**Chapter 1**

**Overview of Marketing**

Tools for Instructors

* Brief Chapter Outline
* Learning Objectives
* Extended Chapter Outline with Teaching Tips
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* Chapter Case Study
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Brief Chapter Outline

What Is Marketing?

Why Is Marketing Important?

End of Chapter Learning Aids

Chapter Case Study: From Beans to Pralines: The Global Chocolate Market

Learning Objectives

LO1-1 Define the role of marketing in organizations.

Marketing is the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing strives to create value in many ways. If marketers are to succeed, their customers must believe that the firm’s products and services are valuable; that is, they are worth more to the customers than they cost. Another important and closely related marketing role is to capture value of a product or service based on potential buyers’ beliefs about its value. Marketers also enhance the value of products and services through various forms of communication, such as advertising and personal selling. Through communications, marketers educate and inform customers about the benefits of their products and services and thereby increase their perceived value. Marketers facilitate the delivery of value by making sure the right products and services are available when, where, and in the quantities their customers want. Better marketers are not concerned about just one transaction with their customers. They recognize the value of loyal customers and strive to develop long-term relationships with them.

LO1-2 Describe how marketers create value for a product or service.

Value represents the relationship of benefits to costs. Firms can improve their value by increasing benefits, reducing costs, or both. The best firms integrate a value orientation into everything they do. If an activity doesn’t increase benefits or reduce costs, it probably shouldn’t occur. Firms become value driven by finding out as much as they can about their customers and those customers’ needs and wants. They share this information with their partners, both up and down the supply chain, so the entire chain collectively can focus on the customer. The key to true value-based marketing is the ability to design products and services that achieve precisely the right balance between benefits and costs. Value-based marketers aren’t necessarily worried about how much money they will make on the next sale. Instead, they are concerned with developing a lasting relationship with their customers so those customers return again and again.

LO1-3 Understand why marketing is important, both within and outside the firm.

Successful firms integrate marketing throughout their organizations so that marketing activities coordinate with other functional areas such as product design, production, logistics, and human resources, enabling them to get the right product to the right customers at the right time. Marketing helps facilitate the smooth flow of goods through the supply chain, all the way from raw materials to the consumer. From a personal perspective, the marketing function facilitates your buying process and can support your career goals. Marketing also can be important for society through its embrace of solid, ethical business practices. Firms “do the right thing” when they sponsor charitable events, seek to reduce environmental impacts, and avoid unethical practices; such efforts endear the firm to customers. Finally, marketing is a cornerstone of entrepreneurialism. Not only have many great companies been founded by outstanding marketers, but an entrepreneurial spirit pervades the marketing decisions of firms of all sizes.

Extended Chapter Outline with Teaching Tips

# What Is Marketing?

## Marketing Is About Satisfying Customer Needs and Wants

## Marketing Entails an Exchange

## Marketing Requires Product, Price, Place, and Promotion Decisions

### Product: Creating Value

### Price: Capturing Value

### Place: Delivering the Value Proposition

### Promotion: Communicating the Value Proposition

## Marketing Can Be Performed by Individuals and Organizations

## Marketing Affects Various Stakeholders

## Marketing Helps Create Value

### Production-Oriented Era

### Sales-Oriented Era

### Market-Oriented Era

### Value-Based Marketing Era

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

1. What is the definition of marketing?

Answer: Marketing is the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

1. Marketing is about satisfying \_\_\_\_\_ and \_\_\_\_\_.

Answer: Marketing is about satisfying needs and wants.

1. What are the four components of the marketing mix?

Answer: The four components of the marketing mix are product, place, price, and promotion.

1. Who can perform marketing?

Answer: Both individuals and organizations can perform marketing as marketing can entail B2C, B2B, and C2C.

1. What are the various eras of marketing?

Answer: The eras of marketing include the production era, sales era, market era, and value-based era.

## How Do Marketing Firms Become More Value Driven?

### Marketing Analytics

### Balancing Benefits with Costs

### Building Relationships with Customers

### Connecting with Customers Using Social and Mobile Media

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

1. Does providing a good value mean selling at a low price?

Answer: Value-based marketing isn’t just about low price; it is also about creating strong products and services.

1. How are marketers connecting with customers using social and mobile media?

Answer: Marketers are steadily embracing new technologies, such as social and mobile media, to allow them to connect better with their customers and thereby serve their needs.

# Why Is Marketing Important?

## Marketing Expands Firms’ Global Presence

## Marketing Is Pervasive across Marketing Channel Members

## Marketing Enriches Society

## Marketing Can Be Entrepreneurial

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

1. List four functions that illustrate the importance of marketing.

Answer: Exhibit 1.6 reveals the factors related to the importance of marketing. These include expanding global presence, stretching throughout the organization, working throughout the supply chain, making life easier, and enriching society.

1. A firm doing the right thing emphasizes the importance of marketing to \_\_\_\_\_.

Answer: A firm doing the right thing emphasizes the importance of marketing to society.

Answers to End of Chapter Learning Aids

Marketing Digitally

* + 1. **Visit Godiva (www.godiva.com) and Hershey’s (www.hersheys.com). What value do these chocolatiers provide customers? How is the value proposition different?**

Students might suggest that Godiva provides value because of the premium quality of its products. The company specialize in the most indulgent gourmet chocolates, truffles, holiday gifts, and more.

Students might suggest that Hershey provides value because of the convenience, variety, and price of its products.

* + 1. **Go to Facebook.com and click on “About” at the bottom of the page and then click on the About tab. What is Facebook’s mission? How could a marketer use Facebook, and what other social media tools could they use? What are the drawbacks a marketer might face when using Facebook to communicate with their customers?**

Mission: Facebook's mission is to give people the power to share and make the world more open and connected.

For the aggressive guerilla marketer, Facebook offers a variety of viral channels to get the word out and creatively reach target audiences. For marketers with a budget, Facebook offers both integrated and self-serve solutions to reach broader slices of the Facebook audience. For marketers who can harness technical resources, the Facebook Platform offers the most powerful way to create engaging connections with your target audience on Facebook.

* + 1. **Visit Mondelēz International’s website (www.mondelezinternational.com) and then click on the “Brand Family” link. In what major categories does Mondelēz have brands? Can you identify related categories in which the company should compete?**

Current brand categories are beverages, biscuits, cheese, grocery, chocolate, gum, and candy. This Includes billion dollar international brands such as Cadbury chocolates and drinks, Cadbury Dairy Milk, Jacobs specialty coffees, LU biscuits, Nabisco cookies and crackers, Oreo cookies, and Trident chewing gum. Students will respond with many categories related to type of food categories.

Marketing Applications

* 1. **Do you know the difference between needs and wants? When companies that sell coffee develop their marketing strategy, do they concentrate on satisfying their customers’ needs or wants? What about a utility company, such as the local power company? A humanitarian agency, such as Doctors without Borders?**

Needs are essential items that individuals cannot live without. These include necessities like shelter, health care, basic food, and basic transportation. Wants are products that customers would like to have and view as improving their quality of life, like brand-name clothing, computers, and luxury vehicles.

This question is intended to make students think about the difference between customer needs and wants, as well as how companies might address one or both. It also challenges students to explore whether different types of companies address the needs and wants of consumers differently. Companies that sell coffee are probably concentrating on satisfying customers’ wants, as their products are not considered essential items. Firms also must respond to competitors’ offerings. An electric utility company might have a strong imperative to satisfy customers’ needs for reliable electricity but not focus as much on customer wants because it faces little market competition. Student responses should reflect an awareness of considering both consumers’ wants and needs. Humanitarian agencies, like Doctors without Borders, are satisfying customers’ needs, especially their basic needs for health care and medicine.

* 1. **People can apply marketing principles to finding a job. If the person looking for a job is the product, describe the other three Ps.**

Students should define the remaining Ps in the marketing mix and better define the product P. In addition, answers should consider how a person seeking employment can offer value to a potential employer and how employers might add value to prospective employees. Responses should answer the following questions.

What employer needs and wants can the applicant offer to fulfill (product)?

What will it cost the potential employer to hire the applicant (price)?

How will the employer promote the job to the pool of possible applicants (promotion)?

Where and when will the job be available (place)?

* 1. **What is the difference between a good and a service? When you buy a music subscription on Pandora, are you buying a good or service? Would your answer be different if you bought an MP3 album on Amazon?**

Goods are items that you can physically touch, whereas services are intangible customer benefits that are produced by people or machines and cannot be separated from the producer.

Students should understand that in terms of the creation of each, they are both “created” using raw materials that are “processed” into a finished output.

* 1. **One of your friends was recently watching TV and saw an advertisement that she liked. She said, “Wow that was great marketing!” Was the ad, in fact, marketing?**

Students frequently associate advertising with marketing, but fail to recognize that advertising is just one part of all the functions encompassed by marketing. Student responses should acknowledge that marketing is made up of product, price, place, and promotion decisions and advertising is one of the promotional tools available to marketers.

* 1. **Using the four Ps, discuss how the Apple iBeacon will create value for customers.**
* iBeacon is software that works as a location service, such that transmitters can send messages to any user with an iPhone or iPad that has been updated to iOS 7. (product).
* iPad and iPhone owners will receive iBeacon when they freely update their systems to iOS 7 (price).
* Apple has currently chosen to not actively communicate about iBeacon to customers (promotion).
* iBeacon is electronically available over any Internet connection (place).
	1. **Columbia Sportswear sells a men’s fleece vest for $36 and an Omni-Heat Jacket for $1,200. Is Columbia Sportswear providing the target markets for these products with a good value? Explain your answer.**

Columbia Sportswear is pursuing a value-based marketing strategy. Value-based marketing isn’t just about low price; it is also about creating strong products and services that customers value. Each of the target markets desire different brand qualities and judge the value of these qualities differently.

* 1. **Assume you have been hired into the marketing department of a major consumer products manufacturer such as Nike. You are having lunch with some new colleagues in other departments—finance, manufacturing, and logistics. They are arguing that the company could save millions of dollars if it just got rid of the marketing department. Develop an argument that would persuade them otherwise.**

This scenario forces students to think about the purpose and value of marketing in an organizational context and allows for a variety of justifications. For example, a student could use an internal or external perspective and argue that finance, manufacturing, and logistics tend to worry less about the customer and more about internal processes, whereas the marketing and sales functions constantly focus outward on the customers the company serves. Using this argument, the student might question whether other departments are willing or prepared to take on customer relations and develop an understanding of how and why customers buy the company’s product or service. Another argument might simply question how customers will even know about the company’s products if the marketing department doesn’t broadcast their features, benefits, and value outward.

* 1. **Why do marketers like Apple find it important to embrace societal needs and ethical business practices? Provide an example of a societal need or ethical business practice that Apple is addressing.**

This question centers on the role of social and ethical issues in a marketing context. Students might mention efforts such as keeping the environment clean and offering fair wages to workers. For example, Apple develops multiple green initiatives. Some examples:

* The Apple Supplier Code of Conduct
	+ Our Supplier Code of Conduct outlines our high standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices. It’s one of the strictest in our industry and often requires practices above and beyond local law. To comply with the Code of Conduct, all suppliers must meet the stringent requirements in our Supplier Responsibility Standards.
* Clean Energy Program
	+ In 2015, we launched our Clean Energy Program to reduce carbon emissions across our supply chain, which makes up nearly three-quarters of Apple’s total carbon footprint. In China alone, we’re working with our suppliers to install more than 2 gigawatts of clean energy.

Quiz Yourself

1. Which of the following illustrates marketing’s direct impact on consumers?

1. Marketing advises production about how much product to manufacture.
2. Marketing creates long-lasting relationships between the firm and its suppliers.
3. Marketing helps firms expand globally.
4. Marketing helps consumers learn about new products and services.
5. Marketing advises logistics about when to ship products.

Answer: (d) Marketing helps consumers learn about new products and services.

2. The \_\_\_\_\_ consists of the product, price, place, and promotion of an offering

1. marketing exchange
2. marketing mix
3. channel of distribution
4. value proposition
5. marketing plan

Answer: (b) marketing mix

Chapter Case Study: From Beans to Pralines: The Global Chocolate Market

1. **Choose one of the supply chain members of the chocolate market described in this case study and detail how it adds value through its marketing efforts.**

*Students will choose various supply chain members. Here is a typical supply chain for chocolate:*

**

1. **Describe the market for chocolates in the United States. In your discussion explain:**
* **What type(s) of people do they sell to?**
* **How do they appeal to those different groups of people?**
* **How do those people typically procure the products?**
* **Is there a difference between how and why different groups purchase chocolate?**

According to Mintel’s Chocolate Confectionery report (2015), “more than half (53 percent) of US consumers eat chocolate once a week or more.”

Among chocolate eaters, nearly three quarters (72 percent) eat chocolate as a treat. And, 32 percent of chocolate buyers purchase more chocolate around the holidays, including Easter, to have on hand for personal consumption.

Similarly, one-third of consumers (33 percent) buy more chocolate around the holidays to give as gifts.

In addition to treating oneself, almost a third of Americans (29 percent) eat chocolate as a mood enhancer. And that number increases to 41 percent when you just look at Americans between the ages of 18-24.

When it comes to chocolate preference, the majority of chocolate buyers (71 percent) are looking for options with mix-ins as oppose to plain/unflavored varieties.”

* Compare and contrast how those two “players” use the four Ps.

*Godiva*

*Product – premium chocolate*

*Price – expensive*

*Place – premium retailers (i.e., Macy’s)*

*Promotion – appropriate to target market*

*Hershey*

*Product – mass-market chocolate*

*Price – not overly expensive*

*Place – everyday or average retailers (i.e., Walmart)*

*Promotion – appropriate to target market*

Additional Teaching Tips

In this chapter, the goal is to provide an overview of marketing and encourage students to think about the specific aspects of the marketing mix.

*Place* is one of the most difficult concepts for students because it is largely invisible to them as consumers. They touch hard goods, experience services, view and hear promotions, and pay for what they buy, but it can seem that products almost appear magically. One recent trend among environmentally conscious consumers is to seek out products produced within a 100-mile radius of their hometowns. Buying these products reduces costs and detrimental environmental effects by reducing emissions associated with transportation and storage. Students should visit local grocery markets, identify goods, and investigate how far the products traveled (and by what means) to reach the store’s shelves. From this experience, a rich discussion of both distribution decisions and marketing’s impact on society can evolve.

To make the *eras of marketing* clear to students, divide the class into groups with each group assigned to a specific era. Ask the students to identify a business that adheres to their assigned era in terms of its business philosophy and approach. They should present the business to the class with evidence of the business’s philosophy. Each brief presentation should include an assessment of whether the orientation is appropriate to the business given its competitive environment, target audience, and positioning strategy and if not, what orientation would be best.

# Connect Activities

|  |  |  |
| --- | --- | --- |
| **Activity** | **Type** | **Learning Objectives 01-** |
| **01** | **02** | **03** |
| Zipcar: Creating Value in the Marketplace | Case Analysis | X | X | X |
| The Marketing Mix: Travel Goods and Services | Click & Drag | X |  |  |
| Jeans | Video Case | X | X |  |
| Value: The Bottled Water Industry | Video Case | X | X |  |
| Delivering Value at Red Mango | Video Case | X | X |  |
| Dunkin’ Donuts: Delivering on the Brand Promise | Video Case | X | X |  |
| From Beans to Pralines: The Global Chocolate Market | Case Analysis | X | X | X |
| Making a Market: Vosges Haut-Chocolat | Video Case | X | X |  |
| ISeeIt Video Case: Value Creation Through the Marketing Mix | Video Case | X |  |  |

## ZipCar: Creating Value in the Marketplace

* **Activity Type:** Case Analysis
* **Learning Objectives:** 01-01, 01-02, 01-03
* **Difficulty:** Medium
* **Activity Summary:** This case describes Zipcar’s operations, focusing on how it creates value. Students answer questions relating the case to chapter concepts.

### Activity

* **Introduction:** Nearly a decade ago, the founders of Zipcar decided to bring the car-sharing experience to the United States. Since then, Zipcar has developed the gold standard by offering its members 24/7 access to thousands of cars around the world and creating a revolution in the way many think about alternate transportation.
* **Concept Review:** Understanding the marketplace, and especially consumers’ needs and wants, is fundamental to marketing success. Marketing focuses on creating value for customers, clients, partners, and society at large.

### Follow-up Activity

Zipcar has a special program targeted at universities. Ask the students the following questions:

* How might students’ wants and needs differ from those of Zipcar customers in general?
* What kind of marketing (B2C, B2B, C2C) is Zipcar engaging in when it works with universities to get Zipcar locations approved on campus?
* How can Zipcar create value for university administrators, such that they would be interested in having Zipcar locations on campus?

After discussing these points, visit the Zipcar website and look at the “for universities” tab. Note the two columns addressing how Zipcar creates value for two different audiences: university administrators and students.

## The Marketing Mix: Travel Goods and Services

* **Activity Type:** Click & Drag
* **Learning Objectives:** 01-01
* **Difficulty:** Medium
* **Activity Summary:** The student is presented with eight marketing activities performed by two travel companies—one that manufactures products, and one that offers services. Students are asked to classify the activities according to both the marketing mix element and the product type (goods or services) it represents.

### Activity

* **Introduction:** Two travel-oriented companies—one a producer of goods, the other a service provider—have different marketing mixes. In this activity, you categorize a set of statements about each company's marketing activities according to the four Ps (product, price, place, and promotion).
* **Concept Review:** Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion.

A sentence of explanation is offered for each of the rectangles to the left when the student rolls the mouse pointer over it.

### Follow-Up Activity

* In small groups, have students select a company/brand from which they buy products or services. Then, have them fill in examples of marketing activities that fit into each of the four Ps.

## Jeans

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01, 01-02
* **Difficulty:** Medium
* **Activity Summary:** This video case discusses the market for blue jeans, with its wide price range and many different sets of customer needs and wants. After the video ends, students are asked questions about the video and related course concepts.

### Activity

* **Introduction:** Marketing involves satisfying the needs and wants of consumers. However, not all consumers have the same needs and wants. The marketing of blue jeans is a good example of how marketers develop a different marketing mix to suit the needs of different consumers.
* **Concept Review:** First invented in the United States, blue jeans represent everything American. How blue jeans went from their humble beginnings to the height of high fashion is a marketing success story. There are dozens of brands, ranging from the $10 pair to the $1,000 pair, with numerous offerings between the two extremes to meet the needs of every type of consumer. Marketers must understand what consumers value in order to manage the marketing mix to deliver the right set of benefits to different consumers.
* **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

In groups or individually, ask students to:

1. List all the brands of jeans they can think of, from basic discount brands to the hip designer brands.
2. Use the Internet to find typical prices for a pair of jeans in each brand.
3. Enter the prices into a spreadsheet and generate a scattergram of the prices. (You can use options to have each point labeled by its brand name.)

Then discuss: How could this scattergram be useful to marketers of each brand? Possible answers:

* It shows the overall price range so a brand can tell if its price is unusually high or low.
* It MIGHT indicate which brands are competing head-to-head (the ones whose dots on the scattergram are closest together), though it’s important to note that pricing is only one dimension on which brands can be similar or different. They may be targeting different age or size ranges, or aiming to establish different brand images.

## Value: The Bottled Water Industry

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01, 01-02
* **Difficulty:** Medium
* **Activity Summary:** This video case traces the evolution of the bottled water industry. After the video ends, students are asked questions about the video and related course concepts.

### Activity

* **Introduction:** Bottled water companies create value for customers even though they sell a natural resource that is free and abundant. Water was first positioned as a premium product that indicated status and sophistication. Since then, soft drink companies with large distribution networks, such as PepsiCo and Coca-Cola, have marketed bottled water at lower prices.
* **Concept Review:** The American Marketing Association states that 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.” Although marketing is a multi-faceted function, its fundamental purpose is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.
* **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

Hold a group discussion—or a structured debate, with students assigned to argue a particular position—on the ethics of the bottled water industry. Some potential sources:

#### Summary of the issues from environmental and clean water advocacy groups:

* <http://www.nrdc.org/water/drinking/qbw.asp> - Natural Resources Defense Council. Addresses both water safety and environmental impact
* <http://thewaterproject.org/bottled_water_wasteful> - from The Water Project

#### How bottled water brands are trying to address concerns:

* <http://www.prnewswire.com/news-releases/pepsicos-aquafina-launches-the-eco-fina-bottletm-the-lightest-weight-bottle-in-the-market-61940397.html> - a press release from Pepsi about the Aquafina Eco-Fina® bottle.
* <http://www.dasani.com> - Dasani’s statement about its recycling efforts. Click on “DASANI Initiatives.”
* <http://www.evian.com/en-us> - Evian’s website contains several sections addressing concerns (“evian and your health” discusses water quality; “evian and the environment” discusses various initiatives related to environmental protection). Also, show one of the Evian Babies ads. <https://www.youtube.com/watch?v=XQcVllWpwGs&list=PL9F5EBE51067E2A88> is probably Evian’s best known ad, featuring the Roller Babies. How might this ad, with its use of babies, help to combat the view of bottled water as an unhealthy and environmentally undesirable product?
* <http://blogs.ei.columbia.edu/2009/08/11/%E2%80%9Cethical%E2%80%9D-bottled-water-companies> - Discusses strategies of Ethos water and others selling “ethical” bottled water.

## Delivering Value at Red Mango

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01, 01-02
* **Difficulty:** Medium
* **Activity Summary:** This video reviews Red Mango’s marketing mix and its approaches to value creation. After the video ends, students are asked questions about the video and related course concepts.

### Activity

* **Introduction:** Founder Dan Kim opened the first U.S.- based Red Mango in Los Angeles in 2007. He quickly expanded, and there are currently more than 200 locations in 27 states, plus three locations outside the U.S. Red Mango has successfully combined a healthy product (frozen yogurt) with cool, fun shops to hang out in. Red Mango uses 100% all natural, non-fat or low-fat kosher, and gluten-free frozen yogurt fortified with probiotics. It has expanded its menu to include fresh fruit smoothies, parfaits, and probiotic iced teas. Red Mango was named the number one smoothie and frozen yogurt chain in America in Zagat’s 2011 National Chain Restaurants Survey. The following video illustrates how Red Mango delivers superior value to customers.
* **Concept Review:** Marketing strives to create value in many ways. If marketers are to succeed, their customers must believe that the firm’s products and services are valuable—that is, they are worth more than they cost. Value represents the relationship of benefits to costs. Marketers deliver value through the marketing mix (the 4 Ps): product, price, place, and promotion. Firms become value driven by sharing information, balancing customer benefits and costs, concentrating on building long-term relations with loyal customers, and creating connections with customers by using social and mobile media. To achieve this, marketers must understand customers' needs and wants. Successful marketing also requires thoughtful planning, with an emphasis on the ethical implications of any of those decisions on society in general.
* **Video:** The video is presented to the student below the introductory information. The video plays embedded on the page, after which questions are presented.

## Dunkin’ Donuts: Delivering on the Brand Promise

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01, 01-02
* **Difficulty:** Medium
* **Activity Summary:** This video case discusses the overall strategy Dunkin’ Donuts uses to build its brand and create value for customers. After the video ends, students are asked questions about the video and related course concepts.

### Activity

* **Introduction:** Dunkin’ Donuts has been known for its donuts for over 60 years, but recently the company has increased its focus on coffee, responding to the growing popularity of coffee in the United States. Dunkin’ Donuts has developed a strategy using the four Ps to help to differentiate it from its many competitors. The company seeks to offer great products at a reasonable price, available at convenient locations. Their goal is to “get you running in the morning and keep you running all day.”
* **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

* Discuss how Dunkin’ Donuts uses its strategy to differentiate itself from its major competitors in the Coffee and Breakfast marketplace. Some points to consider:
	+ Dunkin’ Donuts focuses on good value at a reasonable price, mixing coffee and food.
	+ Starbucks focuses more on quality to justify its high price, and has a stronger focus on coffee drinks, with food available but not a primary focus.
	+ McDonald’s offers food at all times of the day in addition to its McCafé offerings. It has thousands of locations, and keeps a strong focus on low price and fast service.

## From Beans to Pralines: The Global Chocolate Market

* **Activity Type:** Case Analysis
* **Learning Objectives:** 01-01, 01-02, 01-03
* **Difficulty:** Medium
* **Activity Summary:** Students read a case reviewing strategies adopted by different chocolate brands, and then answer questions requiring them to apply the six core aspects of marketing to what they have read.

### Activity

* **Introduction:** The worldwide chocolate market is huge, with cocoa bean growers spanning three continents, processors located all over the world, and multiple chocolate brands serving the preferences of different consumers. This activity is important because it gives you a solid “big picture” view of the scope of marketing via the chocolate industry.

### Follow-Up Activity

Students might enjoy learning about Dr. Dan Ariely’s “Hershey Kiss Experiment,” in which students were offered a Lindt truffle or a Hershey kiss. When the truffle cost 26 cents and the kiss cost 1 cent, equal numbers of students chose each; when the truffle cost 25 cents and the kiss was free, the vast majority chose the kiss. It illustrates the power of “FREE!”, and is discussed further in this article: <http://danariely.com/2009/08/10/the-nuances-of-the-free-experiment/>.

## Making a Market: Vosges Haut-Chocolat

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01, 01-02
* **Difficulty:** Medium
* **Activity Summary:** This video case presents a marketing mix for a small brand that seeks to differentiate itself through luxury and innovation. After the video ends, students are asked questions about the video and related course concepts.

### Activity

* **Introduction:** Vosges Haut-Chocolat is a chocolate brand seeking to make consumption of their chocolate a luxury experience which has grown along with the market for high-end chocolate. The video discusses how Vosges has created a cohesive marketing strategy focused on luxury and innovation. This activity is important because successful marketing requires an understanding of the full range of marketing activities, and of the importance of ensuring that all these activities serve a common strategy. The goal of this exercise is to test your understanding of the basic concepts of marketing.
* **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

* Compare Vosges to Godiva, which is probably the best-known luxury chocolate brand in the USA. What advantages does Godiva have over Vosges? How can Vosges compete successfully with Godiva (both in terms of its current activities and other things it might do)? Points to consider:
	+ Godiva has far more brand recognition, more of its own stores, and a wider distribution network.
	+ Vosges has its innovative flavors; in addition, the very fact that it is not as well known might allow the brand to create a more exclusive, super-premium image.

## iSeeIt Video Case: Value Creation Through the Marketing Mix

* **Activity Type:** Video Case
* **Learning Objectives:** 01-01
* **Difficulty:** Easy
* **Activity Summary:** The iSeeIt video cases available for most chapters introduce key concepts through examples that are familiar to students from their own lives. This short activity uses different consumer preferences for coffee shops to illustrate how marketing creates value.

### Activity

* **Introduction:** Value is when a customer receives more than they give up, such as when a customer pays for a product or service. The definition of value often shifts based upon what each customer is looking for in the product or service they are purchasing. Take for instance the Hernandez family and their search for the perfect cup of coffee. Mom, Dad and Gabbie each place value on different aspects of the coffee drinking experience. Gabbie looks for a unique experience, often provided by independent coffee shops, and is willing to pay more for that experience. Mom, on the other hand, wants the consistency and convenience provided by chains, while Dad is not interested in anything fancy but is simply looking for a cheap cup of coffee. Before organizations can effectively market their coffee to this family with such diverse needs, they need to understand where each consumer places value and meet their needs using the marketing mix.
* **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

* Discuss some of the places around your university where people can go for a cup of coffee. How do they differ in the value they offer?