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# chapter 1

# marketing: The Art AND Science of Satisfying Customers

**CHAPTER OVERVIEW**

This new edition of Contemporary Marketing focuses on the strategies that allow companies to succeed in today’s interactive marketplace. We call customer satisfaction an art because it requires imagination and creativity and a science because it requires technical knowledge, skill, and experience.

Marketers must constantly look for ways to create loyal customers and build long-term relationships with those customers, often on a one-to-one basis. They must be able to anticipate customer needs and satisfy them with innovative goods and services. They must be able to do this faster and better than the competition. And they must conduct their business according to the highest ethical standards.

Chapter 1 sets the stage for the entire text, examining the importance of creating satisfaction through customer relationships. Initial sections describe the historical development of marketing and its contributions to society. Later sections introduce the universal functions of marketing and the relationship between ethical business practices and marketplace success.

Throughout the chapter—and the entire book—we discuss customer loyalty and the lifetime value of a customer.

**Changes in the Updated Edition**

The chapter has been updated and revised, and new features have been added:

* **The Opening Vignette** and **Evolution of a Brand** take a look at the Murray brothers and their successful apparel company, Vineyard Vines. Shep and Ian Murray disliked their day jobs in financial services and the business suits and ties that went with them. They went into business for themselves, settling on a product they knew nothing about: neckties. They reasoned that if they sold enough ties, they could stop wearing them. Fifteen years later, their idea has become Vineyard Vines, a multimillion dollar business, that sells high-quality clothing for men, women, and children via company stores, catalogs, and the company website. The complete story is in “Vineyard Vines Markets the Good Life.”
* **Solving an Ethical Controversy** explores the issue of whether cities should ban the sale of sugary drinks. In an effort to help reduce obesity rates among its residents, New York City tried to restrict the sale of extra-large sodas and other sugary drinks in restaurants, stadiums, and movie theaters. And San Francisco is now putting a tax on sugary drinks to a vote in the November 2014 local election. The critical question that arises is, “Should cities be allowed to try to prevent consumers from buying extra-large, sugary drinks?” Pros and cons are discussed in “Banning Sugary Drinks.”
* **Marketing Success** features the story of how the Weather Channel evolved from a cable channel that reported on weather conditions to a business that expanded its brand through marketing strategies that tap directly into the digital world. Now it operates a cable channel with original reality-show programming, a website highlighting conditions and forecasts for 100,000 locations worldwide plus educational and seasonal features, a radio network with 700 affiliates, a popular mobile app, and a Twitter partnership called Weather Channel Social. The company is in the midst of changing its focus from a cable network viewers watch during weather disasters to a company that forecasts consumer behavior by analyzing when, where, and how often consumers check the weather.
* **Career Readiness** provides advice on how to be a social media marketing manager. It gives tips to become successful in this dynamic new career that’s springing up in companies that want to take creative control of their online communication with customers, suppliers, and potential new markets. Further guidance is provided in “Landing a Job in Social Media Marketing.”
* **Chapter Case 1.1**  “Kraft Focuses on Brand Building” talks about the innovative marketing strategies used by Kraft to communicate and engage with customers. After splitting itself in two separate companies, one of the companies, the Kraft Foods Group, focuses on meals and desserts with products such as Cool Whip, Jell-O, and its iconic mac and cheese mix. Its social media platform continues to engage loyal customers as well as younger, new consumers with marketing strategies communicated across Facebook, Twitter, and Pinterest.
* **Collaborative Learning Exercises** are provided in several areas involving marketing and customer satisfaction—Definition of Marketing, Not-for-Profit Marketing, Person Marketing, Place Marketing, and Creativity.
* **Video Case 1.2 Geoffrey B. Small (Marketing: Art and Science of Satisfying Customers)** covers the business strategy of fashion designer Geoffrey B. Small, who focuses on quality and durability rather than minimizing costs during production.

**LECTURE OUTLINE**

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| **Opening Vignette and Evolution of a Brand --** *Vineyard Vines Markets the Good Life. The company’s motto is “Every day should feel this good.” How can the company’s marketing team continue to keep this branding approach fresh while attracting new customers?*  *With more than half of its sales devoted to men’s clothing, what strategies can the company use to open up new markets? How can the company use social media to market its products and expand its brand while capitalizing on its laidback image? How can the company increase its e-commerce sales, which are only 30% of its business?* | | |
| **Chapter Objective 1: Define marketing and how it creates utility.**  **Key Terms:** utility, form utility, time utility, place utility, ownership utility, marketing  **PowerPoint Basic:** 4-7  **PowerPoint Expanded:** 4-11 | | |
| Table 1.1 Four Types of Utility. *Ask students for examples of each type of utility.* | | 1. What is marketing?    1. Producing and marketing goods and services are the essence of economic life in any society, creating a benefit called utility    2. Utility is the want-satisfying power of a good or service 2. The four basic kinds of utility:    1. Form utility—created when raw materials and components are converted into finished goods and services    2. Time utility—created when goods or services are available when consumers want them    3. Place utility—created when goods or services are available where consumers want them    4. Ownership utility—created when title to goods or services is transferred 3. All organizations must create utility to survive. Designing and marketing want-satisfying goods, services, and ideas are the foundation for the creation of utility. 4. Marketing specialists are responsible for most of the activities necessary to create the customers the organization wants, including:    1. Identifying customer needs    2. Designing goods and services that meet those needs    3. Communicating information about those goods and services to prospective buyers    4. Making the goods or services available at times and places that meet customers’ needs    5. Pricing merchandise and services to reflect costs, competition, and customers’ ability to buy    6. Providing the necessary service and follow-up to ensure customer satisfaction 5. A definition of marketing    1. The word marketing encompasses a broad scope of activities and ideas    2. Today’s definition of marketing: The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. 6. Today’s global marketplace    1. Factors that have forced countries to extend their economic views       1. International agreements designed to increase trade       2. Rise of electronic commerce       3. Interdependence of the world’s economies    2. Expanding operations beyond the U.S. gives companies access to more than 7 billion new consumers    3. Service firms also play a major role in today’s global marketplace    4. The U.S. is an attractive market for foreign companies    5. Marketing strategies are increasingly being tailored to suit the needs and preferences of consumers in foreign markets   **Assessment check questions**  1.1. Define “marketing,” and explain how it creates utility.  *Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. It creates time, place, and ownership utilities.*  1.2. What three factors have forced marketers to embrace a global marketplace? *International agreements are negotiated to expand trade among nations. The growth of technology is bringing previously isolated countries into the marketplace. The interdependence of the world’s economies is now a reality.* |
| **Chapter Objective 2: Contrast marketing activities during the five eras in the history of marketing.**  **Key Terms:** exchange process, production orientation, sales orientation, seller’s market, buyer’s market, consumer orientation, marketing concept, relationship marketing, social era  **PowerPoint Basic:** 8-10  **PowerPoint Expanded:** 12-19 | | |
| Figure 1.1 Five Eras of Marketing History. *What are the primary characteristics of each era? Think of a common product, possibly one with a long history. How might it have been marketed during each era?*  Career Readiness —  *Landing a Job in Social Media Marketing* | | 1. Five eras in the history of marketing    1. The essence of marketing includes managing customer relationships and the exchange process, in which two or more parties give something of value to each other to satisfy perceived needs    2. The five eras in the history of marketing: the production, sales, marketing, relationship eras, and social era. 2. The production era    1. Characterized by a production orientation—a business philosophy stressing efficiency in producing a quality product    2. Attitude toward marketing is “a good product will sell itself”    3. Characteristic of a shortage economy and intense consumer demand    4. Inventing an outstanding product is not enough—it must meet a perceived marketplace need 3. The sales era    1. Characterized by a sales orientation—a business philosophy assuming that consumers will resist purchasing nonessential goods and services    2. Attitude toward marketing is that creative advertising and personal selling are required to overcome consumer resistance and convince them to buy    3. Marketing departments began to emerge from the shadows of production and engineering. Chief marketing officer in many firms held the title of sales manager during this era 4. The marketing era    1. Began to emerge during the Great Depression of the 1930s when both personal incomes and consumer demand for goods and services declined    2. Was interrupted when rationing and shortages of goods occurred during World War II    3. Has been emerging since the end of WWII    4. Emergence of the marketing concept       1. Attitude towards marketing changed from production orientation to consumer orientation as society changed from a seller’s market (one in which there were more buyers for fewer goods and services) to a buyer’s market (one in which there were more goods and services than people willing to buy them)       2. Consumer orientation is a business philosophy incorporating the marketing concept of first determining unmet consumer needs and then designing a system for satisfying them       3. The marketing concept is a company-wide consumer orientation with the objective of achieving long-run success       4. All facets of the organization must be involved with assessing and then satisfying consumer wants and needs       5. A strong marketing orientation —the extent to which a company adopts the marketing concept— improves market success and overall performance 5. The relationship era    1. Represents a major shift from the traditional concept of marketing as a simple exchange between buyer and seller    2. Relationship marketing involves developing long-term, value-added relationships over time with customers and suppliers    3. Strategic alliances and partnerships with vendors and retailers play a major role in relationship marketing    4. Prevailing attitude is that long-term relationships with customers and partners will benefit everyone 6. The social era    1. As the second decade of the new century gets underway, the social era of marketing is in full swing, thanks to consumers’ accessibility to the Internet and the creation of social media sites such as Facebook and Twitter.    2. Building on the relationship era, companies now routinely use the Web and social networking sites to connect to consumers as a way to market goods and services. 7. Converting needs to wants    1. Every consumer must acquire goods and services on a continuing basis to fill certain needs    2. Everyone must satisfy the fundamental needs for food, clothing, shelter, and transportation    3. Effective marketing converts needs to wants by focusing on the benefits resulting from the acquisition of specific goods and services    4. Marketers require skill and a willingness to listen to what consumers really want to effectively convert needs to wants   **Assessment check questions**  2.1. What is the major distinction between the production era and the sales era? *During the production era, businesspeople believed that quality products would sell themselves. But during the sales era, emphasis was placed on selling*—*persuading people to buy.*  2.2. What is the marketing concept? *The marketing concept is a companywide consumer orientation with the objective of achieving long-term success*.  2.3. Describe the relationship era of marketing. *The relationship era focuses on building long-term, value-added relationships over time with customers and suppliers*. |
| **Chapter Objective 3: Explain the importance of avoiding marketing myopia.**  **Key Terms:** marketing myopia  **PowerPoint Basic:** 11  **PowerPoint Expanded:** 20-21 | | |
| Table 1.2 Avoiding Marketing Myopia:  *Illustrates how firms in a number of industries have overcome myopic thinking by developing broader marketing-oriented business ideas that focus on consumer need satisfaction.* | | 1. Avoiding marketing myopia    1. Marketing myopia is the failure of managers to recognize the scope of their business    2. Future growth is endangered when management is product-oriented rather than customer-oriented    3. Marketing myopia is often characteristic of organizations that are too narrowly defined 2. A broader focus on customer need satisfaction rather than on the products themselves aids in avoiding marketing myopia   **Assessment check questions**  3.1. What is marketing myopia? *Marketing myopia is management’s failure to recognize the scope of a company’s business*.  3.2. Give an example of how a firm can avoid marketing myopia. *A firm can find innovative ways to reach new markets with existing goods and services.* |
| **Chapter Objective 4: Describe the characteristics of not-for-profit marketing.**  **Key Terms:** bottom line  **PowerPoint Basic:** 12  **PowerPoint Expanded:** 22-23 | | |
| *Note: Ask students to name some of the popular not-for-profit organizations in U.S. and analyze if these organizations have all the characteristics listed in the text.* | 1. Extending the traditional boundaries of marketing    1. Today’s organizations—both profit-oriented and not-for-profit—see the universal need for marketing and its importance to their success    2. The appeal for funds to feed children and the political ad are examples of communications by not-for-profit organizations and individuals. 2. Marketing in not-for-profit organizations    1. More than a quarter of U.S. adults work or volunteer in one or more of the 2.3 million not-for-profit organizations in the country    2. Not-for-profit organizations operate in both the public and private sectors       1. Government units pursue service objectives that are not keyed to profitability targets       2. The private sector has very diverse not-for-profit organizations, from private schools to museums to charitable organizations    3. Adopting a marketing concept helps to meet service objectives    4. Generally, partnerships formed between not-for-profit firms and businesses, executives benefit both parties 3. Characteristics of not-for-profit marketing    1. The financial bottom line (the overall profitability and financial performance of the organization) is not the major objective of not-for-profit organizations    2. However, not-for-profit organizations still need to generate sufficient revenues, often from donors, to accomplish their objectives, and marketing can help them accomplish these objectives    3. Like profit-seeking firms, not-for-profit organizations may market tangible goods or intangible services    4. Unlike profit-seeking businesses, not-for-profit organizations must market to multiple publics    5. A customer or service user of a not-for-profit organization often has less control over the organization’s destiny than customers of a profit-seeking firm    6. Not-for-profit organizations also possess some degree of monopoly power in a given geographic area    7. Resource contributors to not-for-profit organizations may try to interfere with the marketing program to promote a message that the donor feels is relevant   **Assessment check questions**  4.1. What is the most obvious distinction between a not-for-profit organization and a commercial organization? *The biggest distinction between for-profit and not-for-profit organizations is the bottom line*—*whether an organization is judged by its profitability*.  4.2. Why do for-profit and not-for-profit organizations sometimes form alliances? *For-profits and not-for-profits may form alliances to promote each other’s causes and offerings. For-profits may do so as part of their social responsibility efforts.* | |
| **Chapter Objective 5: Explain each of the five types of nontraditional marketing.**  **Key Terms:** person marketing, place marketing, cause marketing, event marketing, organization marketing  **PowerPoint Basic:** 13  **PowerPoint Expanded:** 24-28 | | |
| Table 1.3 Categories of Nontraditional Marketing. *Give one concrete example of a well-known product or service that is marketed through each method.*  *Note: Show an ad by a local political candidate as an example of person marketing.*  *Note: Ask students for examples of sports arenas with corporate names.*  *Note: Ask students to find an example of organization marketing for your college or university (the website is one possibility).*  *Note: Ask if students feel organization marketing is appropriate and whether or not there should be any limits to it.* | 1. Nontraditional marketing    1. As marketing has evolved into an organization-wide activity, its application has broadened beyond traditional boundaries    2. Five major types of nontraditional marketing are person, place, cause, event, and organization marketing 2. Person marketing    1. Person marketing refers to efforts designed to cultivate the attention, interest, and preferences of a target market toward a celebrity or authority figure    2. Examples       1. Sports figures (Peyton Manning)       2. Fictional characters (Snoopy, Popeye)       3. Political candidates (Congressional office seekers)    3. An extension of person marketing is celebrity endorsements 3. Place marketing    1. Place marketing attempts to attract customers to particular areas    2. Cities, states, regions, and countries publicize their tourist attractions to lure vacation travelers.    3. They also promote themselves as good locations for businesses.    4. Examples include California: “Find Yourself Here.” Tennessee: “We’re Playing Your Song.” 4. Cause marketing    1. Cause marketing refers to the identification and marketing of a social issue, cause or idea to selected target markets    2. Examples include campaigns promoting literacy, physical fitness, awareness of childhood obesity, environmental protection, elimination of birth defects, child-abuse prevention, and preventing drunk driving    3. Many profit-seeking firms link their products to social causes    4. There is strong support among both customers and company employees for cause-related marketing    5. Cause marketing can help build relationships with customers 5. Event marketing    1. Event marketing refers to the marketing of sporting, cultural, and charitable activities to selected target markets    2. It includes sponsorships of events by firms seeking to increase public awareness and bolster their images       1. One example is sports sponsorships       2. Many professional sports arenas carry corporate names    3. Companies now also feed their commercials to websites and make them available for downloading to personal computers, tablets, and smartphones. 6. Organization marketing    1. Organization marketing attempts to persuade people to accept the goals of, receive the services of, or contribute in some way to an organization    2. It includes mutual-benefit organizations (Service Employees International Union), service and cultural organizations (universities, museums), and government agencies (the U.S. Postal Service)    3. Organizations use organization marketing to raise funds by selling licensed merchandise   **Assessment check questions**  5.1. Identify the five major categories of nontraditional marketing. *The five categories of nontraditional marketing are person, place, cause, event, and organization marketing.*  5.2. Give an example of a way in which two or more of these categories might overlap. *Overlap can occur in many ways. An organization might use a person to promote its cause or event. Two organizations might use one marketing effort to promote an event and a place – for example, Straight Talk Wireless donating money to Make-A-Wish Foundation for all consumers who stopped by to learn about the cell phone provider in Walmart stores across the country.* | |
| **Chapter Objective 6: Explain the shift from transaction-based marketing to relationship and social marketing.**  **Key Terms:** transaction-based marketing, relationship marketing, mobile marketing, interactive marketing, social marketing, buzz marketing, strategic alliances  **PowerPoint Basic:** 14-17  **PowerPoint Expanded:** 29-36 | | |
| *Note: Remind students of the relative cost of acquiring new customers versus the cost of maintaining existing ones.*  Figure 1.2 Converting New Customers to Advocates. *Think about the steps needed to successfully convert a new customer into a regular one, a loyal one, and finally a wildly enthusiastic one. Are you an advocate for a product or service? Trace the steps you went through to become totally sold on the brand. Did you skip any of the steps given in the illustration?*  *Marketing Success— The Weather Channel Expands Its Social Reach*  *Note: Ask students to think of several recent examples of strategic alliances and partnerships. The strategic alliance between Intrawest and Sprint for wireless services technology is one good example.* | 1. From transaction-based marketing to relationship marketing    1. Traditional view of marketing is a simple exchange process (transaction-based marketing)    2. New view of marketing stresses the importance of establishing and maintaining long-term relationships with customers and new customers so they become loyal repeat customers    3. Efforts to maintain relationships should include suppliers and employees as well    4. The lifetime value of a customer consists of the revenues and intangible benefits that a customer brings to an organization over an average lifetime minus the investment the firm has made to attract and keep the customer    5. Relationship marketing gives a company the opportunity to move customers from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend them to others 2. Using Social Marketing to Build Relationships    1. Today’s technology allows people to communicate via social media, email, voice mail, text messages, videoconferencing, and computer networks    2. People can subscribe to personalized news services that deliver article summaries on specified topics directly to their computers or cell phones    3. Effective relationship marketing often relies heavily on information technologies such as computer databases that record customers’ tastes, price preferences, and lifestyles    4. Mobile marketing refers to marketing messages transmitted via wireless technology    5. Interactive marketing refers to buyer–seller communications in which the customer controls the amount and type of information received from a marketer    6. Social marketing is the use of online social media as a communications channel for marketing messages    7. Interactive marketing allows marketers and consumers to customize their communication    8. Buzz marketing uses customers to create a “buzz” about a company’s products 3. Developing partnerships and strategic alliances    1. Relationship marketing extends to business-to-business relationships with a firm’s suppliers and distributors as well as other types of corporate partnerships    2. Strategic alliances are partnerships that create competitive advantages       1. Firms often form strategic alliances when developing new products       2. In vertical alliances, a company provides a product or component to another firm, which then distributes or sells it under its own brand       3. Not-for-profits often make use of strategic alliances in order to promote their causes and raise funds   **Assessment check questions**  6.1. How does relationship marketing give companies a competitive edge? *Relationship marketing can move customers up a loyalty ladder, generating repeat sales and long-term relationships*.  6.2. Why are interactive and social marketing important tools for marketers? *Interactive marketing technologies create direct communication with customers, allow larger exchanges, and put the customer in control. Social marketing media (Facebook and Twitter, for example) let companies show customers they are listening and will respond quickly.*  6.3. What is a strategic alliance? *A strategic alliance is a partnership formed between two organizations to create a competitive advantage*. | |
| **Chapter Objective 7: Identify the eight universal functions of marketing.**  **Key Terms:** wholesalers, exchange functions  **PowerPoint Basic:** 18  **PowerPoint Expanded:** 37 | | |
| Figure 1.3 Eight Universal Marketing Functions. *Review the eight marketing functions, and give a concrete example of each one in operation.* | 1. The costs of marketing (what the firm needs to spend to market a product)    1. Firms must spend money to create time, place, and ownership utilities    2. Most estimates of marketing costs, in relation to overall product costs, range from 40 to 60 percent 2. The functions of marketing (what the consumer receives in return for the cost of marketing a product) are: buying, selling, transporting, storing, standardizing and grading, financing, risk taking, and securing marketing information    1. The eight universal functions are performed by manufacturers, retailers and other marketing intermediaries called wholesalers    2. Two exchange functions       1. Buying: marketers must determine how and why consumers buy certain products (goods and services)       2. Selling: involves advertising, personal selling, and sales promotion to match the firm’s products to consumer needs    3. Two physical distribution functions       1. Transporting: physically moving goods from the seller to the purchaser       2. Storing: warehousing goods until they are needed for sale    4. Four facilitating functions help marketers perform the exchange and physical distribution functions       1. Standardizing and grading: quality and quantity control standards and grades reduce the need for buyers to inspect each item       2. Financing: this is a marketing function because buyers often need access to funds to finance inventories prior to sale       3. Risk taking: manufacturers create goods and services based on research and their belief that consumers need them; wholesalers and retailers acquire inventory based on similar expectations       4. Securing marketing information: marketers gather information to determine and satisfy consumer needs, as well as information regarding potential customers   **Assessment check questions**  7.1. Which two marketing functions represent exchange functions? *Buying and selling are exchange functions.*  7.2. Which two functions represent physical distribution functions? *Transporting and storing are physical distribution functions.*  7.3. Which four functions are facilitating functions? *The facilitating functions are standardization and grading, financing, risk taking, and securing market information*. | |
| **Chapter Objective 8: Demonstrate the relationship between ethical business practices, social responsibility, sustainability, and marketplace success.**  **Key Terms:** ethics, social responsibility, sustainable products  **PowerPoint Basic:** 19  **PowerPoint Expanded:** 38-40 | | |
| *Ask students to list examples of companies who have not lived up to an ethical code of conduct.*  Solving an Ethical Controversy—Banning Sugary Drinks  *Note: Ask students to list some international organizations that emphasize on sustainability.* | 1. Ethics and social responsibility: doing well by doing good    1. Ethics are moral standards of behavior expected by a society    2. Most companies do their best to abide by an ethical code of conduct, but occasionally organizations and leaders fall short 2. Most businesspeople follow ethical practices    1. Many companies offer ethics training to employees    2. Corporate mission statements often include pledges to protect the environment, contribute to communities, and improve workers’ lives    3. Social responsibility involves marketing philosophies, policies, procedures, and actions whose primary objective is to enhance society and protect the environment through sustainable products and practices    4. Sustainable products are those that can be produced, used, and disposed of with minimal impact on the environment    5. Social responsibility programs often produce benefits such as improved customer relationships, increased employee loyalty, marketplace success, and improved financial performance 3. Strategic Implications of Marketing in the 21st Century    1. Advances and innovations in e-commerce and computer technologies have allowed organizations to reach new markets, reduce selling and marketing costs, and enhance their relationships with customers and suppliers    2. Organizations must broaden the scope of their activities to prevent myopic results in their enterprises    3. Moreover, they must conduct their business according to the highest ethical and sustainability standards   **Assessment check questions**  8.1. Define ethics. *Ethics are moral standards of behavior expected by a society*.  8.2. What is social responsibility? *Social responsibility involves marketing philosophies, policies, procedures, and actions whose primary objective is the enhancement of society.*  8.3. What are sustainable products? *Sustainable products are those that can be produced, used, and disposed of with minimal impact on the environment.* | |

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## ANSWERS AND TEACHING NOTES TO CHAPTER EXERCISES

## Chapter 1 Assurance of Learning Review

1. Identify the four types of utility, and give an example of each.

*Answer: Form utility—raw materials and inputs are converted into finished goods (example: manufacturer combining glass, plastic, metals, and circuits to create a digital camera). Time utility—goods or services are available when consumers want them (example: pizza places adding delivery cars on Super Bowl Sunday). Place utility—goods or services are available where consumers want them (example: vending machines making snacks available in office lunch rooms). Ownership utility—title to goods or services is transferred (example: music fan buying a concert ticket online)*.

Point value: 1

BUSPROG: Analytic

DISC: Marketing Plan

Learning Objective: 1-1

Topic: A-head: What Is Marketing?

Bloom’s: Knowledge

Difficulty: Easy

2. What condition in the marketplace gave rise to the need for a consumer orientation by businesses after World War II?

*Answer: The rationing and shortage of consumer goods during the war led to a shift from focusing on selling products that were already produced to understanding the wants and needs of consumers*.

Point value: 1

BUSPROG: Analytic

DISC: Marketing Plan

Learning Objective: 1-2

Topic: A-head: Five Eras in the History of Marketing

Bloom’s: Knowledge

Difficulty: Easy

3. Define “relationship marketing” and describe how it fits into the marketing concept.

*Answer: Relationship marketing involves developing long-term, value-added connections to customers and suppliers over time. It includes strategic alliances and partnerships among manufacturers, retailers, and suppliers.* *The marketing concept is a companywide consumer orientation with the objective of achieving long-term success. Relationship marketing has impacted the marketing concept by stressing ways to understand and satisfy customers rather than just trying to sell them certain goods*.

Point value: 1

BUSPROG: Analytic

DISC: Customer

Learning Objective: 1-2

Topic: A-head: Five Eras in the History of Marketing

Bloom’s: Knowledge

Difficulty: Easy

4. Why do not-for-profit organizations need to engage in marketing efforts?

*Answer: More than 2.3 million not-for-profit organizations in the U.S. operate in both public and private sectors. Profit is not the priority, but with all that competition, an organization often adopts marketing concepts to help get out its message, cover costs and payroll, attract donors, and even sell tangible goods and services—all in order to do its work and accomplish its objectives*.

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-4

Topic: A-head: Extending the Traditional Boundaries of Marketing

Bloom’s: Comprehension

Difficulty: Easy

5. Give an example of how the National Highway Traffic Safety Administration’s “Click it or Ticket” campaign could use one or more of the nontraditional marketing techniques to promote the cause in a state that is newly adopting it.

*Answer: It could use person marketing by hiring a celebrity or local personality to endorse its services and cause. It could use place marketing by stressing its “National Highway Traffic Safety Administration’s” reputation with images of the city buildings and streets. It could use cause marketing by promoting the safety issue. It could use event marketing by sponsoring an appropriate festival or sport, such as a marathon, and supplying bagels at the event. It could use organization marketing by aligning itself with another firm, such as a car dealer, a car service station, or even a not-for-profit, to promote each other’s goods and services while creating a mutually beneficial relationship*.

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-5

Topic: A-head: Nontraditional Marketing

Bloom’s: Application

Difficulty: Hard

6. What might be some of the benefits of mobile marketing for firms that use it to reach out to consumers?

*Answer: Mobile marketing offers the technology to send marketing messages via wireless Internet connections—through laptops, computers, tablets, and smartphones. Firms might benefit from a number of related factors—increasing speed and efficiency, lowering costs, delivering messages instantly, projecting a high-tech image with the latest cutting-edge ideas, and reaching younger or more technically savvy audiences*.

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Knowledge

Difficulty: Easy

7. Describe the significance of the shift from transaction-based marketing to relationship marketing. When does relationship building begin?

*Answer: Transaction-based marketing operated under the traditional view of marketing as a simple exchange process, focusing on producing an item, attracting a customer, and closing the deal. Over time the focus shifted toward consumers as they found more shopping options, became more sophisticated about making purchase decisions, and were increasingly bombarded with endless advertising and marketing messages. The shift is significant because marketers realized they needed to understand the customers’ desires and needs, inform them about the products that will meet those needs, and eventually establish and maintain long-term relationships. And they found it’s much less expensive to keep existing customers than it is to find new ones. Relationship building begins when a firm focuses on establishing and maintaining connections with customers so they become loyal, repeat customers and often tell others about their positive experience*.

Point value: 1

BUSPROG: Analytic

DISC: Customer

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Comprehension

Difficulty: Moderate

8. How has social media like Twitter and Facebook changed marketing communications?

*Answer: Social media is now the top online activity. With almost 1.2 billion monthly active users, it’s estimated that if Facebook were a country, it would be the third most populous in the world, right after India. And, after going public with its recent IPO, Twitter announced that its 200 million active users post an average of 400 million tweets a day. Over three-fourths of the Fortune 100 companies have joined Twitter, and more than 70 percent use Facebook. “Adding Social to all of our platforms makes our storytelling more complete,” says The Weather Channel’s (WTC) executive vice president of digital products. Interactive marketing allows marketers and consumers to customize their communication. Customers may come to companies for information, creating opportunities for one-to-one marketing. They also can tell the company what they like or dislike about a product, and they can just as easily click the exit button and move on to another area. As interactive promotions grow in number and popularity, the challenge is to attract and hold consumer attention.*

Point value: 1

BUSPROG: Technology

DISC: Promotion

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Comprehension

Difficulty: Moderate

9. How do ethics and social responsibility help a firm achieve marketplace success?

*Answer: Ethics are moral standards of behavior expected by society. Social responsibility refers to the philosophies, policies, procedures, and actions of a firm—including philanthropy and charitable giving—that act to enhance society. Companies that abide by an ethical code of conduct and demonstrate social responsibility become successful by focusing on the public good—not only “doing the right thing” for their own workforce, the environment, and society at large, but also building an image of well-being and trust that consumers recognize. This leads to improved customer relations, increased employee loyalty, and often improved financial performance.*

Point value: 1

BUSPROG: Ethics

DISC: Strategy

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Comprehension

Difficulty: Moderate

10. What motivates firms to develop sustainable products?

*Answer: Sustainable products, those that can be produced, used, and disposed of with minimal impact on the environment, are another goal of socially responsible firms. Many such firms have added annual sustainability reports and a top-level executive position to develop and promote their sustainability efforts. Other sustainability and social responsibility officers agree that sustainability must permeate the firm’s corporate strategy from the top down, so all areas in the firm can align their environmental goals in the same direction for the greatest effectiveness. Firms stand to gain needed credibility from their efforts to protect the environment by reducing waste and pollution.*

Point value: 1

BUSPROG: Ethics

DISC: Product

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Comprehension

Difficulty: Easy

**Projects and Teamwork Exercises**

1. *Answer: Each firm’s goods and/or services can create different types of utility in various ways. Though marketing technically creates three of the four utilities, form utility is also included below as one that is created by these businesses. Some ideas:*

a. American Express, Visa, or MasterCard—*they create ownership utility by making sales of goods and services in exchange of currency/credit card/debit card, time and place utility by allowing consumers buy anything, anywhere, anytime in the world.*

b. Snapfish or other online digital photo service*—it creates form utility by taking raw materials (digital images) and converting them into finished forms (CDs, prints, etc), time utility by allowing 24-hour access through the Web, place utility by allowing transactions to occur from any location via the Internet, and ownership utility by providing a service at the time of purchase*.

c. Sandals Resorts—*they create form utility by taking raw materials (meat, groceries, etc) and converting them into finished form (delicious food), time utility by being available throughout the year, convenient to the guests; place utility by making themselves available across a variety of holiday destinations and exotic locations; and ownership utility by providing services or transferring goods at the time of their stay in resorts.*

d. Amazon.com*—it creates form utility by taking raw materials (items for sale, buyers and sellers) and converting them into a finished form (auction website), time utility by allowing 24-hour access through the Web, place utility by allowing transactions to occur from any location via the Internet, and ownership utility by providing a service at the time of purchase*.

e. Fresh Market grocery stores*— it creates form utility by taking raw materials (produce, canned goods, other food products, shelving, lighting, shopping carts, cash registers, etc.) and converting them into a finished form (grocery store), time utility by maintaining hours convenient to local shoppers, place utility by locating stores in high-traffic locations with easy access and ample parking, and ownership utility by transferring goods to the shopper at the time of purchase*.

Point value: 1

BUSPROG: Analytic

DISC: Product

Learning Objective: 1-1

Topic: A-head: What Is Marketing?

Bloom’s: Application

Difficulty: Moderate

2. Answer: *Students may use the suggestions given (Papa John’s Pizza, Zumba, StubHub, Katy Perry, or Bass Pro Shops) or they may find a different U.S.-based company whose products could do well in overseas markets. Their plans will probably vary in length and detail, but should contain some basic elements and address some broad concerns. The plan should demonstrate on how the students would target and communicate with overseas markets.*

Point value: 1

BUSPROG: Analytic

DISC: International Perspective

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Application

Difficulty: Moderate

3. Answer: *Students should be able to form a brief summary of the firm’s current status and create some strategies for avoiding marketing myopia and expanding the scope of business over the next ten years. Stress that to avoid marketing myopia, firms need to broadly define organizational goals oriented toward consumer needs in the present and future, rather than just focusing on their current products. Students should have some creative suggestions for these firms*:

a. FedEx*—scope: air express transportation of goods between countries, door-to-door delivery to virtually any* *address*

b. Six Flags—*scope: amusement and entertainment for families*

c. General Electric— *scope: develop medical instruments*

d. E\*Trade*—scope: investment and trading services, tools and research, banking, mortgages and home equity, retirement programs*

e. Intel*—scope: maker of microprocessors found in most personal computers, also makes other devices related to communications and computing*

Point value: 1

BUSPROG: Analytic

DISC: Strategy

Learning Objective: 1-3

Topic: A-head: Avoiding Marketing Myopia

Bloom’s: Application

Difficulty: Moderate

4. Answer: *Encourage students to think creatively and imagine all types of relationships with these organizations. Remind them that not all partners seem an obvious match at first, but some of the most interesting and successful alliances have been between seemingly polar entities. Below are a few possible partners for strategic alliance ideas to match each of the not-for-profit organizations provided:*

*a. Adopt-A-Pet—pet food manufacturers, pet supply chains, veterinarian hospitals and practices*

*b. The Water Project– shopping malls, multinational organizations, real estate agencies, hotels and resorts, and adventure parks*

*c. Habitat for Humanity—suppliers of raw materials and building goods, construction firms, hardware and home improvement chains, home goods and furnishings retailers, appliance manufacturers*

*d. American Diabetes Association—pharmaceutical firms, medical and surgical supply manufacturers, and again, just about any firm that would like to align itself with this well-known cause with donations of time, money, or personnel, or fund-raising efforts*

*e. World Wildlife Fund—Universities, bookstores, movie theatres, and production houses.*

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-4

Topic: A-head: Extending the Traditional Boundaries of Marketing

Bloom’s: Application

Difficulty: Moderate

5. Answer: *Students should be able to understand the importance of sustainable products and safe disposal. Reviewing the sustainable programs of leading companies across the world, initiatives, measures, and success stories will help students to come up with better ideas on sustainable products.*

*Toshiba America believes that employees are their most valuable asset, and they constantly strive to create an environment, both within their companies and in the communities in which they operate, that encourages individuals to discover and reach their full potential.*

*Following statement is present on Toshiba’s website,“Toshiba is committed to playing a leading role in helping establish a sustainable society. At Toshiba, we recognize the Earth is an irreplaceable asset and we believe it is the duty of humankind to hand it over to future generations as we found it, if not in better condition.” Accordingly, Toshiba promotes solid environmental management practices across all their products and business processes, focusing on reduction of contribution to global warming, control of chemical substances, and efficient utilization of resources.*

*Every year since 2004, the Toshiba President's "ASHITA" (Japanese for tomorrow) Awards are presented to a company or employees who made an outstanding contribution to strengthen and promote good corporate citizenship activities throughout the Toshiba Group worldwide to earn the trust of society and to ensure sustainable development in the community we operate.”*

*Students should suggest innovative, creative and feasible ideas on sustainable products and safe disposal.*

Point value: 1

BUSPROG: Ethics

DISC: Product

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Application

Difficulty: Moderate

**Critical-Thinking Exercises**

1. How does an organization create a customer?

*Answer: Organizations create customers by applying the marketing concept and adhering to customer orientation. They anticipate needs and provide innovative products and services to satisfy those needs. This means that organizations need to research the marketplace and demonstrate a companywide commitment to satisfying customer needs. The demonstration of high ethical standards can also attract new customers.*

Point value: 1

BUSPROG: Analytic

DISC: Customer

Learning Objective: 1-1

Topic: A-head: What is Marketing?

Bloom’s: Analysis

Difficulty: Moderate

2. How can marketers use interactive and social marketing to convert needs to wants and ultimately build long-term relationships with customers?

*Answer: Back and forth communication is the key to building a relationship with customers. Keep customers informed and seek feedback from them. Interactive marketing allows customers immediate access to information and also allows a company to create customized communications. Technology (Internet – broadband and wireless) is making this easier than ever. This technique is increasingly taking place on social media sites like Facebook, Twitter, and blogs. Social media also allow larger exchanges in which consumers communicate with one another using email or social networking sites. These electronic conversations can establish innovative relationships between users and the business, providing customized information based on users’ interests and levels of understanding.*

Point value: 1

BUSPROG: Technology

DISC: Customer

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Analysis

Difficulty: Moderate

3. Why is utility such an important feature of marketing?

*Answer: Effective marketing converts needs into wants. Form, time, place and possession utility are ways that a good or service can satisfy the wants of consumers. Marketers need to consider these various forms of utility in order to identify those wants that they can most effectively serve.*

Point value: 1

BUSPROG: Analytic

DISC: Product

Learning Objective: 1-1

Topic: A-head: What is Marketing?

Bloom’s: Analysis

Difficulty: Moderate

4. What benefits—monetary and nonmonetary—do social responsibility programs bring to a business?

*Answer: Improved customer relationships, enhanced employee loyalty, and a positive image in the marketplace are all nonmonetary benefits that lay the groundwork for monetary rewards like improved financial performance.*

Point value: 1

BUSPROG: Ethics

DISC: Promotion

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Analysis

Difficulty: Moderate

5. Why is determining the lifetime value of a customer an important analysis for a company to make?

*Answer: It is easier and less costly to satisfy and keep existing customers than it is to acquire new ones. Customer lifetime value helps to illustrate this point and helps companies resist the temptation to revert to transaction-based marketing practices.*

Point value: 1

BUSPROG: Analytic

DISC: Customer

Learning Objective: 1-6

Topic: A-head: From Transaction-based Marketing to Relationship Marketing

Bloom’s: Analysis

Difficulty: Moderate

6. Why is it important for a firm to establish high ethical standards for sustainability? What role do you think marketers play in implementing these high standards?

*Answer: Firms stand to gain needed credibility from their efforts to protect the environment by reducing waste and pollution. Not only has the recent economic downturn made it important for them to cut waste and cost as never before, including the costs of damage to the environment, but consumers now are more aware of the real need for such drives—and ready to support them.* S*ustainability and social responsibility officers agree that sustainability must permeate the firm’s corporate strategy from the top down, so all areas in the firm can align their environmental goals in the same direction for the greatest effectiveness.*

Point value: 1

BUSPROG: Ethics

DISC: Promotion

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Analysis

Difficulty: Moderate

**Ethics Exercise**

At a local coffee shop you run into a friend who works for a social media firm that competes with yours. After a brief conversation he remembers an errand he has to run, and he rushes off with a hasty good-bye. As you gather your things to leave a few minutes later, you realize your friend left a file folder on the chair; inside is a report about a client. Your company is very interested in doing some work for this client in the future.

1. Would you take a quick look inside the folder before you return it to your friend? Why or why not?

2. Would you share any information in the report with anyone in your office? Why or why not?

3. When you return the folder to your friend, would you mention the report and offer your own commentary on it? Why or why not?

*Answer: Student responses to the ethical situation presented may vary and with most of the ethics exercises in* Contemporary Marketing, *there aren’t necessarily right or wrong answers.*

*Some students will argue that the folder material is private work product and it is unethical for you to look at the papers, and certainly unethical of you to share the material with your organization. Others may disagree. Many students may question the ethica0l and professional judgment of the person who brought such sensitive material to a coffee with a friend who works for a competitor.*

Point value: 1

BUSPROG: Ethics

DISC: Strategy

Learning Objective: 1-8

Topic: A-head: Ethics and Social Responsibility: Doing Well by Doing Good

Bloom’s: Application

Difficulty: Moderate

**Internet Exercises**

1. **Marketing terminology**. Like many subjects, marketing appears to have a language of its own. Visit the website of the American Marketing Association. Click on “Resources” and then “AMA Dictionary.” Define the following terms: A/B testing, dating, never-out list, and will-call.

http://www.ama.org

*Students are expected to visit the website and find the relevant information.*

2. **Event marketing**. The Westminster Kennel Club runs the nation’s largest dog show. Go to the event’s website. Review the website and prepare a brief report relating what you learned to the material on event marketing in the chapter. Make sure to describe sponsor tie-ins and other joint marketing efforts. <http://www.westerminsterkennelclub.org>

*The Westminster Kennel Club Dog Show is a two-day, all-breed benched*[*conformation show*](http://en.wikipedia.org/wiki/Conformation_show)*that takes place at*[*Madison Square Garden*](http://en.wikipedia.org/wiki/Madison_Square_Garden) *in*[*New York City*](http://en.wikipedia.org/wiki/New_York_City)*every year. This website will help students to collect a lot of information regarding event marketing, event management, public relations, charities, joint marketing, advertising, and online presence.*

3. **Sustainability.** Johnson & Johnson engages in a major effort to incorporate sustainability into its wide-ranging business activities. Visit the website listed here and read about the firm’s recent activities. How does Johnson & Johnson promote sustainability? What are some specific examples? <http://www.jnj.com/connect/caring/environment-protection/>

*Johnson & Johnson is involved with many causes and advertising campaigns that encourage healthy lifestyles and support those people who care for the health of others. Students can visit this website, and make a report on the various initiatives, campaigns, advertisements and measures taken by Johnson & Johnson to promote sustainability. The “Company Initiatives” section will give a better understanding to the students.*

**Case 1.1 *Kraft Focuses on Brand Building—*Questions for Critical Thinking**

1. Are there more ways Kraft Foods can tailor its structure, its products, or its communication efforts to better satisfy customers? If so, what are they?

*Answer: Students may have varying opinions. However, in general, marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. It creates time, place, and ownership utilities.*

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-1

Topic: A-head: What Is Marketing?

Bloom’s: Application

Difficulty: Moderate

2. How do you think splitting the company into two units will help Kraft meet its customers’ needs? Can you think of any disadvantages to this split?

*Answer: Student answers will vary. However, splitting up the company into two firms will allow each to concentrate its business and marketing efforts on a smaller group of products and expand its social reach with loyal customers while establishing relationships with new customers of different generations.*

Point value: 1

BUSPROG: Analytic

DISC: Promotion

Learning Objective: 1-6

Topic: A-head: From Transaction-Based Marketing to Relationship Marketing

Bloom’s: Application

Difficulty: Moderate

**Video Case 1.2 *Geoffrey B. Small Is Big on Quality, Customers, Community*—Questions for Critical Thinking**

1. Why is the link between relationship marketing and social responsibility so important to Small’s business success?

*Answer: The link between relationship marketing and social responsibility is important to Geoffrey Small’s business because his customer base is built partially on his reputation for activism. “We use fashion as a platform to do more than just sell clothes,” says Small. His customers know this, and choose to spend their money on his clothes because they support his activism. Through his alliance with certain causes, Small also establishes and strengthens his relationship with customers—who then become loyal purchasers of his clothes—and vice versa.*

2. Geoffrey B. Small is an avant-garde designer and unconventional businessperson. What examples does he set, and what might marketers for large corporations learn from his views and practices?

*Answer: Large corporations can learn from Geoffrey B. Small’s belief that businesses should produce the highest-quality goods and services possible—instead of rolling out as many pieces as cheaply as possible. They can decide to trust the intelligence of their customers and convey honest messages to them about cost, processes, and quality. They can also look for ways to use their organizational power in socially responsible ways, whether to promote environmental sustainability or any other cause.*

**COLLABORATIVE LEARNING EXERCISES**

## Avoiding Marketing Myopia

Purpose:

To enable students to recognize and avoid instances of marketing myopia

Background:

In a world in which technology develops very quickly, older technologies are frequently replaced by newer technologies. Some companies adjust to these changes, while others cannot, and go under. This exercise will help students grasp the concept of marketing myopia

Relationship to Text:

Avoiding Marketing Myopia

Estimated Class Time:

Less than twenty minutes

Preparation/Materials:

Online research

Exercise:

Ask the students to research the slogans or mission statements of several common brands or companies before class. Discuss the various slogans or mission statements and ask students to identify which company mission statements focus on the products themselves and which focus on the benefits they provide to the consumers. Ask students to identify the companies most likely to be suffering from marketing myopia based on their mission statements.

Questions for Reflection:

* How can a company avoid marketing myopia?
* Do you think marketing myopia or its equivalents affect organizations other than marketers? Substantiate your answer with examples.

## Not-For-Profit Marketing

Purpose:

To highlight a key challenge of not-for-profit marketing

Background:

While nearly 10 percent of the U.S. workforce either works or volunteers at not-for-profit organizations, many students do not recognize that marketing plays a critically important role at these institutions. This quick, discussion-based exercise is designed to highlight not just the importance of marketing, but also a key difference in marketing within not-for-profits: the frequent need to focus on multiple “publics.”

Relationship to Text:

Characteristics of Not-for-Profit Marketing

Estimated Class Time:

About 10 minutes

Preparation/Materials:

Marker and white board

Exercise:

NOTE: This exercise is only relevant for nonprofit public or private colleges and universities (which compose the vast majority of the higher education market).

Ask your students to brainstorm the various “publics” that your school targets. Students should be able to quickly identify the various publics as students and faculty, but it often takes them a moment to recognize how broad the list can actually be. (The less obvious possibilities include employers, taxpayers, book publishers, the local community, etc.) Write their responses on the board, and then ask them to consider the list. How does their school prioritize those publics? Why? How do they see the results of these decisions? Do they agree or disagree with the school’s approach? The student comments are typically interesting and thoughtful. In fact, you may want to ask someone from your school’s marketing group to join the discussion, add real-world insights, and benefit from the students’ perspectives.

Questions for Reflection:

* Why do not-for-profit organizations often need to serve multiple publics?
* Does this characteristic make them more or less effective? Why?

## Person Marketing

Purpose:

To demonstrate the prevalence and power of person marketing in pop culture

Background:

From athletes to entertainers to politicians, person marketing surrounds us all on a continual basis. This exercise is designed to help students understand the various tools and techniques of person marketing and to examine how it can affect the image of a person in the public eye.

Relationship to Text:

Person Marketing

Estimated Class Time:

About 15 minutes

Preparation/Materials:

None needed

Exercise:

Brainstorm with your class a list of high-profile people who need an image makeover (essentially celebrities who are in trouble). Encourage them to consider athletes, actors, musicians, entertainers, and politicians who have legal problems, substance abuse issues, or just a tendency to do or say the wrong thing. Briefly explain why each person needs help. When you have a list of 10 to15 people, discuss with your class the various tools and techniques of person marketing. Possibilities could include everything from straightforward methods such as direct advertising or supporting a high profile charity, to more subtle methods such as creating a distraction (e.g., getting married for the ninth time). Then divide your students into small groups and charge each group with rehabilitating the image of the person of their choice. (This exercise works well even if multiple groups choose the same person.) Five to ten minutes should be enough time. Reconvene as a class, and ask each group to present its plan, beginning with the objective and following with the strategy. The plans are almost always both instructive and amusing.

Questions for Reflection:

* What are the unique challenges to person marketing?
* Who has done an especially strong job with person marketing? Why?

## Place Marketing

Purpose:

To stimulate student thinking about the potential impact of place marketing

Background:

Over the past ten years, place marketing has blossomed, as a growing number of cities and states have actively marketed themselves to both businesses and tourists. Among the high profile examples is Las Vegas, which recently introduced a $25 million marketing campaign promoting their racy new slogan: “What Happens Here, Stays Here.” This exercise is designed to help students explore the multiple possibilities of place marketing.

Relationship to Text:

Place Marketing

Estimated Class Time:

About 15 to 20 minutes

Preparation/Materials:

None needed

Exercise:

Divide your class into small groups and challenge them to develop a plan to lure businesses and tourists to their city. Questions to consider (and you might want to write these on the board):

* What would their slogan be?
* What qualities and attractions would they promote, and why?
* What challenges would they need to overcome?
* What companies or organizations might they choose as partners and why?

Encourage your students to push the envelope in creative thinking and innovative ideas. Then reconvene as a class for brief presentations of the slogans and the plans. To bolster the competitive spirit, you may want to ask the class to vote on the best package.

Questions for Reflection:

* Is place marketing a good way to spend taxpayer dollars? Why or why not?
* What are some private destinations (e.g. Disney World) that have done especially well at place marketing? What tools have they used?

###### Social Marketing

Purpose:

To emphasize the importance of social marketing in today’s market

Background:

In today’s hyper-competitive marketplace, businesses must ensure that their marketing efforts are visible to their target customers and stand out from the clutter of competing messages.

Relationship to Text:

Social Marketing

Estimated Class Time:

### About an hour

Preparation/Materials:

Group work for a week prior to class

Exercise:

Divide your class into groups and ask each group to pick a public service message they would like to popularize. Students could pick charities, raise awareness about an issue, or encourage people to take some action. Instruct the groups to use online methods to spread their message. They could use social media sites, blogs, and other resources to create a campaign to market their message among their classmates and peers. In class, discuss the effectiveness of these campaigns, the difficulties of setting them up, and the ways in which they could improve.

Questions for Reflection:

* How can social marketing help marketers build relationships with their customers?
* Discuss possible products, services, or ideas which cannot be effectively marketed using social media.
* Discuss a personal experience with social marketing. How did it influence your decision or opinion of the product?