment system, offers a wealth of content for both students and instructors. Assignable activities include the following:

USING SMARTBOOK® TO ENHANCE STUDENTS' PERFORMANCE

The LearnSmart®-powered **SmartBook®** is assignable through Connect. One of the first fully adaptive and individualized study tools designed for students, it creates for them a personalized learning experience, giving them the opportunity to practice and challenge their understanding of core marketing concepts. The reporting tools within SmartBook® show where students are struggling to understand specific concepts.

Typically, SmartBook® is assigned by module (chapter), and you can set which learning objectives to cover as well as the number of probes the student will see for each assignment. You can also set the number of points a SmartBook® module is worth in the course. Usually, applying a minimal number of points for completion of each module is enough to encourage students to read the chapter. Many instructors assign these modules to be completed *before* the class or online session.

SmartBook® provides several diagnostic tools for you to gauge which concepts your students struggle to understand. Below is the set of adaptive assignment reports available in SmartBook®:

- Progress Overview: View student progress broken down by module
- Student Details: View student progress details plus completion level breakdown for each module
- Module Details: View information on how your class performed on each section of their assigned modules
- Practice Quiz: This gives you a quick overview of the quizzes results for your students
- Missed Questions
- Metacognitive Skills

The Module Details report shows you the results for the students in the class overall. These details reveal where in the chapters students might be struggling. The module gives the chapter section, average time spent, average questions per student correct/total, and the percentage of correctness (based in number of assigned items). Information about the most challenging sections for students can help you refine the focus of the next face-to-face, hybrid, or online session.

The Metacognitive Skills report captures students' confidence in their competency of the materials. Below you will find a recreation of the Metacognitive Skills report. In it, you can see that the second student is confident and mostly correct (see the 91% in the Correct and Aware column) while the first student "doesn't know what she doesn't know" (see the 39% in the Incorrect and Unaware column).

STUDENT	CORRECT and AWARE	CORRECT and UNAWARE	INCORRECT and AWARE	INCORRECT and UNAWARE
Student 1	61%	0%	0%	39%
Student 2	91%	0%	3%	5%
Student 3	81%	0%	0%	19%
Student 4	83%	0%	0%	17%
Student 5	76%	0%	3%	21%
Student 6	66%	0%	9%	25%
Student 7	77%	0%	3%	12%

Student 8	91%	0%	2%	7%
Student 9	93%	0%	2%	5%
Student 10	70%	0%	6%%	25%

APPLICATION EXERCISES, QUIZZES, AND TEST BANK

Book-level Resources

Application Exercises require students to apply key concepts to close the *knowing* and *doing* gap; they provide instant feedback for the student and progress tracking for the instructor. Before getting into chapter-level assignments, let's first look at the book-level assignments available.

Three exercise types are available for instructors to assign beyond the chapter materials. These are 1) Marketing Plan Prep Exercises, 2) Marketing Analytics Exercises, and 3) Marketing Mini Simulation.

1) **Marketing Plan Prep** exercises use guided activities and examples to help students understand and differentiate the various elements of a marketing plan.

2) **Marketing Analytics** exercises are data analytics activities that challenge students to make decisions using metrics commonly seen across the marketing professions. The goal of these activities is to give students practice analyzing and using data to make marketing decisions.

3) **Marketing Mini Simulation** helps students apply and understand the interconnections of elements in the marketing mix by having them take on the role of Marketing Manager for a backpack manufacturing company. The simulation can be assigned by topic or in its entirety.

Chapter-level Resources

Chapter-level Application Exercises are built around chapter learning objectives, so you can choose which ones to assign based on your focus for each specific chapter. Several types of Application Exercises are available in each chapter. These are 1) iSeeit! Animated Video Cases, 2) Case Analyses, 3) Video Cases, and 4) Click-and-Drag exercises.

1) The **iSeeit! Video** series comprises short, contemporary animated videos that provide engaging introductions to key course concepts. These are perfect for launching lectures and assigning as either pre- or post-lecture activities. Each animation is accompanied by three to four multiple-choice questions to check student attention and comprehension.
2) **Case Analyses** and **Video Cases** each feature real-world firms and industries different than those discussed in the textbook. Each case analysis and video case is accompanied by questions that ask students to analyze and apply marketing theory and concepts.

3) **Click-and-Drag** exercises help students actively demonstrate their understanding of the associated learning objectives. Some require students to match examples to concepts, to place series of steps in the correct sequence, or to group examples together under their correct categories.

Application Exercises can be assigned as preparatory exercises due ***before*** class (this is especially good for flipped classrooms), or ***after*** class as concept comprehension checks. Consider assigning two or three Application Exercises per chapter.

Applications Exercises will generally be assigned as homework or practice as part of the overall class grade. A general rule of thumb would be to make application exercises worth 5 to 10 points each, since these require more time and thought than a test bank question might.

To find the Applications in Connect®, go to "Add Assignment" and select "Question Bank." Within this question bank will find a drop-down menu of all the book-level assignments and chapter-level assignments. You can then select the ones you wish to assign.

Chapter-level **quizzes** and full chapter **test banks** are also found in the Question Bank's drop-down menu. Apply a relatively low value to each question—for example, 1 or 2 points each—since numerous questions are typically assigned for each chapter. You can decide when to surface the feedback to students. Selecting to display feedback ***after*** the assignment due date helps to prevent cheating; that is, it keeps students from sharing the correct answers with other students while the questions are still open and available. For this reason, it is suggested that no feedback to quizzes and test bank exams be made available until *after* the assignment is due.

Assigning Exercises and Grading Policies: Best Practices

To fully utilize the power of the digital components, it is recommended that you assign the SmartBook® reading and adaptive learning probes ***before*** class meets. Application Exercises can be completed either before or after class; if they are completed before class, they can sometimes serve as good springboards for class discussions. The chapter quiz makes a good check on comprehension of the material and may work best if assigned ***after*** each class period. The test bank serves as a good resource for building mid-term or final exams.

More detailed information on SmartBook® and Connect® is available through several resources at McGraw-Hill. A good starting point is your local Learning Technology Representative, who can be found here: http://www.mheducation.com/highered/platforms/connect/features-educators.html

Connect® gives instructors a wide array of flexibility in making assignments and creating grading policies. Instructors may choose to:

- assign as many assignments as appropriate given the level and time commitment expected for the class,
- determine point values for each question/application that works within the total course percentages,
- make available multiple attempts per assignment with options of accepting the *highest* score or *averaging* all the attempts together (several attempts are particularly good for homework assignments),
- deduct points for *late* assignment submissions (percentage deduction per hour/day/week/etc.) or create hard deadlines thus accepting *no* late submissions,
- show feedback on application/questions immediately upon submission *or* at the time the assignment is due for the whole class, create new assignments or questions from scratch, or edited versions from a variety of provided resources.

Throughout the IM for each chapter, we integrate materials from the PowerPoint slides and provide summaries for each of the Connect® Application Exercises at the end of each chapter. These summaries are intended to give you a sense of the learning goal behind each exercise. We hope this integration of resources will help you to convey core principles of marketing topics holistically, effectively, and efficiently to your students.

Chapter 2
Developing Marketing Strategies and a Marketing Plan

Tools for Instructors

- Chapter Overview
- Brief Chapter Outline
- Learning Objectives
- Extended Chapter Outline
- PowerPoint Slides
- Additional Resources
- Connect Application Exercises

Chapter Overview

In this chapter, the goal is to introduce students to an overview of the marketing plan, the concept of customer value, and the utility of the SWOT matrix. It is important to teach students that the importance of the marketing plan is to communicate the value proposition to consumers and to provide direction on how that will be achieved.

Brief Chapter Outline

What Is a Marketing Strategy?
The Marketing Plan
Growth Strategies

Learning Objectives

LO2-1 Define a marketing strategy.

A marketing strategy identifies (1) a firm's target markets(s), (2) a related marketing mix (its four Ps), and (3) the bases on which the firm plans to build a sustainable competitive advantage. Firms use four macro strategies to build their sustainable competitive advantage. Customer excellence focuses on retaining loyal customers and excellent customer service. Operational excellence is achieved through efficient operations, excellent supply chain, and human resource management. Product excellence entails having products with high perceived value and effective branding and positioning. Finally, locational excellence entails having a good physical location and Internet presence.

LO2-2 Describe the elements of a marketing plan.

A marketing plan is composed of an analysis of the current marketing situation, opportunities and threats for the firm, marketing objectives and strategy specified in terms of the four Ps, action programs, and appropriate financial statements. A marketing plan represents the output of a three-phase process: planning, implementation, and control. The planning phase requires that managers define the firm's mission and vision and assess the firm's current situation. It helps answer the questions, "What business are we in now, and what do we intend to be in the future?" In the second phase, implementation, the firm specifies, in more operational terms, how it plans to implement its mission and vision. Specifically, to which customer groups does it wish to direct its marketing efforts, and how does it use its marketing mix to provide good value? Finally, in the control phase, the firm must evaluate its performance using appropriate metrics to determine what worked, what didn't, and how performance can be improved in the future.

LO2-3 Analyze a marketing situation using SWOT analyses.

SWOT stands for strengths, weaknesses, opportunities, and threats. A SWOT analysis occurs during the second step in the strategic planning process, the situation analysis. By analyzing what the firm is good at (its strengths), where it could improve (its weaknesses), where in the marketplace it might excel (its opportunities), and what is happening in the marketplace that could harm the firm (its threats), managers can assess their firm's situation accurately and plan its strategy accordingly.

LO2-4 Describe how a firm chooses which consumer group(s) to pursue with its marketing efforts.

Once a firm identifies different marketing opportunities, it must determine which to pursue. To accomplish this task, marketers go through a segmentation, targeting, and positioning (STP) process. Firms segment various markets by dividing the total market into those groups of customers with different needs, wants, or characteristics who therefore might appreciate products or services geared especially toward them. After identifying the different segments, the firm goes after, or targets, certain groups on the basis of the firm's perceived ability to satisfy the needs of those groups better than competitors and do so profitably. To complete the STP process, firms position their products or services according to the marketing mix variables so that target customers have a clear, distinctive, and desirable understanding of what the product or service does or represents relative to competing products or services.

LO2-5 Outline the implementation of the marketing mix as a means to increase customer value.

The marketing mix consists of the four Ps—product, price, promotion, and place—and each P contributes to customer value. To provide value, the firm must offer a mix of products and services at prices their target markets will view as indicating good value. Thus, firms make trade-offs between the first two Ps, product and price, to give customers the best value. The third P, promotion, informs customers and helps them form a positive image about the firm and its products and services. The last P, place, adds value by getting the appropriate products and services to customers when they want them and in the quantities they need.

LO2-6 Summarize portfolio analysis and its use to evaluate marketing performance.

Portfolio analysis is a management tool used to evaluate the firm's various products and businesses—its "portfolio"—and allocate resources according to which products are expected to be the most profitable for the firm in the future. A popular portfolio analysis tool developed by the Boston Consulting Group classifies all products into four categories. The first, stars, are in high-growth markets, and have high market shares. The second, cash cows, are in low-growth markets, but have high market share. These products generate excess resources that can be spun off to products that need them. The third category, question marks, are in high-growth markets, but have relatively low market shares. These products often utilize the excess resources generated by the cash cows. The final category, dogs, are in low-growth markets and have relatively low market shares. These products are often phased out.

LO2-7 Describe how firms grow their business.

Firms use four basic growth strategies: market penetration, market development, product development, and diversification. A market penetration strategy directs the firm's efforts toward existing customers and uses the present marketing mix. In other words, it attempts to get current customers to buy more. In a market development strategy, the firm uses its current marketing mix to appeal to new market segments, as might occur in international expansion. A product development growth strategy involves offering a new product or service to the firm's current target market. Finally, a diversification strategy takes place when a firm introduces a new product or service to a new customer segment. Sometimes a diversification strategy relates to the firm's current business, such as when a women's clothing manufacturer starts making and selling men's clothes, but a riskier strategy is when a firm diversifies into a completely unrelated business.

Extended Chapter Outline

I. **What Is a Marketing Strategy?** *(PPT 2-4)*

A. Customer Excellence *(PPT 2-5)*

1. Retaining Loyal Customers

2. Providing Outstanding Customer Service

Adding Value 2.1: Amazon Is about Products, Delivery, Prices, and Now Home Services discusses how Amazon is extending its offerings from products to services. Ask students if they would consider buying services through Amazon.

B. Operational Excellence *(PPT 2-7)*

C. Product Excellence *(PPT 2-8)*

D. Locational Excellence *(PPT 2-9)*

E. Multiple Sources of Advantage *(PPT 2-10)*

✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts.

1. *What are the various components of a marketing strategy?*

Answer: A marketing strategy includes a firm's target market(s), a related marketing mix, and the bases upon which the firm plans to build a sustainable competitive advantage.

2. *List the four macro strategies that can help a firm develop a sustainable competitive advantage.*

Answer: The four macro strategies that can help a firm develop a sustainable competitive advantage include customer excellence, operational excellence, product excellence, and locational excellence.

II. **The Marketing Plan** *(PPT 2-12)*

A. Step 1: Define the Business Mission *(PPT 2-14)*

B. Step 2. Conduct a Situation Analysis *(PPT 2-15, 2-16)*

Adding Value 2.2 Small Coke Cans: Are Consumers Paying More for Less, or Are They Just Paying to Get What They Want? describes how Coca-Cola is taking another approach to address the external environment and provide value to its customers. Do students purchase 7.5-ounce cans of soda? Why or why not? Why would consumers pay more for less product?

C. Step 3: Identify and Evaluate Opportunities Using STP (Segmentation, Targeting, and Positioning) *(PPT 2-17)*

1. Segmentation

2. Targeting

3. Positioning

D. Step 4: Implement Marketing Mix and Allocate Resources *(PPT 2-19)*

1. Product and Value Creation Products *(PPT 2-20)*

2. Price and Value Capture *(PPT 2-21)*

3. Place and Value Delivery *(PPT 2-22)*

4. Promotion and Value Communication *(PPT 2-23)*

E. Step 5: Evaluate Performance Using Marketing Metrics. *(PPT 2-24)*

Social & Mobile Marketing 2.1: Making Snapchat More Strategic: How CoverGirl Uses Geotargeting to Leverage the Marketing Potential of a Fun App describes how CoverGirl devised a strategy to calculate the returns on Snapchat marketing campaigns. Snapchat as a marketing tool will be discussed further in Chapter 3.

1. Who Is Accountable for Performance? *(PPT 2-25)*

Ethical & Societal Dilemma 2.1: Volkswagen's "Dieselgate" Scandal explains how Volkswagen responded to the scandal surrounding falsified emissions data for diesel engines in its cars. Discuss with students how Volkswagen provided examples of both what to do and what not to do when handling this type of issue.

2. Performance Objectives, Marketing Analytics, and Metrics *(PPT 2-25)*

Marketing Analytics 2.1: The First Name in Predictive Analytics: Google describes how Google's extensive analytics capabilities support its competitive tactics in other markets, too. How could Google differentiate its Android Auto from Apple's CarPlay?

3. Financial Performance Metrics *(PPT 2-25)*

4. Portfolio Analysis *(PPT 2-26)*

   a. Stars
   b. Cash Cows
   c. Questions Marks
   d. Dogs

F. Strategic Planning Is Not Sequential.

✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts.

1. What are the five steps in creating a marketing plan?

Answer: The five steps in creating a marketing plan are defining a business mission and objectives, evaluating a situation analysis, identifying opportunities, implementing a marketing mix, and evaluating performance using marketing matrics.

2. *What tool helps a marketer conduct a situation analysis?*

   Answer: A SWOT analysis helps a marketer conduct a situation analysis.

3. *What is STP?*

   Answer: STP is Segmentation, Targeting, and Positioning.

4. *What do the four quadrants of the portfolio analysis represent?*

   Answer: Stars, Cash Cows, Question Marks, Dogs.

III. Growth Strategies *(PPT 2-29)*

A. Market Penetration *(PPT 2-30)*

B. Market Development *(PPT 2-31)*

C. Product Development *(PPT 2-32)*

D. Diversification *(PPT 2-33)*

✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts.

1. *What are the four growth strategies?*

   Answer: Market penetration strategy, market development strategy, product development strategy, and diversification strategy.

2. *What type of strategy is growing the business from existing customers?*

   Answer: The type of strategy that grows a business from existing customers is market penetration strategy.

3. *Which strategy is the riskiest?*

   Answer: The diversification strategy is the riskiest, because unrelated diversifications do not capitalize on either core strengths associated with markets or with products.

Additional Resources

The utility of the marketing plan must be conveyed throughout the course. Teach students that **the marketing plan is a subset of the business plan** that forms the foundational strategy of business. Students come to realize the importance of the marketing plan when the instructor frequently makes connections to its purpose not only on the day the concept is taught but also throughout the course.

Customer value is a difficult concept for students to grasp. Instructors may want to ask students to write down something they find of value and what aspects lead to creating that value. The instructor can then ask what they would trade for that value. It is important that instructors communicate that value is more than monetary worth and can't easily be measured. *As a result, marketers must conduct target market research in order to create the value proposition of their marketing strategy*.

The **SWOT matrix** may be easily demonstrated by dividing your class into groups and having each group contribute one item to each of the four quadrants using the college they are attending (common ground for all students) or a major chain food (such as McDonald's) so that all students are familiar with the strengths, weaknesses, opportunities, and threats that may apply. Students can work as a group and then each group may put their items on the whiteboard to form a collective classroom SWOT. Instructors should then make the link that the opportunities and strengths should filter into the marketing message delivered in advertising campaigns and other marketing tools. **Online tip:** Instructors may want to divide their class by last name A-E Strengths, F-J Weaknesses, and so forth to answer a discussion board question using the same concept. Students could then complete an individual SWOT as an assignment. Another option would be to use the same concepts and integrate it as an online team assignment where each team forms their respective completed SWOT.

Connect Application Exercises

This section summarizes each Application Exercise available with this chapter. Each summary comprises an introduction to the exercise, concept review, and follow-up activity. Associated details related to the learning objectives, activity type, AASCB category, and difficulty levels are also included. These summaries are intended to guide your course planning; perhaps you want to assign these exercises as homework or practice, before or after class. For best practices on how and when to assign these exercises, see the IM Implementation Guide at the beginning of this chapter.

Activity	Type	Learning Objectives 02-						
		01	02	03	04	05	06	07
Disney and the Strategic Marketing Planning Process	Click & Drag		X					
Staples: Implementing the Marketing Mix	Video Case					X		
Home Shopping Network	Video Case	X			X	X		
SWOT Analysis - Domino's Pizza	Click & Drag			X				
The Netflix Rollercoaster: How a Strategy Can Fail	Case Analysis	X	X			X	X	X
Spirit Airlines: Home of the Bare Fare	Video Case	X		X	X	X		X
SWOT Analysis: Ford Motor Company & Fiat Chrysler Automobiles	Click & Drag			X				
The Coffee Wars	Case Analysis	X		X				X
iSeeIt Video Case: Marketing Strategy and the Marketing Plan	Video Case		X	X	X	X		

Disney and the Strategic Marketing Planning Process

- **Activity Type:** Click & Drag
- **Learning Objectives:** 02-02
- **Difficulty:** Medium
- **Activity Summary:** Students view a short case describing the Walt Disney Company's use of technology to improve the customer experience in their parks, and are asked to match excerpts from the case description to the appropriate step in the strategic marketing planning process.

Activity

- **Introduction:** Firms like Disney plan their marketing strategies to adjust to changes in the environment, the competition, and their customers. Effective marketing doesn't just happen.
- **Concept Review:** The strategic marketing planning process represents a set of steps a marketer goes through to develop and implement a strategic marketing plan. The three major phases of the process are planning, implementation, and control.

Follow-Up Activity

Assign and discuss the following article: "At Disney Parks, a Bracelet Meant to Build Loyalty (and Sales)," by Brooke Barnes, *New York Times*, published 1/7/2013:

http://www.nytimes.com/2013/01/07/business/media/at-disney-parks-a-bracelet-meant-to-build-loyalty-and-sales.html?_r=0

This article describes the "MyMagic+" bracelet that is one key element of Disney's technology upgrade program. In addition to improving the customer experience, discuss how it also benefits Disney by providing customer information that can be used both to understand customer behavior in the parks (a form of marketing research) and also to improve service to individual customers (as part of a customer relationship management program).

Staples: Implementing the Marketing Mix

- **Activity Type:** Video Case
- **Learning Objectives:** 02-05
- **Difficulty:** Medium
- **Activity Summary:** This video case discusses the "Easy" retail strategy adopted by Staples, with examples of each of the four Ps in action. After the video ends, students are asked questions about the video and related course concepts.

Activity

- **Introduction:** The 4 Ps—product, price, promotion, and place—are functions retailers use to create value for their customers. Staples, Inc. successfully integrates the 4 Ps with its "easy" brand promise. Its ability to execute the 4 Ps seamlessly within the parameters of this brand promise helps to make Staples successful.
- **Concept Review:** The marketing mix consists of the four Ps—product, price, promotion, and place—and each P contributes to customer value. To provide value, the firm must offer a mix of goods and services at fair prices in the eyes of its target market. Firms make trade-offs between product and price, help customers to form a positive image about the firm and its products, and get the appropriate goods and services to customers when they want them and in the quantities they need.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

Follow-Up Activities

- Discuss how the Staples "Easy" brand promise helps the company to compete with online-only sellers of office supplies like Amazon.com. Example: The Staples branded products help Staples to stock lower-priced products; making products like paper and toner easily available at the front of conveniently located stores with plenty of parking offers convenience.
- Choose a successful restaurant chain (Chipotle or Chick-fil-A would be good selections in the U.S. as they tend to be popular with students) and ask for examples of each of the four Ps in the chain's strategy.

Home Shopping Network

- **Activity Type**: Video Case

- **Learning Objectives**: 02-01, 02-04, 02-05
- **Difficulty**: Medium
- **Activity Summary**: This video case focuses on changes HSN made to its strategy starting in 2006 to better understand and serve its target market. After the video ends, students are asked questions about the video and related course concepts.

Activity

- **Introduction:** HSN (Home Shopping Network) is a $2.8 billion multichannel retailer, using television, e-commerce, m-commerce, catalogs, and brick and mortar stores. They have recently launched apps for all major smartphones. HSN currently reaches 90 million homes, 24 hours a day, 7 days a week, 365 days a year. Managing their marketing efforts and staying on top of the competition requires careful and ongoing strategic planning and implementation.
- **Concept Review:** A marketing strategy is the actions a firm intends to implement to appeal to potential customers. A successful strategy identifies (1) a firm's target markets; (2) a related marketing mix—its 4 Ps; and (3) the basis on which the firm plans to build a sustainable competitive advantage. HSN (Home Shopping Network) is one example of a firm that has very successfully implemented its strategy using multichannel marketing efforts. Understanding how HSN has implemented a successful marketing strategy helps us identify the different components of that strategy. HSN continually monitors opportunities and threats and reevaluates their strategies in response to these.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

Follow-Up Activities

- Students can research some of HSN's recent initiatives to see how the company is currently using lifestyle programming to attract attention to its products. As of this writing, there are two initiatives that are very much consistent with HSN's lifestyle strategy:
    - A multi-film agreement with Disney to hold shopping events promoting films of interest to HSN's target market: http://www.hollywoodreporter.com/news/disney-strikes-multi-film-partnership-694720
    - HSN's "Live in Concert" series, featuring various artists in conjunction with sales of their music.
- Suppose that HSN decided to launch a second channel with men who are sports fans as the target market. How would its strategy be different from the current HSN channel's strategy?

SWOT Analysis: Domino's Pizza

- **Activity Type:** Click & Drag
- **Learning Objectives:** 02-03
- **Difficulty:** Medium
- **Activity Summary:** This activity presents information about Domino's franchise stores possibly staying open 24 hours. Eight factors are presented related to this proposed change, and students are asked to classify them using the SWOT analysis framework.

Activity

- **Introduction:** Recently, a Domino's pizza franchise in southwest Ohio made the strategic decision to stay open 24 hours a day. The manager, Steve Martin, made this decision about a month ago in response to increased demand for Domino's pizza. Other Domino's franchise owners are now considering adopting a similar strategy. In this activity, you will categorize a set of statements regarding activities in the internal and external environments as they relate to Domino's pizza, and a potential initiative of staying open 24 hours a day. These statements will identify either a Strength, Weakness, Opportunity, or Threat.
- **Concept Review:** Developing a marketing plan consists of five steps. The second step in the process, after developing a mission statement, is to conduct a situation analysis, using the SWOT framework. This tool allows firms to assess both the internal environment (strengths and weaknesses) and the external environment (opportunities and threats).

The Netflix Rollercoaster: How a Strategy Can Fail

- **Activity Type:** Case Analysis
- **Learning Objectives:** 02-01, 02-02, 02-05, 02-06, 02-07
- **Difficulty:** Medium
- **Activity Summary:** This case deals with Netflix's 2011 decision to split its service into DVD rental and streaming subscriptions, resulting in a significant price increase for current customers. Students answer questions relating the case to chapter concepts.

Activity

- **Introduction:** The letter arrived in millions of e-mail boxes simultaneously in November of 2010. Reed Hastings, the CEO of Netflix, announced in excited tones the latest innovation by the company that had revolutionized the movie rental industry. But the response was not quite what he, or Netflix shareholders, had expected. Since that time, Netflix has recovered and gone on to renewed success and new challenges; however, the series of events, before and after, offers a clear lesson in how a failure to sufficiently plan for marketing strategy changes can backfire on even the most successful of companies.
- **Concept Review:** A marketing strategy identifies (1) a firm's target market(s), (2) a related marketing mix—its four Ps, and (3) the bases on which a firm plans to build a sustainable competitive advantage. Firms develop marketing plans to formalize their marketing strategies. One important element in formulating a marketing plan is to do a situation analysis, also known as a SWOT analysis. Following the analysis, firms need to segment their market, target which segments they will serve, and develop a position that communicates a clear understanding of the market offering. They should then implement the marketing mix; the four Ps. Finally, they should use various marketing metrics to evaluate the results of their strategies. There are also four growth strategies firms can implement to increase their market share.

Follow-Up Activity

Netflix recovered quickly from its misstep; it's worth reviewing what has happened since the end of the case write-up, and then discussing the challenges Netflix faces in the future. Students could be asked to research this topic themselves, or you can use these articles:

- "How Netflix Reinvented Itself," by Peter Cohan, *Forbes*, 4/23/13. http://www.forbes.com/sites/petercohan/2013/04/23/how-netflix-reinvented-itself/
- "Netflix Ends Huge Year with Price Shift and Executive Raises," by Nick Summers, *Business Week*, 12/31/2013. http://www.businessweek.com/articles/2013-12-31/netflix-ends-huge-year-with-price-shift-and-executive-raises

Spirit Airlines: Home of the Bare Fare

- **Activity Type:** Video Case
- **Learning Objectives:** 02-01, 02-03, 02-04, 02-05, 02-07
- **Difficulty:** Medium
- **Activity Summary:** This video case explains the marketing strategy pursued by Spirit Airlines. After the video ends, students are asked questions about the video and related course concepts.

Activity

- **Introduction:** Spirit Airlines competes as an ultra-low-cost carrier (ULCC), and does so by "unbundling" extra services from its basic fare. As a result, things that other airlines include in their prices (for example, carry-on bags) cost extra on a Spirit flight. This approach allows Spirit Airlines to keep prices low, attracting a different type of customer who values price above comfort and amenities.
- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

Follow-Up Activity

- Review a section of the Spirit Airlines website to learn more about their strategy and how the website reflects it. Two suggestions based on the website as it exists when I'm writing this:
  - https://www.spirit.com/OptionalServices - shows the extras they charge for
  - http://marketing.spirit.com/how-to-fly-spirit-airlines/en/ - "Spirit 101," where they explain their approach to pricing

SWOT Analysis: Ford Motor Company & Fiat Chrysler Automobiles

- **Activity Type:** Click & Drag
- **Learning Objectives:** 02-03
- **Difficulty:** Medium
- **Activity Summary:** This activity presents information about Ford Motor Company, focusing on F-series trucks, and on Fiat Chrysler's array of brands. Students are asked to classify the information provided about each firm using the SWOT analysis framework.

Activity

- **Introduction:** SWOT stands for strengths, weaknesses, opportunities, and threats. SWOT analysis evaluates what a firm is good at, where it could improve, where in the marketplace it might excel, and what events in the marketplace could potentially harm the firm. This activity is important because it demonstrates how integral SWOT analysis is to the strategic planning process.

The Coffee Wars

- **Activity Type:** Case Analysis
- **Learning Objectives:** 02-01, 02-03, 02-07
- **Difficulty:** Medium
- **Activity Summary:** This case compares and contrasts the marketing strategies Starbucks and Dunkin' Donuts in the coffee market. After reading the case, students answer questions applying chapter concepts to the case information.

Activity

- **Introduction:** Starbucks and Dunkin' Donuts are the two largest competitors in the coffee and breakfast retail market. Their approaches to competing in this market are described in the case. This activity is important because a strong marketing strategy—one that helps to build a sustainable competitive advantage—is the basis for all marketing activities.

Follow-Up Activity

Look at the Dunkin' Donuts and Starbucks websites in class. Consider their active promotions; are they consistent with the strategies discussed in the case?

iSeeIt Video Case:
Marketing Strategy and the Marketing Plan

- **Activity Type:** Video Case
- **Learning Objectives:** 02-02, 02-03, 2-04, 2-06
- **Difficulty:** Easy
- **Activity Summary:** This video case views marketing strategy from the perspective of the owner of an independent coffee shop, as she considers working through the different phases of a marketing plan for her shop.

Activity

- **Introduction:** Strategic marketing is an approach where an organization effectively leverages its resources to reach its target market. The marketing plan is how organizations operationalize their strategies by planning how to reach their markets, implementing their marketing activities, and measuring marketing performance. Take for instance the Coffee Collective and how it has successfully marketed its unique coffee experience. Martha, the owner, knows that the 4 P's are only one key aspect of effective marketing—the implementation phase. She realizes that before she can implement a marketing strategy, she must first understand the environment in which her coffee shop exists. She also understands the importance of evaluating marketing effectiveness as the final component of the marketing plan. Success, after all, is more than selling just one cup of coffee and can be measured using a range of outcomes from revenue to customer loyalty.

- **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

Chapter 2

Developing Marketing Strategies and a Marketing Plan

Learning Objectives

Learning Objective 2.1 Define a marketing strategy.

Learning Objective 2.2 Describe the elements of a marketing plan.

Learning Objective 2.3 Analyze a marketing situation using SWOT analyses.

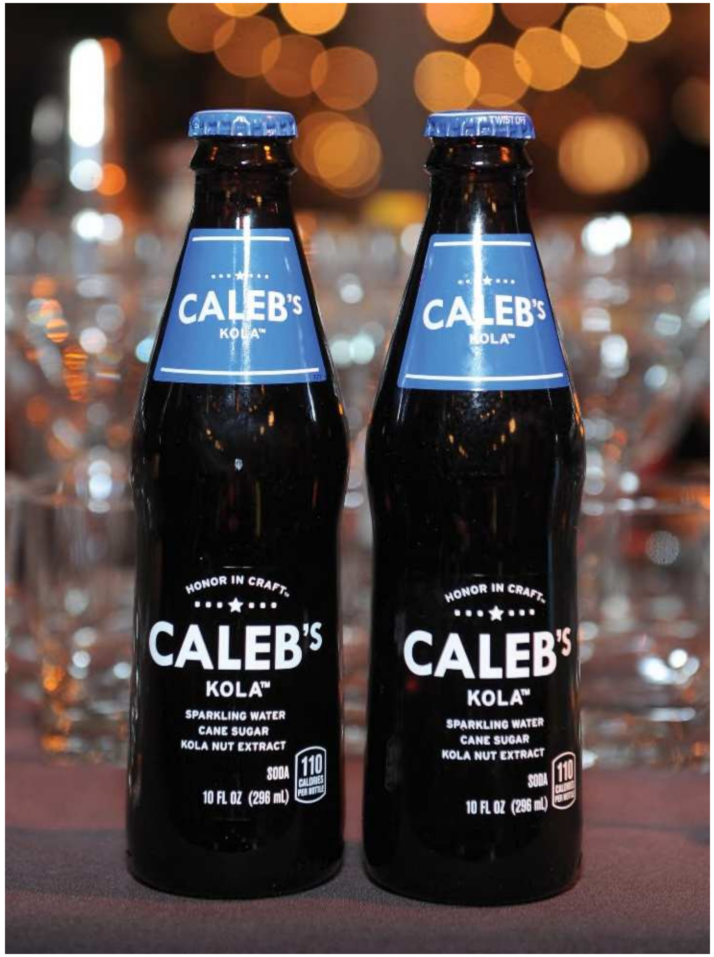
Learning Objective 2.4 Describe how a firm chooses which consumer group(s) to pursue with its marketing efforts.

Learning Objective 2.5 Outline the implementation of the marketing mix as a means to increase customer value.

Learning Objective 2.6 Summarize portfolio analysis and its use to evaluate marketing performance.

Learning Objective 2.7 Describe how firms grow their business.

PepsiCo



Caleb’s Kola

Sustainable Competitive Advantage

Jump to Appendix 1 long image description

Customer Excellence

Retaining loyal customers

Customer service

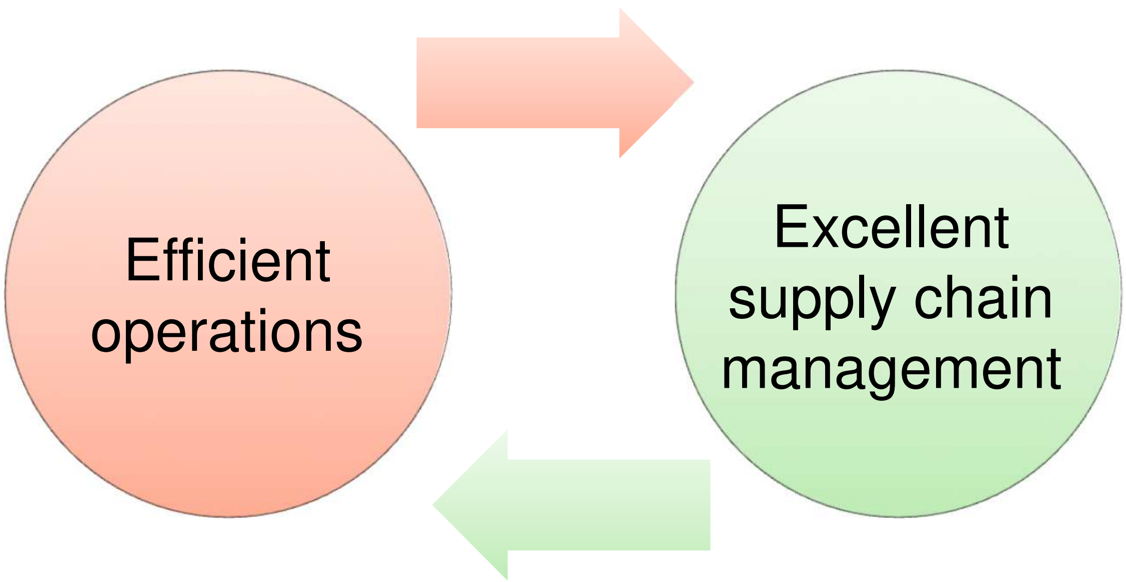
©TAO Images Limited/Alamy Stock Photo

Adding Value: Amazon

Amazon is extending its offerings from products to services.

Introducing a home service marketplace may help it achieve a lasting, powerful advantage.

Operational Excellence



Product Excellence

Products with high perceived value and effective branding and positioning.

Bloomberg Businessweek's top global brands

- Coca-Cola, IBM, Microsoft, Google, GE, McDonald's, Intel, Apple, Disney, and Samsung

©Sean Gallup/Getty Images

Locational Excellence

Many say “The three most important things in retailing are location, location, location.”

Competitive advantage based on location is not easily duplicated

- Starbucks

Multiple Sources of Advantage

A single strategy (low prices, excellent service) is usually not enough to build a sustainable competitive advantage.

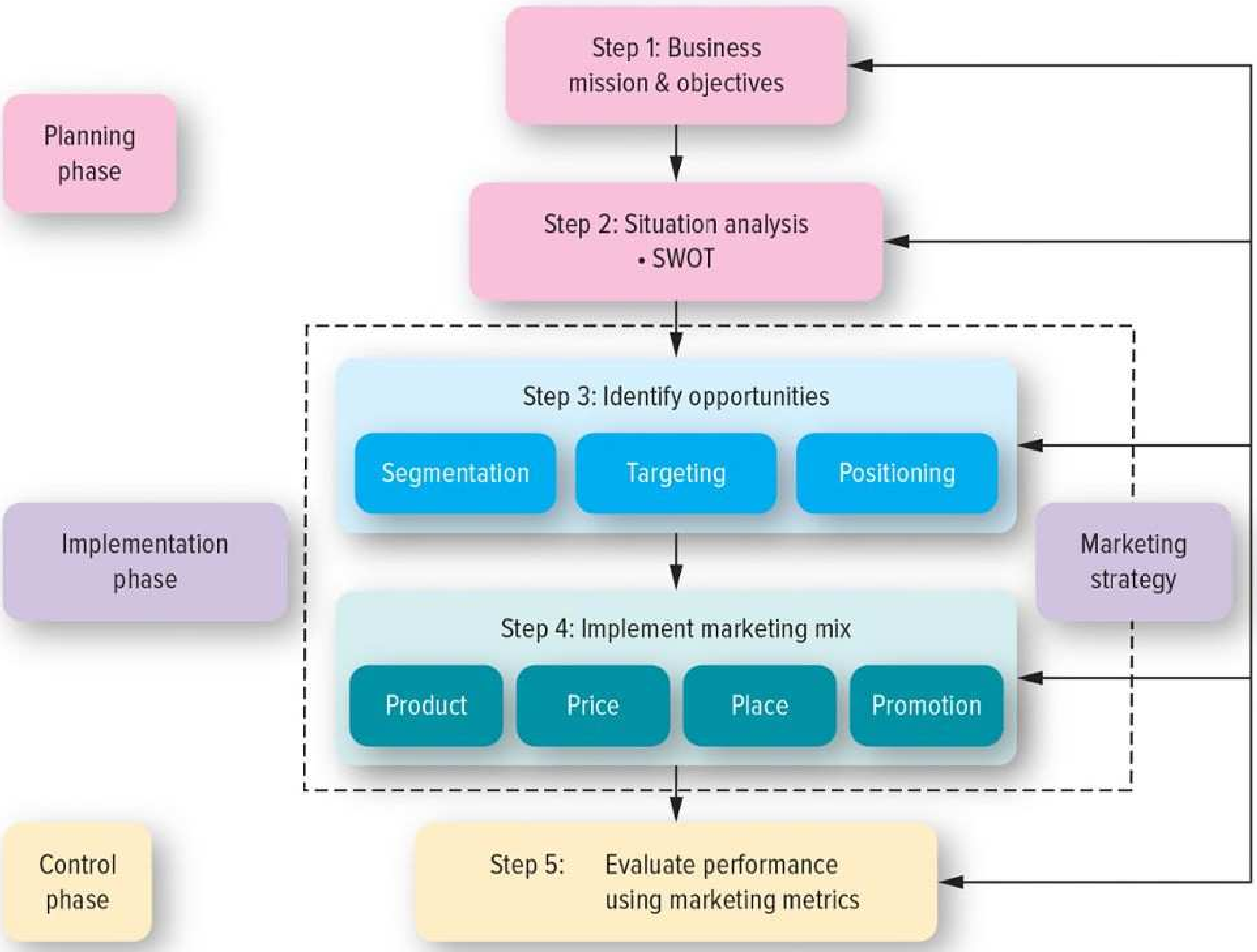
Southwest Airlines

- Provides good service at a good value (on-time flights that are reasonably priced)

PROGRESS CHECK (1 of 3)

1. What are the various components of a marketing strategy?
2. List the four macro strategies that can help a firm develop a sustainable competitive advantage.

The **Marketing Plan**



Jump to Appendix 2 long image description

Three Phases of a Strategic Plan

Planning → Implementing → Controlling

Step 1: Define the Business Mission

PepsiCo's <u>Mission Statement</u>:

"To provide consumers around the world with delicious, affordable, convenient and complementary foods and beverages from wholesome breakfasts to healthy and fun daytime snacks and beverages to evening treats."

Coke's Mission Statement:

"To refresh the world … To inspire moments of optimism and happiness … To create value and make a difference."

Step 2: Conduct a **Situation Analysis** (1 of 2)

		Environment	Evaluation
		Positive	Negative
Pepsi	Internal	Strengths • Brand product portfolio • Strong celebrity endorsers • Dedication to charitable and social causes	Weakness • Relatively lower brand awareness • Water source for bottled water
	External	Opportunity • Emerging countries • Health food segments • Bottled water	Threats • Water scarcity • Changes to labeling regulations • Increase competition

Step 2: Conduct a Situation Analysis
(2 of 2)

		Environment	Evaluation
		Positive	Negative
Coca-Cola	Internal	Strengths • Very strong brand • Strong global presence • Excellent customer loyalty	Weakness • Over-reliance on carbonated drinks • Negative sugar-related publicity
	External	Opportunity • Emerging countries	Threats • Water scarcity • Potential market saturation • Changes to labeling regulations

Sources: SWOT analysis of Pepsi, Strategic Management Insight, February 15, 2013, http://www.strategicmanagementinsight.com/swot-analyses/pepsico-swot-analysis.html; SWOT analysis of Coca-Cola, Strategic Management Insight, February 15, 2013, http://www.strategicmanagementinsight.com/swot-analyses/coca-cola-swot-analysis.html.

Step 3: Identifying and Evaluating Opportunities Using **STP**

Segmentation

↓

Targeting

↓

Positioning

Hertz: Market Segmentation Illustration

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Segments	Single thrill seekers and gear heads on vacation Adrenaline Collection	Business customers and families who prefer a luxurious ride Prestige Collection	Environmentally conscious customers Green Collection	Families SUV/Mini van/4x4	Commercial customers Commercial Van/Truck
Cars Offered	Corvette ZHZ Chevrolet Camaro	Infiniti QX56 Cadillac Escalade	Toyota Prius Ford Fusion	Toyota Rav 4 Ford Explorer	Ford Cargo Van

Step 4: Implement Marketing Mix and Allocate Resources

Product and Value Creation	Price and Value Capture
Promotion and Value Communication	Place and Value Delivery

Product and Value Creation

Successful products and services are those that customers perceive as valuable enough to buy.

Price and Value Capture

Price must allow for customers to perceive good value for the product they receive.

Place and Value Delivery

The product must be readily accessible

Where are Dyson fans available?

Promotion and Value Communication

Advertising

Personal selling

Sales promotion

Public relations

Direct marketing

Online marketing (including social media)

©digitallife/Alamy Stock Photo

Step 5: Evaluate Performance Using Marketing Metrics

A metric is a measuring system that quantifies a trend, dynamic, or characteristic.

Metrics are used to explain why things happened and also project the future.

Proctor & Gamble (P&G) devised a strategy to calculate the returns on Snapchat campaigns.

Evaluating Performance

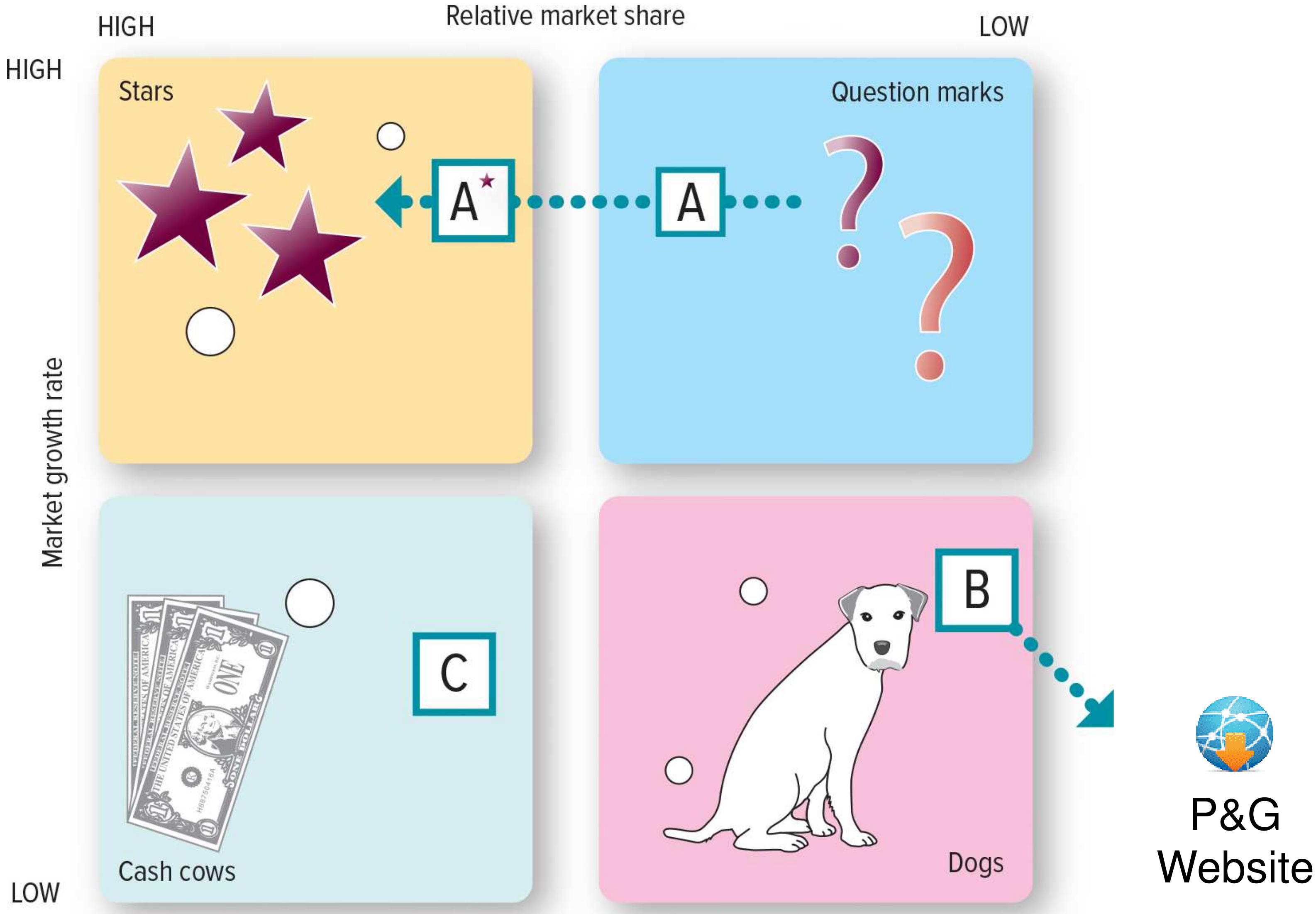
Who is accountable for performance?

Performance objectives, marketing analytics, and metrics

Financial performance metrics

Portfolio analysis

Boston Consulting Group Matrix



Jump to Appendix 3 long image description

Which Quadrant?

Apple, Inc.

PROGRESS CHECK (2 of 3)

1. What are the five steps in creating a marketing plan?
2. What tool helps a marketer conduct a situation analysis?
3. What is STP?
4. What do the four quadrants of the portfolio analysis represent?

Growth Strategies

Jump to Appendix 4 long image description

Market Penetration

Existing marketing mix

Existing customers

In what way is a sale a market penetration strategy?

Market Development

What can a company do to continue to grow in a difficult retail environment?

Product Development

New product or service

Current target market

Diversification

New product or service

New market segment

PROGRESS CHECK (3 of 3)

1. What are the four growth strategies?
2. What type of strategy is growing the business from existing customers?
3. Which strategy is the riskiest?

Glossary

Glossary-1

Customer excellence is achieved when a firm develops value-based strategies for retaining loyal customers and provides outstanding customer service.

Return to slide

Glossary-2

A **diversification strategy** introduces a new product or service to a market segment that currently is not served.

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Glossary-3

Locational excellence is a method of achieving excellence by having a strong physical location and/or Internet presence.

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Glossary-4

A **market development strategy** employs the existing marketing offering to reach new market segments, whether domestic or international.

Return to slide

Glossary-5

A **market penetration strategy** employs the existing marketing mix and focuses the firm's efforts on existing customers.

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Glossary-6

A **marketing plan** is a written document composed of an analysis of the current marketing situation, opportunities and threats for the firm, marketing objectives and strategy specified in terms of the four Ps, action programs, and projected or pro forma income (and other financial) statements.

Return to slide

Glossary-7

A **mission statement** is a broad description of a firm's objectives and the scope of activities it plans to undertake.

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Glossary-8

Operational excellence is achieved through efficient operations, excellent supply chain management, and strong relationships with suppliers.

Return to slide

Glossary-9

A **product development strategy** offers a new product or service to a firm’s current target market.

Return to slide

Glossary-10

Product excellence occurs by providing products with high perceived value and effective branding and positioning.

Return to slide

Glossary-11

A **situation analysis** uses a SWOT analysis that assesses both the internal environment with regard to its Strengths and Weaknesses and the external environment in terms of its Opportunities and Threats.

Return to slide.

Glossary-12

STP stands for segmentation, targeting, and positioning, and is used to identify and evaluate opportunities for increasing sales and profits.

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Glossary-13

A **sustainable competitive advantage** is an advantage over the competition that is not easily copied and can be maintained over a long period of time.

Return to slide

Image Descriptions Appendix

Because learning changes everything.™

Appendix 1 Sustainable Competitive Advantage

The central circle of customer value is surrounded by smaller circles labeled customer excellence, operational excellence, product excellence, and locational excellence. These are the four macro strategies for developing customer value.

Return to slide

Appendix 2 The Marketing Plan

The Planning Phase

Step 1: Business mission and objectives.

Step 2: Situation analysis (SWOT).

The Implementation Phase

Step 3: Identify opportunities

Segmentation, targeting and positioning.

Step 4: Implement marketing mix

Product, price, place and promotion.

The Control Phase

Step 5: Evaluate performance using marketing metrics.

All of these result in the marketing strategy. It is not necessary for firms to go through the entire process for every evaluation.

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Appendix 3 Step 5: Evaluate Performance and Make Adjustments

A square is divided into four equal quadrants. The vertical axis, market growth rate, is labeled high on the upper end and low on the lower end. The horizontal axis, relative market share, is labeled high on the left side and low on the right side. The quadrants are labeled as follows:

Stars. High market growth rate. High relative market share.

Question marks. High market growth rate. Low relative market share.

Cash cows. Low market growth rate. High relative market share.

Dogs. Low market growth rate. Low relative market share.

Return to slide

Appendix 4 Growth Strategies

Market penetration (current market and current products and services).

Product development (current market and new products and services).

Market development (new market and current products and services).

Diversification (new market and new products and services).

Return to slide

Marketing
Chapter 2

The End