Instructor's Manual

Essentials of Marketing

Third edition

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- Self-assessment questions to help you identify your strengths and weaknesses.
- Study Plan to help you focus on where to improve.
- Mini-simulations make marketing decisions and see their impact within real business scenarios.
- Podcasts and Newsfeeds to keep you up to date with developments in the professional world of marketing.
- E-book version of this textbook for when you're on the go.
- Online gradebook to help you track your progress.
- Video case studies from market-leading organisations and executives.

For instructors

- Instructor's Manual for the book.
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LECTURE PLANS AND SEMINARS

Marketing dynamics

Lecture plan

A lecture based on this chapter should help the student to:

- 1. define what marketing is;
- 2. trace the development of marketing as a way of doing business and consider the ways in which marketing is changing;
- 3. appreciate the importance and contribution of marketing as both a business function and an interface between the organisation and its customers;
- 4. understand the scope of tasks undertaken in marketing and the range of different organisational situations in which marketing is applied.

The key sections of this lecture should be as follows.

Marketing defined (pp. 3-10):

- Contrasting definitions of marketing
- What marketing means and does
- Marketing as an exchange process:
 - both parties value what the other offers
 - value measured in a variety of ways
 - benefit measured in a variety of ways
 - the objective is mutual satisfaction.
- Relationship marketing.

The development of marketing (pp. 10-21):

- Production orientation
- Product orientation
- Selling orientation
- Marketing orientation

• Ethical and sustainable marketing.

This section could be condensed to a brief outline of the marketing orientation and students should be encouraged to read the rest in the textbook for themselves.

The marketing concept in the organisation (pp. 21–26):

- The complexity of the organisation's operating environment:
 - *Current and potential customers*: the importance of finding them, understanding what they want, delivering it and monitoring satisfaction and perceptions.
 - Competitors: the importance of understanding and anticipating their strategies.
 - Intermediaries: their role in getting products to customers and adding value.
 - *Suppliers*: their role in ensuring that products can be produced to the right quality at the right time.
 - *The marketing environment*: briefly mention the impact of uncontrollable environmental factors, as this is to be covered more fully in Chapter 2.
- The need for the organisation to develop and manage relationships with those groups:
 - how the needs and demands of each group affect various internal functions other than marketing;
 - thus the importance of regular and accurate information flows in and out of the organisation;
 - the role of marketing as a means of managing and channelling those communication flows.

Marketing management responsibilities (pp. 26-32):

- Identifying customer needs and how the marketing function does this.
- Satisfying customer needs and the use of the marketing mix to achieve customer satisfaction:
 - the role of each P in satisfying the customer
 - the range of tasks and management concerns within each P
 - the importance of creating a coherent, integrated and consistent marketing mix
 - the concept of creating differential advantage through the strategic vision behind the marketing mix.

Marketing scope (pp. 32–34)

- Consumer goods
- B2B goods

- Service goods
- Non-profit marketing
- Small business marketing
- International marketing.

Questions for review and discussion

1.1 What is meant by the description of marketing as an exchange process?

Each party to the transaction has something that the other one wants. Usually, the seller is offering goods or services and the buyer is offering money.

1.2 Distinguish between the four main business orientations.

- Production: focus on producing more; selling high volumes; controlling costs and production efficiency.
- Product: focus on improving quality; assumes that customers want a better quality version
 of the same product.
- Sales: focus on aggressive sales and promotion to sell whatever the organisation wants to make; seller's needs come first.
- Marketing: focus on defining customer needs and then developing offerings that deliver what the customer wants; customer needs come first.

1.3 What is *competitive edge* and why is it so important?

Developing a competitive edge means using one or more elements of the marketing mix to offer something attractive to the customer that competitors do not. It is important because without there being something unique, customers have no positive reason to buy your product rather than someone else's.

1.4 Choose a product that you have purchased recently and show how the elements of the marketing mix came together to create the overall offering.

For example, Nescafé Instant Coffee:

- Product: distinctive rich taste; consistent quality and reliability; easy to make; recognisable
 packaging reflecting quality and taste and various sized packs available to suit different
 customer needs and usage rates.
- Price: cheaper than many ground coffees, but more expensive than many other brands of instant coffee; enhances image of quality and distinctiveness.
- Place: sold in virtually all grocery outlets so that it is conveniently available for both planned and impulse purchases; also sold through hot drinks vending machines and in cafés, etc.

 Promotion: mass media advertising – television and press, for example – to remind and to reinforce quality and taste image; occasional sales promotions to encourage trial/brand switching or increase short-term usage.

1.5 Why is the question 'What business are we in?' so important? How might

- (a) a fast-food retailer;
- (b) a national airline;
- (c) a car manufacturer; and
- (d) a hairdresser

answer that question if it was properly marketing-oriented?

It is important because it focuses the organisation's attention on the customer's problem that it is trying to solve rather than on the product as such. This is more likely to lead to a creative and flexible approach to designing a marketing mix, more likely to lead to a marketing offering that the customer appreciates and less likely to lead to the organisation being left behind by more innovative competitors.

- (a) A fast food outlet might be in the business of satisfying hunger quickly, cheaply and conveniently.
- (b) A national airline might be in the business of moving passengers to and from a variety of destinations quickly, safely, comfortably and smoothly.
- (c) A car manufacturer might be in the business of giving people the freedom and flexibility to transport themselves and/or their families for work, educational or leisure purposes.
- (d) A hairdresser might be in the business of helping people to feel pampered, more attractive and more confident.

Case study 1: Devices and desires

Teaching objectives

- 1. to consider the launch of an innovative product within a mature market, and the influential dynamics of new product adoption;
- 2. to review and apply the concepts of the 4Ps and ensure that students understand how they integrate to create a coherent and evolving marketing mix;
- 3. to explore the role and potential interdependence of the intermediary in raising awareness and distributing goods and services, and consideration of emerging new routes to market;
- 4. to discuss the importance of the external marketing environment (technological change) strategic marketing and sound marketing practice as a factor in sustainable business success.

1. If a publisher was to ask you, 'What business are we in?', how might you respond?

- There is an opportunity to highlight the impact of external factors in this case technological development on a mature market and industry. Revisiting the PESTEL factors and the importance of forecasting within strategic marketing function.
- The development of the e-reader was driven by customer demand, opening up topics around understanding customer needs and usage habits. This highlights the need for publishers to be customer-focused and proactive to customer tastes and market trends. This marketing orientation can be contrasted with earlier business orientations i.e. production. The publisher benefit is also evident, with content availability, highlighting the profit opportunity.

2. Why do you think the Kindle has been so successful? Discuss this with reference to its marketing mix.

- This case study signifies the importance of customer segmentation at this stage it is relevant to highlight differing customer needs, and the opportunities to reach relevant customers cost effectively.
- Pricing of e-readers and e-books demonstrates the strategic role of price in the marketing mix, as well as consumer conception of relative values. For example, e-readers can be pitched as 'loss leaders' in order to drive volume sales of e-books.
- The product itself has proved to be an ideal gift item a platform that is ripe for promotional exploitation. It delivers a key consumer requirement convenience.
- Amazon's extensive distribution platform and market leadership has driven growth in the USA and now Europe. Selective distribution channels can be evaluated here, together with the opportunity to achieve an initial competitive edge for the Kindle brand.
- Online promotion can clearly target and segment by customer profile and by seasonality optimising the gifting opportunity.
- 3. Printed books have been around for centuries. It could be argued that they have served their purpose very well and that readers are perfectly satisfied with printed books as a means of knowledge transfer and as a source of personal emotional fulfilment. To what extent, therefore, can you argue that the development of the ereader and the e-book is a marketing rather than a product oriented business philosophy?
- It would be useful here to get the students to consider the key features of product vs. marketing orientation namely, that the former assumes the consumer is primarily interested in the product itself, and buy on the basis of quality. The marketing orientation considers the needs of the buyer, and buyer satisfaction.
- Consideration of the development of e-readers and e-books from a supply (technological development) and demand (convenience) perspective highlights the value of customer insight.
- Customer insight can be used to debate the premise that books fulfil customer needs beyond mere knowledge transfer and personal emotional fulfilment – this premise downplays the gifting element, convenience and personalisation opportunities.
- Evolving markets, maintaining competitive edge and the need to innovate to achieve growth can be touched on here.

4. Is the traditional, independent bookshop dead?

- This is an opportunity to introduce the concept of the scope of marketing environments some consumers may not embrace the new technology both an attitude, an orientation or more basically live in a region/market that does not support new technology or content development the latter case highlighted is Germany. Students could be encouraged to challenge assumptions on universal application of new technology and the fit with customer needs.
- The Distribution structure can be re-examined on the basis of what consumer benefits independent bookshops provide, e.g. expertise, local knowledge, a known face, personal, face/face recommendations from a trusted source, the tactile nature of books, the opportunity to pick up a book and browse in its entirety – to some consumers these factors might override the convenience of e-books.
- From a publisher's perspective what might be the benefits of maintaining independent bookshops – the student could be encouraged to consider industry sustainability, the dangers of dominant brands driving consumer tastes, the opportunity to satisfy niche tastes through independent expert bookshops. Encourage students to benchmark with other industries where independents are still a viable sector, e.g. Convenience food stores.

Suggested assignments

- To what extent and why do you believe that a marketing orientation is essential for today's organisations?
- Questions for Discussion 1.3.