# *MKTG 5 (Canadian) 5th edition Lamb Solutions Manual*

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## Awake Running Case – Chapter 1: "A Delicious Way To Get Energy"

1. Explain in which era of marketing that Awake Chocolate currently resides. Describe some ways in which the company can move beyond the current stage into the next era of marketing.

**Awake Chocolate is likely in the marketing or market orientation phase. The goal for Awake Chocolate is to begin to look at the external environment and see how the company can create products that deliver long-term benefits to society – and the societal orientation (era).**

2. Review the Awake Chocolate website (https://awakechocolate.ca/) and determine where the focus on customer needs is apparent in the various pages of the website. Look over social media sites owned by Awake to assess needs as well.

**Responses will vary because the website can change and alter the answer. But most pages on the website focus on the physiological stages related to hunger and product taste. There is some mention of belonging, but it's not as strong and could be something Awake Chocolate looks to focus on to create a stronger relationship with customers.**

3. The concept of value is a key concept in Chapter 1, and is evidenced in the above case without using the term *value*. Look back through the chapter and your notes to determine how value is represented in the above case.

**The concept of value is present in the exchange, an important topic in the first few chapters. It is seen in discussing needs, but also in the evolution of marketing, heading towards a greater understanding of how value is not just in the price of a product but also in the benefits of the overall offering.**

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PART 1 CASE ANSWERS

# Uber-izing Food Delivery Shows Limitations

**Questions**

1. Suppose you are a new intern for Skip the Dishes. On your first day on the job, your boss decides to see what your made of, and asks you to prepare a SWOT analysis on your new employer. Using this case, and any other resources available to you, prepare a simplified SWOT, showing what you consider to be, at minimum, three most important strengths, weaknesses, opportunities, and threats currently facing the company.

   **Skip the Dishes' strengths include brand recognition (first service in Canada), available workforce, and IT infrastructure while the company's weaknesses would be past and existing lawsuits, association with wastefulness, capital resources. Some opportunities for the company are the increasing demand for food delivery, behaviour of the Generation Z market, and the advancement of technology and threats are direct competitors (Door Dash, Uber Eats), new entrants (Amazon, Google), and regulations (reforming of labour codes).**

2. The case you have just read was written in early 2020. What opportunities and threats have entered into the food-delivery market that were not noted in the case? Use the CREST model for your responses.

   **Responses will vary. Common responses would include opportunities related to competitors that have been downsized or eliminated; regulations that have evolved in favour of the industry; the economic impact of and social behaviour shift resulting from the COVID-19 pandemic; and technological advancements. Threats would include increasing the power of competitors or the addition of new competitors; regulatory**

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**changes that hinder growth; economic events such as the COVID-19 pandemic that stunted growth; and social backlash against food delivery.**

3. A growing trend in the food industry is "ghost kitchens" This concept is made possible specifically because of the demand for food delivery and consumers' penchant for variety. Find an example of ghost kitchen operation within your community and elaborate.

   **The ghost kitchen is a concept born out of the meal delivery era, and exacerbated by COVID-19. It is a functioning commercial kitchen designed to prepare a variety of different culinary items, each potentially marketed under a culinary-specific brand and website. A ghost kitchen could be preparing Canadian seafood fare (Baked Pacific Salmon) and Thai meals (Pad Thai) out of the same place, despite being represented as different restaurants. Ghost Kitchens are just kitchens with no customer seating options available.**

4. Food delivery apps introduced a new way of accessing and consuming meals. Around the same time that these were showing up, meal-kit delivery companies such as Blue Apron and Good Food were penetrating the meal market as well. List the main differences between these two entrants into the food industry.

   **The main differences between food delivery apps and meal-kit delivery are simply that food delivery is the delivery of ready-made meals while meal-kit delivery is a DIY model—all the fixings to make the meal at home. This key distinction creates a variety of related differences ranging from consumer behaviour to social needs to market demand.**

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# Chapter 1
# An Introduction to Marketing

## Learning Outcomes

### 1-1 Define marketing

The term *marketing* is used in a variety of ways and misrepresented in many others. But, without marketing, there is no customer. Marketing is about understanding the needs of consumers. Marketing helps to shape the products and services of a firm based on an understanding of what the customer is looking for. The goal of marketing is summarized nicely by the marketing concept. At its core, the marketing concept is about offering the customer what they are looking for. It includes the following:

- Focus on customer needs.
- Integrate all organization's activities, including production, to satisfy customers' wants.
- Achieve long-term goals for the organization by satisfying customer wants and needs legally and responsibly.

Marketing is becoming a conversation with the customer rather than a distraction.

### 1-2 Describe the evolution of marketing

The misconceptions about marketing come from the evolution of how marketing has been used in firms for more than a century. Today's marketing has resulted from many shifts in both the field of marketing and society. Some prior perspectives on marketing help to provide a better understanding of how marketing is perceived today.

a. The **production era** focuses on marketing as a messenger. It focuses on internal capability of the firm, which is best reflected by the questions "What can we do best?" and "What can our

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engineers design?" rather than by asking "What do our customers need and want?" and "How best can we provide solutions to our customers?"

b. The **sales era** is highlighted by the increased power of consumer choice. It assumes that buyers resist purchasing items that are not essential and that consumers must be persuaded to buy through aggressive sales techniques.

c. The **marketing company era** is highlighted by the coordination of marketing activities—advertising, sales, and public relations—into one department in an organization. It is based on the "marketing concept" that meeting customers' needs and wants through innovative products and services while meeting organizational goals is the best approach. Responsiveness to customer wants is the central focus of the marketing orientation. In this orientation, customers are grouped into market segments, with marketing professionals tasked with understanding their customer before making their moves.

d. The **societal marketing era** holds that the firm should strive to satisfy customer needs and wants while meeting organizational objectives and preserving or enhancing both the individual's and society's long-term best interests. It examines the longer-term impacts on the customer and the environment when customers seek to satisfy needs.

e. The **relationship marketing era** is about developing a real and sustainable relationship with the customer. Marketing has gone from interruption to interaction. As companies look to move away from interruption, they see the benefit of looking for a series of transactions that turn into a true interaction. Engagement is the focus of this era, aided by the use of two essential customer-based strategies: customer satisfaction and relationship marketing. *Customer satisfaction* is the evaluation of a good or service in terms of whether that good or service has met customer expectations. Retaining customers is considerably less expensive

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then attracting new. *Customer relationship management* is an important result of the relationship marketing era and best serves the ultimate goal of meeting the needs of customers and building relationships.

## 1-3 Define key marketing terms

**Exchange—**a desired outcome of marketing, people giving up one thing to receive another thing they would rather have

**Customer value**—the relationship between the benefits and the sacrifice necessary to obtain those benefits

**Market segments—**groups of individuals, families, or companies that are placed together because it is believed that they share similar needs

**Building relationships—**the best companies view attracting new customers as the launching point for developing and enhancing a long-term relationship

**Marketing mix—**also referred to as *the 4Ps of marketing*: product, price, place, and promotion. Each must be studied and developed to create a proper strategy to go after a market segment.

## 1-4 Explain why marketing matters

Because marketing is part of every company. No matter what, you will have customers, and if you don't concern yourself with customers, you will cease to have any.

Because marketing is a rewarding career. Marketing can provide both financial and personal rewards. Marketing exists in many industries; there is no "Big 6" of marketing companies, such as there is in accounting. Marketing careers are broad and rewarding—it's a matter of taking initiative to find the opportunities.

Because marketing provides an important skill set. Even if your career is not in the field of marketing, you will still need to sell yourself to a future employer.

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Marketing is part of everyday life. You will see how needs, value, and other basic marketing concepts can be applied to almost any part of your life.

## Glossary Terms

customer satisfaction
customer value
exchange
marketing
marketing company era
need
production era
relationship marketing
sales era
societal marketing era

## Lesson Plan for Lecture

### Brief Outline with Suggested PowerPoint Slides

Slides are available at login.cengage.com.

| LEARNING OUTCOMES AND TOPICS | POWERPOINT SLIDES |
|---|---|
| ***Define marketing***<br>1-1 What Is Marketing? | Slides 3–5 |
| ***Describe the evolution of marketing***<br>1-2 The Evolution of Marketing<br>*1-2a The Production Era*<br>*1-2b The Sales Era*<br>*1-2c The Marketing Company Era*<br>*1-2d Societal Marketing Era*<br>*1-2e Relationship Marketing Era* | Slides 7–15 |
| ***Define key marketing terms***<br>1-3 Key Marketing Terms<br>*1-3a Exchange* | Slides 17–22 |
| ***Explain why marketing matters***<br>1-4 Why Marketing Matters<br>*1-4a Marketing Is Part of Every Company*<br>*1-4b Marketing Is a Rewarding Career*<br>*1-4c Marketing Provides an Important Skill Set*<br>*1-4d Marketing Is Part of Everyday Life* | Slide 24 |

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# Lesson Plan for Group Work

Activities in class that relate to group work are a good way to apply the concepts in each chapter and a meaningful way to engage students in active learning in the classroom. With each activity, it is at the discretion of the instructor to determine how to best apply the group work that is provided. This will likely depend on factors such as classroom size, classroom layout, and overall delivery method. Each group activity below has a task that is detailed, followed by an overview of the outcome that results from engaging in the activity.

## Activity #1

The following group in-class exercise can be used to illustrate the differences between the various stages in the evolution of the marketing orientation.

**Task**

Students should be placed in groups of four (or whatever number works for your class). Each group will be assigned one of the four eras in the evolution of marketing. Each group is tasked with creating a salesperson scenario—two people will serve as the seller and two as the buyer. Groups are to create a scenario based on the marketing eras provided by their instructor. Each group of four will then present a one- to two-minute presentation to the rest of the class, and the audience must guess which stage they were assigned, along with specific reasons for their choice. The product that they are marketing is a new air-filtration system model with a high-efficiency particulate air (HEPA) filter, which is capable of capturing at least 97.97 percent of particles as small as 0.3 microns—smaller than the size of most airborne pathogens. The system is portable and can be especially helpful to someone living with a person who has contracted the COVID-19 virus. For example, it could be used in communal-living environments and private homes.

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**Outcomes**

Marketing is best learned by a combination of individual and group learning methods. This activity compels students to work together in a challenging and creative way. For this activity, groups should clearly use material from the textbook and class notes in order to create their scenario. The other added outcome of this activity is providing an opportunity to build presentation skills in a less formal environment.

## Activity #2

**Task**

First, divide the class into groups of four or five people, depending on class size (for an online class, consider using breakout rooms). Then, ask students to assume that they have just purchased an artisan chocolate manufacturer with its own retail outlets. The chocolate-making equipment and other required systems (inventory management, customer relationship management, etc.,) are in excellent shape, and the personnel needed to run the factory are readily available. But, before jumping into production, each group needs to determine how to answer a number of questions that relate to marketing.

The following suggested questions should be provided to the students. You should decide which questions are most relevant to your discussion, but it is important *not* to provide the whole following list:

1. What are the needs of consumers as they relate to chocolate?
2. How many different categories of attributes are there for chocolate? (Types, flavours, shapes, sizes, purpose, price, and location to buy are factors.)
3. Which category of consumer does this firm want to sell to? Where are these consumers located?

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4. What are the environmental trends as they relate to the consumption of chocolate?

5. Who is the competition?

6. Where do customers shop for artisan chocolate?

7. What are the price ranges in the segment?

8. How will the company communicate with potential customers?

9. How will the chocolates be packaged?

10. How will the firm provide customer service?

12. What is the best way to build long-term relationships with customers?

The most important aspect of this exercise is to ensure that groups do NOT talk with each other about their answers. They should be asked to present their findings either in a small report or presentation.

**Outcomes**

The aim of this activity is for students to understand how broad and far-reaching marketing truly has become. Student groups should be tasked with answering questions from the exercise, and a good follow-up exercise would be to ask students which concepts from Chapter 1 best apply to the questions that they were asked to answer. This is a good way to tie back content to the activity and have students see the wide array of marketing responsibilities that are charged to a company.

As mentioned in the task for this activity, it is important for student groups to work on this assignment independently. As each group presents, it should become quite clear that their answers won't match: some might have segmented for gift giving, other groups might have focused on a special events (Christmas, Easter) and some on chocolate connoisseurs. This part of

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the exercise is an excellent chance to discuss with the group how important segmentation is in marketing and how it drives cohesive marketing decisions.

Students should have a strong understanding of the complexity of marketing after this activity has been completed. As an instructor, you can choose to continue using this example in future classes. For example, when you discuss pricing later in the term, you can go back and see what groups wrote about pricing and how much their answers would be different once they understand the complexities of pricing strategies and tactics.

# Great Ideas for Teaching Chapter 1

## Great Idea #1

*Good marketing makes the company look smart. Great marketing makes the customer feel smart.*

—Joe Chrenov

This is the quote that begins the chapter. A good individual or group activity is to have students do some research on marketing today, then explain in their own words why this quote makes so much sense as the lead quote to this chapter and to this introductory study of marketing.

Once students have completed their research, it would be useful to share with them other databases and online resources available through an academic library.

At the end of the paper, students should briefly describe why it is important to understand what marketing is all about and why marketing is all about the customer.

## Great Idea #2

**Discussion Board Topics to Encourage Participation**

Discussion board questions provided to encourage students to engage in thinking and writing about the content of the course usually take the form of a provocative statement inviting response. An example of this would be "All PR is good PR."

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

Therefore, it can be helpful for students to be part of contributing to and reading online postings that pose a challenging and unique question that does reside in the textbook.

Each question has three parts:

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

The following example is for Chapter 1 of *MKTG,* 5Ce. The three parts have been separated here so that they are more readily visible:

1. Five competing philosophies strongly influence an organization's marketing activities. These philosophies are commonly referred to as the production era, sales era, market company era, societal marketing era, and relationship marketing era.

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2. Review these philosophies in section 1-2 The Evolution of Marketing in the text.
3. Then, describe an experience you've had recently as a customer or employee that illustrates one of these philosophies.

If you have a participation quotient as part of a class deliverable, you can track student participation and engagement in the discussion boards. It is important to encourage quality rather than quantity, and students should be reflecting and researching before replying to questions that have been posted on a discussion board.

Instructors have the choice of using discussion boards within the Learning Management Systems (LMS) of their institution, or you can use discussion boards within MindTap. Contact your Learning Solutions Consultant (LSC) for more information on, and help with, MindTap.

## Great Idea #3

**Is a marketing career for me?**

For many of your students, marketing is not a career choice. They are taking the course as part of their business degree but have no intention of pursuing a career in the field. Yet, marketing skills are often considered life skills that will enhance many aspects of a person's life and/or career.

Have the students complete a short research project that requires them to learn what skills are required in a good marketer and then summarize in their paper/presentation what value they believe they will get out of this introductory marketing course. It would be interesting to have them answer theses questions: *Should a chief financial officer have a marketing background? Should a chief information officer have a marketing background? Should someone pursuing a career in financial services have a marketing background? Should someone who wants to pursue a career in the non-profit sector take a marketing course? What about those who end up in healthcare start-up companies—should they have an understanding of, and skills in, marketing?*

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The point of the exercise is to drive home that marketing is the hub of the wheel in organizations because of the customer focus, and an understanding of marketing will enhance career success in many different fields.

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