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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

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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

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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.

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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.

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Extended Chapter Outline

I. What Is a Marketing Strategy? *(PPT 2-5)*

A. Customer Excellence *(PPT 2-7)*

1. Retaining Loyal Customers

2. Providing Outstanding Customer Service

B. Operational Excellence *(PPT 2-8)*

C. Product Excellence *(PPT 2-9)*

D. Locational Excellence *(PPT 2-10)*

E. Multiple Sources of Advantage *(PPT 2-11)*

✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts. *(PPT 2-12)*

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.

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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 2-13)*

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

B. Step 2. Conduct a Situation Analysis *(PPT 2-15, 2-16, 2-17))*

Ethical & Societal Dilemma: Exchanging a Bottle of Pepsi for a Can of Water? Finding Packaging Solutions to Environmental Commitments discusses how Pepsi plans to ensure all its packaging material is recyclable, compostable, or biodegradable by 2025, including canning water instead of bottling it. The various solutionsreflect the varied branding methods that Pepsi applies to each brand. Whether these mores are sufficient remains a debate.

Adding Value 2.1: Won't You Visit Your Neighbor? Staycations and Travel Services in the Pandemic highlights alternatives to vacation that people took during the 2020 summer and pandemic. Not only did short accessible trips appeal to people who were hesitant to get on planes, but the pandemic-related impacts on children's schooling meant that it was increasingly possible for families to trael even diring the traditional school year.

C. Step 3: Identify and Evaluate Opportunities Using STP (Segmentation, Targeting, and Positioning) *(PPT 2-18)*

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1. Segmentation *(PPT 2-19)*
2. Targeting
3. Positioning *(PPT 2-20)*

D. Step 4: Implement Marketing Mix and Allocate Resources *(PPT 2-21)*

1. Product and Value Creation Products *(PPT 2-22)*
2. Price and Value Capture *(PPT 2-23)*

   Adding Value 2.2: Repositioning Old Spice describes how Old Spice repositioned itself from a conventional brand to one with a wide appeal while taking risks to leverage opportunities in the men's personal care market.

3. Place and Value Delivery *(PPT 2-24)*
4. Promotion and Value Communication *(PPT 2-25)*

   Social & Mobile Marketing: Making Technology Personal: How Wayfair is Leveraging High-Tech Tools to Connect with Consumers Discusses how Wayfair, one for the first furniture e-commerce sites, is using cutting edge technology to provide its customers value and personalized assistance in making their residences into true homes.

E. Step 5: Evaluate Performance Using Marketing Metrics. *(PPT 2-26)*

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Marketing Analytics: Making a First Impression in Less than the First Second: New Evidence about Mobile Marketing highlights two studies that used eye-tracking technology analyze mobile advertising. The first showed that people see and react to mobile advertising in less than one half a second so advertisers need to optimize their advertising for mobile channels. The second revealed that grocery shoppers who use their phones while shopping spend more time in the store. As a result, grocers don't need to worry about the distractions of the mobile phones. Ultimately, instead of determining whether viewers prefer a 30-second or 15-second advertisement, mobile and social marketers may need to find out how to develop less than 1 second advertisements.

1. Who Is Accountable for Performance? *(PPT 2-27)*
2. Performance Objectives, Marketing Analytics, and Metrics *(PPT 2-27)*
3. Financial Performance Metrics *(PPT 2-27)*
4. Portfolio Analysis *(PPT 2-27, 2-28, 2-29)*

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

F. Strategic Planning Is Not Sequential.

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✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts. *(PPT 2-30)*

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 metrics.

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 2-31)*

A. Market Penetration *(PPT 2-32)*

B. Market Development *(PPT 2-33)*

C. Product Development *(PPT 2-34)* TBEXAM.COM

D. Diversification *(PPT 2-35)*

✓ ***Progress Check:*** Several questions are offered for students to check their understanding of core concepts. *(PPT 2-36)*

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.

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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.

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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					
Disney and the Strategic Marketing Planning Process	Matching		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				
SWOT Analysis - Domino's Pizza	Multiple Choice			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				
SWOT Analysis: Ford Motor Company & Fiat Chrysler Automobiles	Matching			X				
The Coffee Wars	Case Analysis	X		X				X
iSeeit! Video Case: Marketing Strategy and the Marketing Plan	Video Case		X	X	X	X		
Marketing Strategy at Wham-O	Video Case			X				
iSeeit! Video Case: Identifying Four Basic Growth Strategies	Video Case	X						X
iSeeit! Video Case: Developing Sustainable Competitive Advantage		X						
Marketing Plan-- Part 1: Marketing Plan Prep Mission and Objectives Part I			X					
Marketing Plan-- Part 1: Marketing Plan Prep Mission and Objectives Part II			X					
Marketing Plan—Part 2: SWOT Analysis				X				
Marketing Plan—Part 3: Identifying Opportunities					X			
Marketing Plan--Part 4: Activity: Implementing the Marketing Mix – Product, Price, Place, Promotion						X		
Marketing Plan--Part 5: Evaluating Performance Using Marketing Metrics							X	

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Disney and the Strategic Marketing Planning Process

- **Activity Type:** Click & Drag

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- **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).

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Disney and the Strategic Marketing Planning Process – Alternate

- **Activity Type:** Matching Alternate to Drag and Drop Above
- **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.

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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

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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.

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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.

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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.

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- **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

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- **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).

SWOT Analysis: Domino's Pizza - Alternate

- **Activity Type:** Multiple Choice Alternative to the Above Activity
- **Learning Objectives:** 02-03
- **Difficulty:** Medium

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- **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.

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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

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- **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

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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

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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

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- **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.

SWOT Analysis:
Ford Motor Company & Fiat Chrysler Automobiles - Alternate

- **Activity Type:** Multiple Choice Alternate to Above Click and 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.

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Activity

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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.

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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

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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.

Marketing Strategy at Wham-O

- **Activity Type:** Video Case
- **Learning Objectives:** 02-03
- **Difficulty:** Easy
- **Activity Summary:** This video case views marketing strategy from the perspective of Wham-O, a company that has changed ownership many times over the years.

Activity

- **Introduction:** Firms must be able to plan their marketing strategies to react to changes in the environment, the competition, and their customers by creating a marketing plan. An essential part of this plan is conducting a situation analysis using 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. Changes in lifestyle since the company's inception is a concern of its current owner.

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

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iSeeit! Video Case:
Identifying Four Basic Growth Strategies

- **Activity Type:** Video Case
- **Learning Objectives:** 02-01, 02-07
- **Difficulty:** Medium

Activity Summary: This video case illustrates how a marketer considers the most effective strategy for ensuring the firm's competitive advantage and growth.

Activity

Introduction: *Strategic planning* is the process of thoughtfully defining a firm's objectives and developing an approach for achieving those objectives. Strategic planning is one of the more essential tasks that marketers undertake. A goal of strategic planning is to ensure the growth of a firm. This activity is important because a company's growth strategy can follow various paths based on the product and industry, and each must represent the relationship between products and markets.

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

iSeeit! Video Case:
Sustainable Competitive Advantage

- **Activity Type:** Video Case
- **Learning Objectives:** 02-01
- **Difficulty:** Medium

Activity Summary: This video case illustrates how a firm manages to sustain its competitive advantage in a saturated dessert truck market using each of the four key elements of excellence.

Activity

Introduction: A sustainable competitive advantage can be achieved when a firm produces a product that exhibits characteristics that are rare, valuable, and hard to imitate. To develop a *sustainable competitive advantage*, firms need to ensure they fulfill the four key elements of excellence: *customer, operational, product*, and *locational*. This activity is important because firms face a lot of competition, and in order to survive, they must develop and sustain a reputation for value and excellence that they can maintain over time.

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

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Marketing Plan--Part 1: Marketing Plan Prep Mission and Objectives Part I

- **Activity Type:** Essay
- **Learning Objectives:** 02-02
- **Difficulty:** Medium
- **Activity Summary:** The student answer questions about mission statements and objectives.

Activity

- **Introduction:** A well-thought-out marketing plan will contain both the foundational **mission statement** and supporting **objectives**. The purpose of the mission statement is to express the business's overarching vision—what is its purpose and what are its goals? Objectives should outline the measurable and attainable subsets of the mission.

- **Why This Matters:** A well-written mission statement serves individuals and businesses as a foundation for their overall business vision and strategy. When companies reorganize or go through some type of strategic planning, the mission statement provides the positive vision. Objectives outline general steps or goals for achieving, monitoring, and outlining the mission. This process helps the business establish its "why" for starting/changing its business and provide the navigational compass for major business decisions.

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- **Your Task:** In addition to your assigned reading on mission statements and objectives, review the following sample case. As you review all materials, consider the mission statement's construction on how the objectives relate to accomplishing the mission. After reviewing the sample case, review the practice case to answer the mission statement and objectives questions.

Marketing Plan--Part 1: Marketing Plan Prep Mission and Objectives Part II

- **Activity Type:** Essay
- **Learning Objectives:** 02-02
- **Difficulty:** Medium
- **Activity Summary:** The student answer questions about mission statements and objectives.

Activity

- **Introduction:** A well-thought-out marketing plan will contain both the foundational **mission statement** and supporting **objectives**. The purpose of the mission statement is to express the business's overarching vision—what is its purpose and what are its goals? Objectives should outline the measurable and attainable subsets of the mission.

- **Why This Matters:** A well-written mission statement serves individuals and businesses as a foundation for their overall business vision and strategy. When companies reorganize or go through some type of strategic planning, the mission statement provides the positive vision. Objectives outline general steps or goals for achieving, monitoring, and outlining the mission. This process helps the business establish its "why" for starting/changing its business and provide the navigational compass for major business decisions.

- **Your Task:** In addition to your assigned reading on mission statements and objectives, review the following sample case. As you review all materials, consider the mission statement's construction on how the objectives relate to accomplishing the mission. After reviewing the sample case, review the practice case to answer the mission statement and objectives questions.

Marketing Plan--Part 2: SWOT Analysis

- **Activity Type:** Essay
- **Learning Objectives:** 02-03
- **Difficulty:** Medium
- **Activity Summary:** The student creates a SWOT analysis.

Activity

- **Introduction:** SWOT is an acronym which stands for Strengths, Weaknesses, Opportunities, and Threats. Companies conduct a SWOT analysis as a critical strategic step in developing a Marketing Plan. SWOT analysis may be completed for an individual, a product or company.

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- **Why This Matters:** A SWOT Analysis helps individuals and businesses discover their own unique qualities and gain insight on what differentiates them from competitors.

- **Your Task:** In addition to your assigned reading on SWOT Analysis, review the following Sample Case and SWOT Analysis. As you review all the materials, consider how each of the SWOT categories relate. After reviewing the Sample Case and SWOT Analysis, review the Practice Case as preparation for generating your own SWOT Analysis. Respond to each category (Strength, Weakness, Opportunity, Threat) with three to five bullet points that outline potential impacts on the success of your business.

Marketing Plan--Part 3: Identifying Opportunities

- **Activity Type:** Essay
- **Learning Objectives:** 02-04
- **Difficulty:** Medium
- **Activity Summary:** The student identifies opportunities through STP.

Activity

- **Introduction:** Understanding the Segmentation, Targeting and Positioning (STP) approach to your marketing plan is a critical step for developing successful reaching the right buyers with the right products and ultimately, continuing to have a successful business. To help make the overall marketing process more manageable, it's useful to divide large target markets into smaller "segmented" groups. These segmented groups allow the marketing efforts to have a more unique appeal when positioning specific products toward these segmented targets.

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- **Why This Matters:** The STP process helps you to identify your most suited customers for your marketing efforts and then focus on or develop products that are customized for that segment. As a result, your products and customers are uniquely matched and your marketing campaign is even more personalized to your customers' wants and interests, ultimately creating a more successful campaign and selling more products or services.

- **Your Task:** In addition to your assigned reading, review the following sample case. After reviewing the sample case, read the practice case and answer the three questions following the scenario.

Marketing Plan--Part 4: Activity: Implementing the Marketing Mix – Product, Price, Place, Promotion

- **Activity Type:** Essay
- **Learning Objectives:** 02-05
- **Difficulty:** Medium
- **Activity Summary:** The student identifies opportunities through the Marketing Mix.

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Activity

- **Introduction:** Customers have more access to information, reviews, competitive products than ever before. A good marketing plan frequently uses the process of reviewing some form of **the four Ps—product, place, price, promotion** (four Cs) to enhance the **marketing mix**. Considering each aspect of the four Ps will help you better define your options and ultimately make better marketing decisions. Understanding the four Ps helps business owners and entrepreneurs really speak to the right audience with the right message to solve the right problem and reach them in the right way.

- **Why This Matters:** Consider an analogy of shopping for the perfect outfit for a major interview at a company that you really want to work with. Do you want to wear your own favorite outfit because you like it, or do you look for an outfit that captures the company's values and style and also expresses your strong points? Your best customers are looking for that "outfit" (product) to express their values and style in a unique way. You owe it your customers to design the outfit that truly fits them in your special style.

  Many experts define marketing as the activities involved in creating an exchange. Specifically, the process of building relationships is what determines whether that buyers/client will trust you, your company and your product enough to find value from interacting with you. Understanding how each component of the four Ps will inform you on the best method for developing and improving the relationship you have with your current and future clients.

- **Your Task:** In addition to your assigned reading, review the following Sample Case. After reviewing the Sample Case, read the Practice Case and answer the questions. Answer the questions following the scenario.

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Marketing Plan--Part 5: Evaluating Performance Using Marketing Metrics

- **Activity Type:** Essay
- **Learning Objectives:** 02-06
- **Difficulty:** Medium
- **Activity Summary:** The student reviews the metrics that determine the overall success of the marketing plan.

Activity

- **Introduction:** One aspect of the overall marketing plan that is frequently overlooked or minimized is the evaluation. Without that piece it is difficult to determine how successful the campaign has been. Knowing the R.O.I. on a campaign helps businesses make more fiscally informed decisions on where to put their marketing efforts.

- **Why This Matters:** When companies spend money on marketing campaigns, it may be viewed as nonessential funds—or even sometimes frivolous spending. Setting up performance metrics allows the marketing team to monitor and evaluate the outcomes of the marketing plan. It's also important to be able to measure what's really happening with the marketing plan to know when/if to make modifications as well as determine future spending in each of the measured areas. With budgets becoming increasingly tight, it is imperative to use metrics that demonstrate the benefits or return on the investments of marketing dollars.

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- **Your Task:** In addition to your assigned reading on **marketing performance evaluation**, review the following case. As you review all the materials, reflect on what the metrics may indicate to the overall success of the campaign, the company and for the marketing department. After reviewing the case, answer the questions that follow.

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