

Midterm review

Midterm: what you need to know

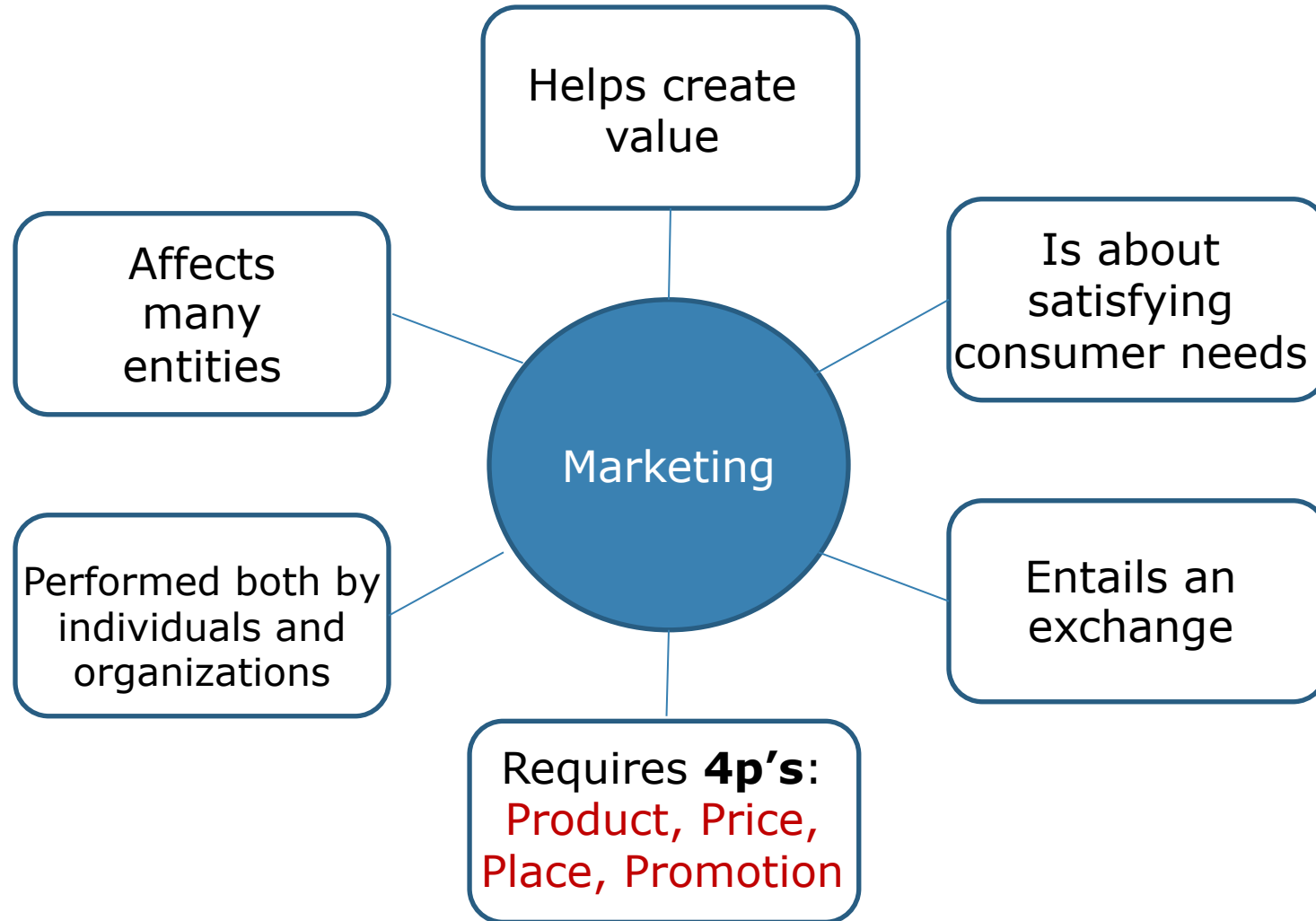
- **Everything** we've covered thus far (chapters 1 -10, lectures, discussions, **cases**) may appear on the exam
- The only item that will not be covered on the midterm is chapter 8 (Global Marketing)
- The exam is open book and notes
- You need to be on Zoom (lecture time link) at your chosen timeslot in order to do the exam
 - 40 mins, 50 multiple choice question mostly about situations (book and notes are not going to be useful if you did not understand the concepts we covered in class)

American Marketing Association (AMA)

– Definition of '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.

What is Marketing? (CH 1)



Marketing Mix

PRODUCT

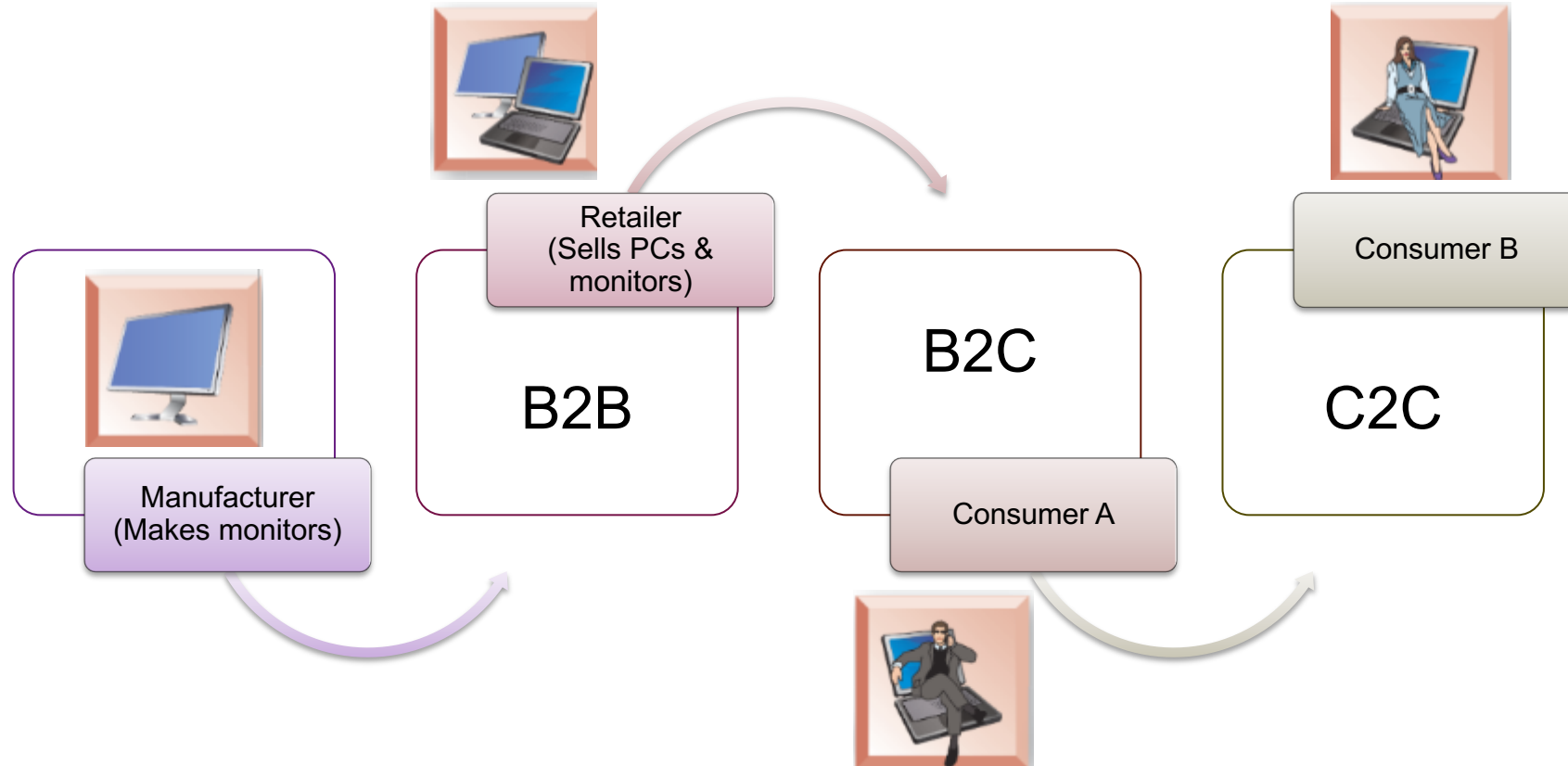
PRICE

PLACE

PROMOTION

B2B, B2C, and C2C (CH 1)

Marketing is performed both by individuals and organizations



A marketing strategy:

1. Identifies a firm's target markets
2. Identifies a related **marketing mix** (4 Ps)
3. Identifies bases on which to build a **sustainable competitive advantage**

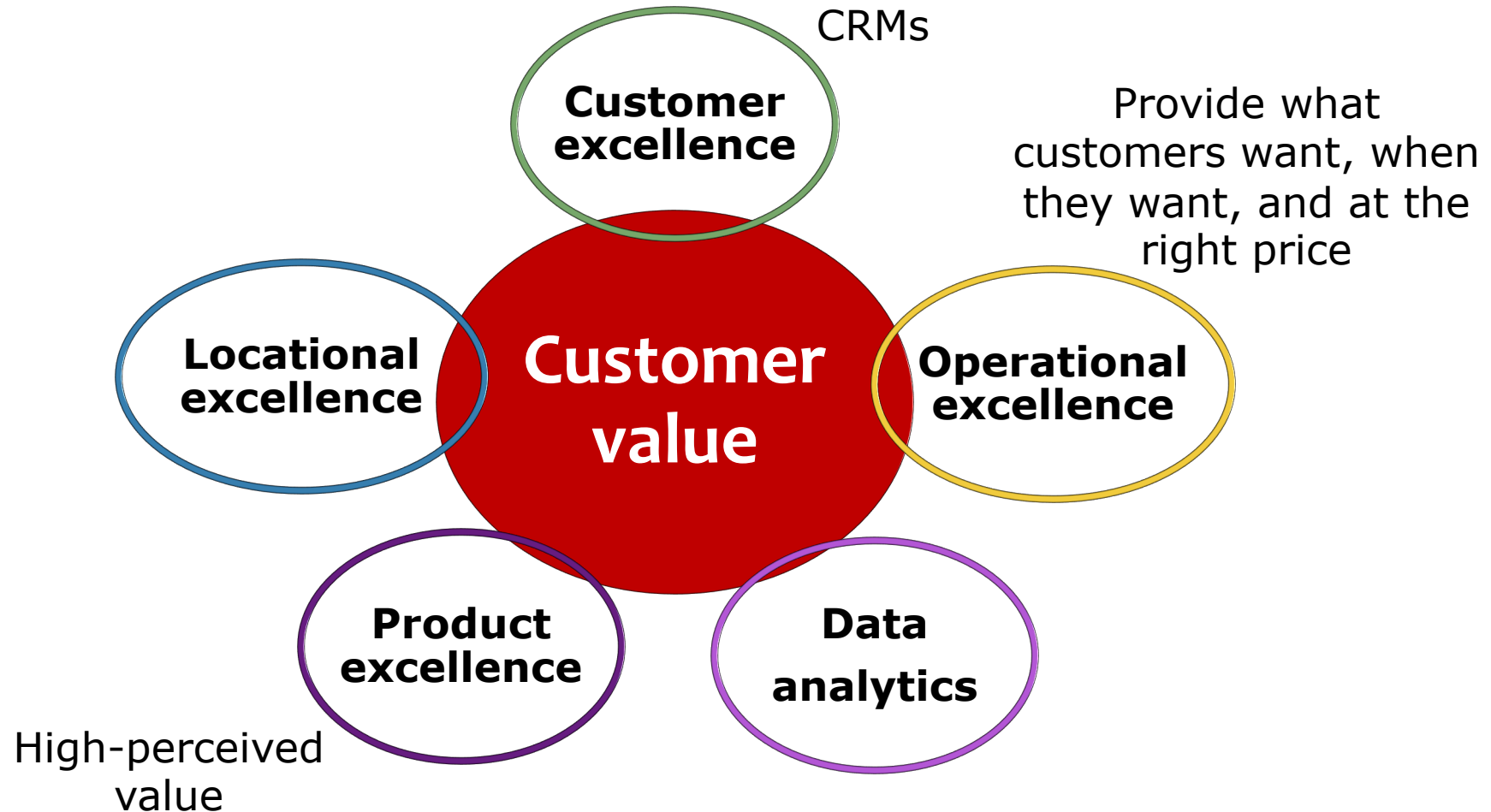
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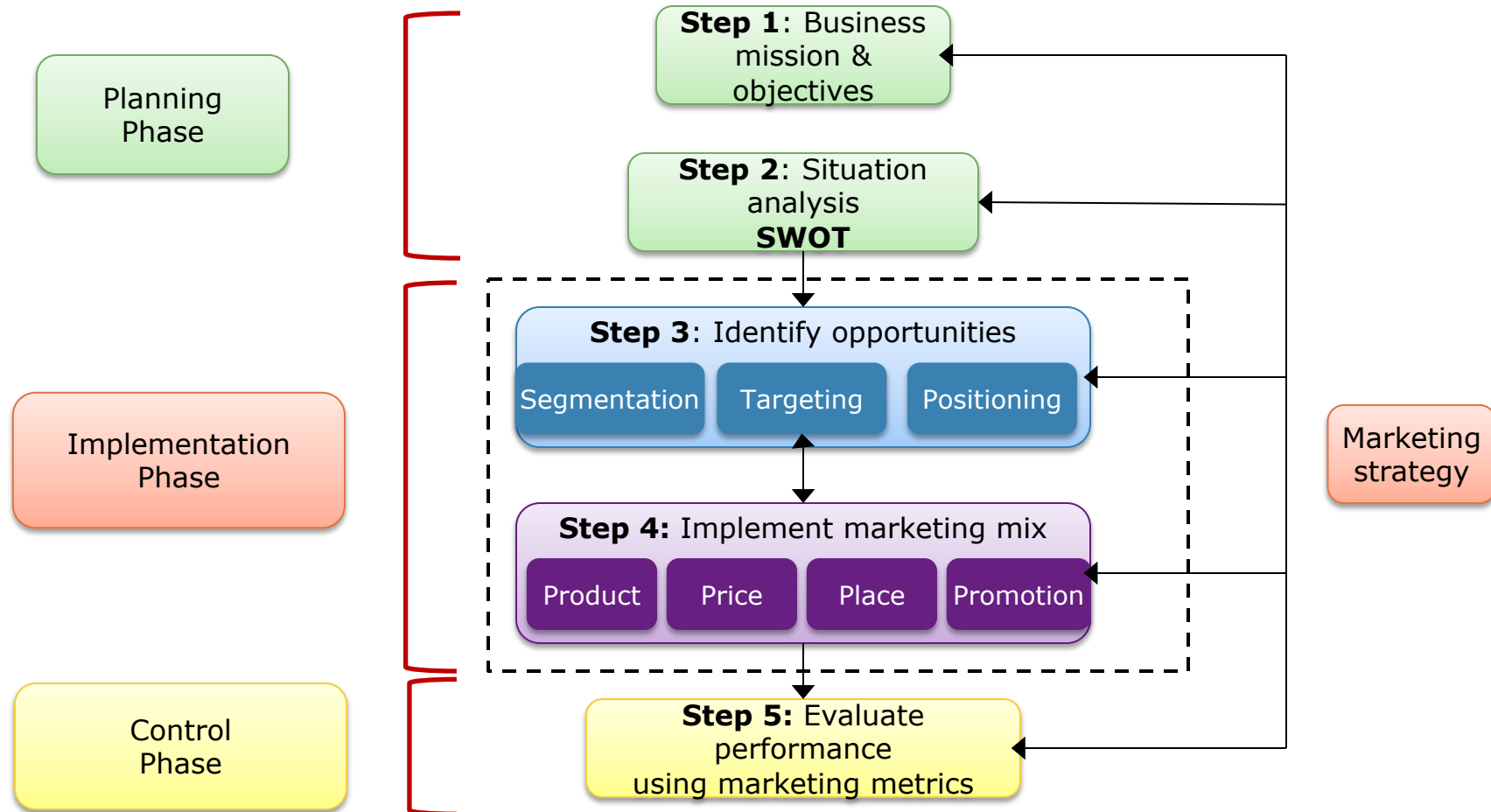


Advantage over the competition that **cannot be easily copied**

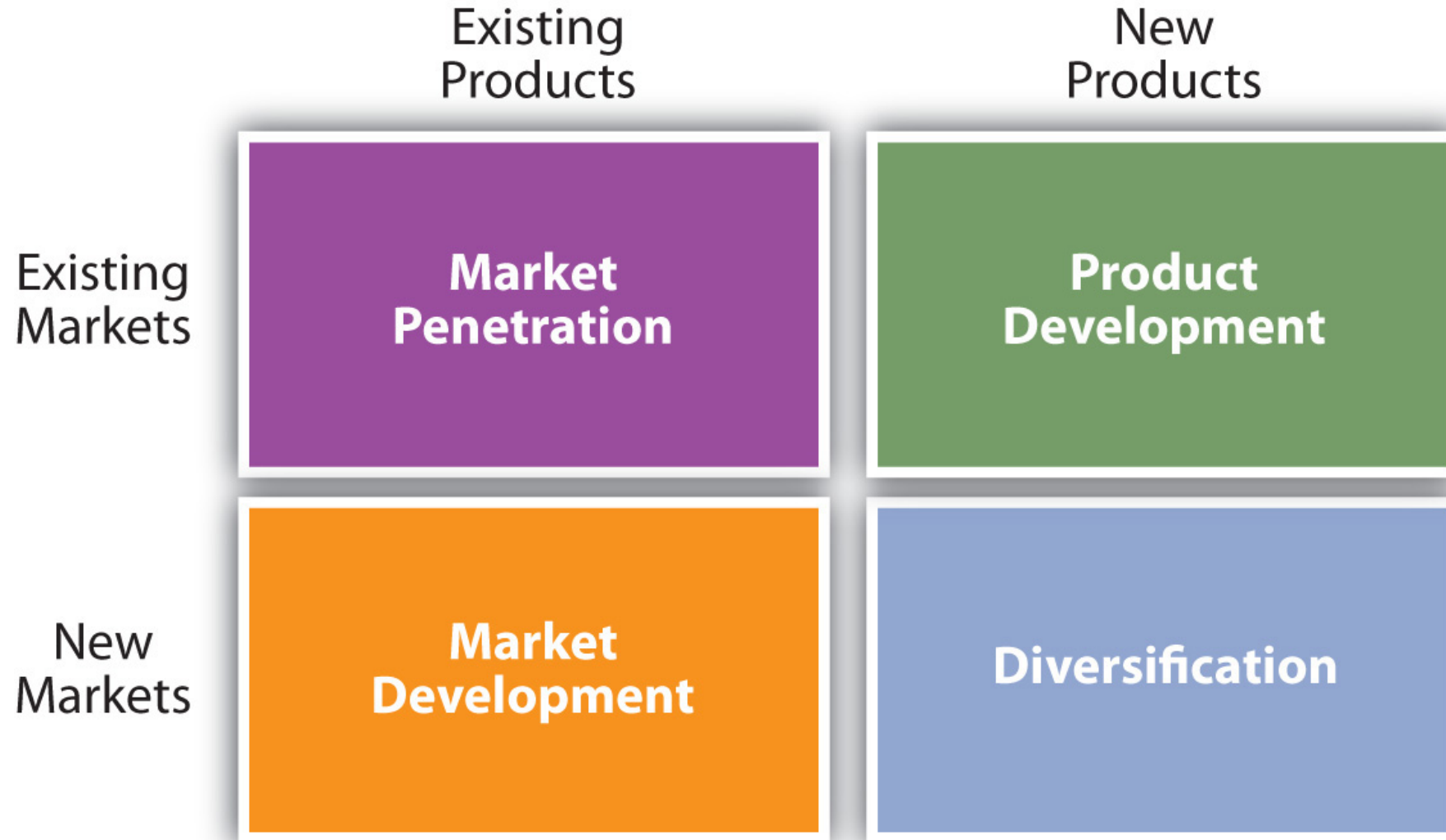
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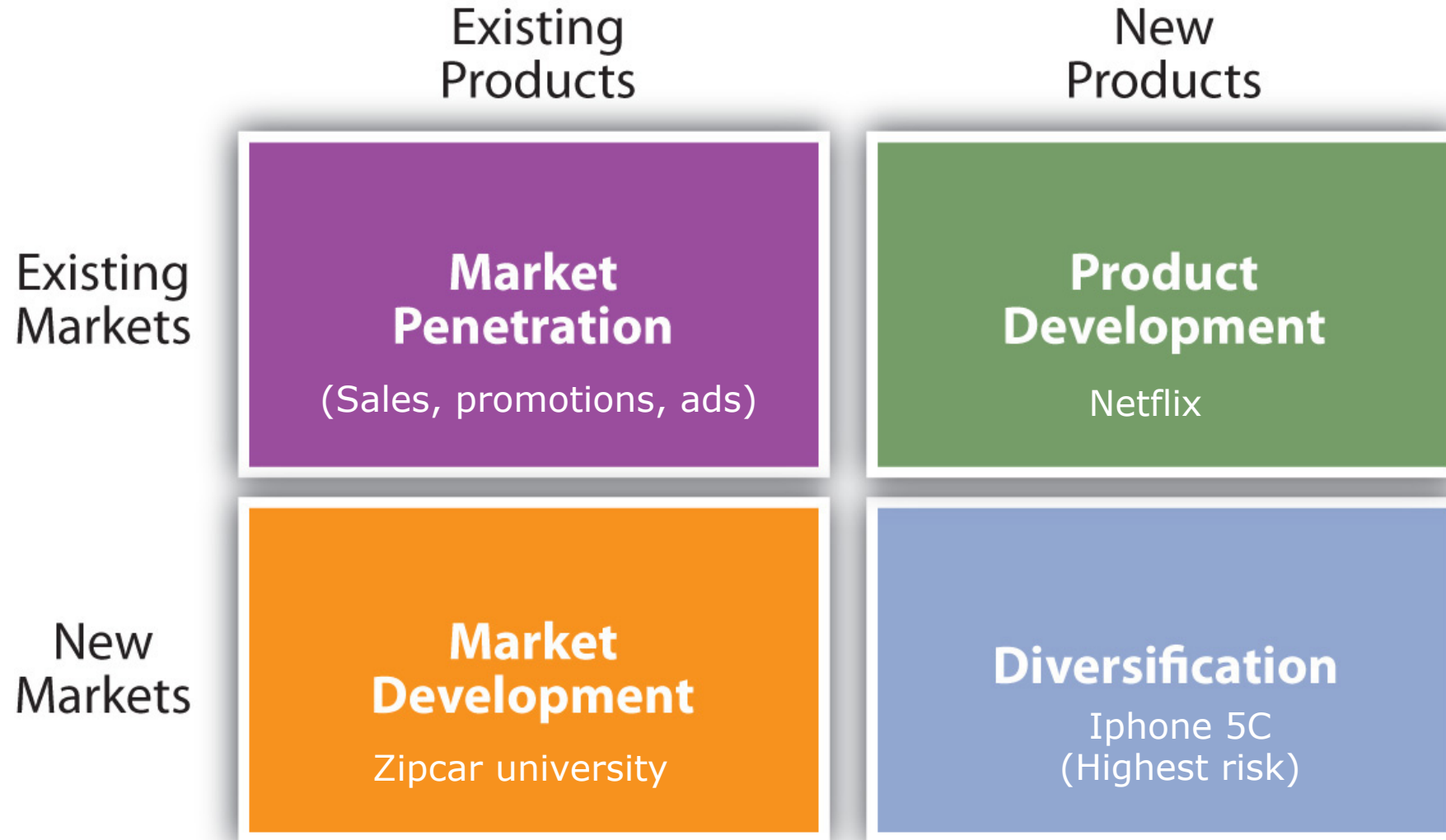
Marketing Plan (CH 2)



Growth Strategies (CH 2)



Growth Strategies (CH 2)



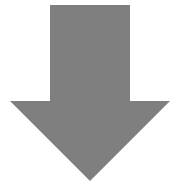
Social Media Marketing Campaign (CH 3)



Functions of social media marketing:

1. Engage
2. Experience
3. Listen

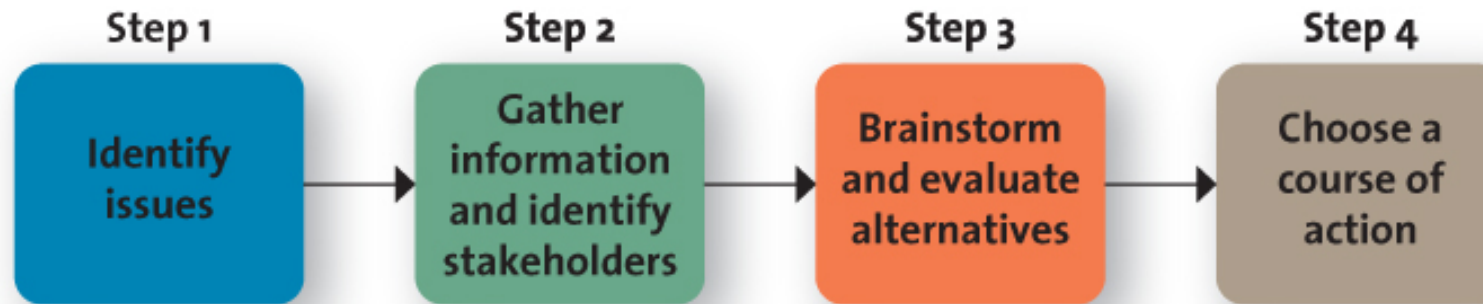
- Firms must decide what is more important, e.g.,
 - Profit vs user privacy
 - Environment vs increase production
 - Deceptive advertising vs real promotion



Research can help find alternative solutions!

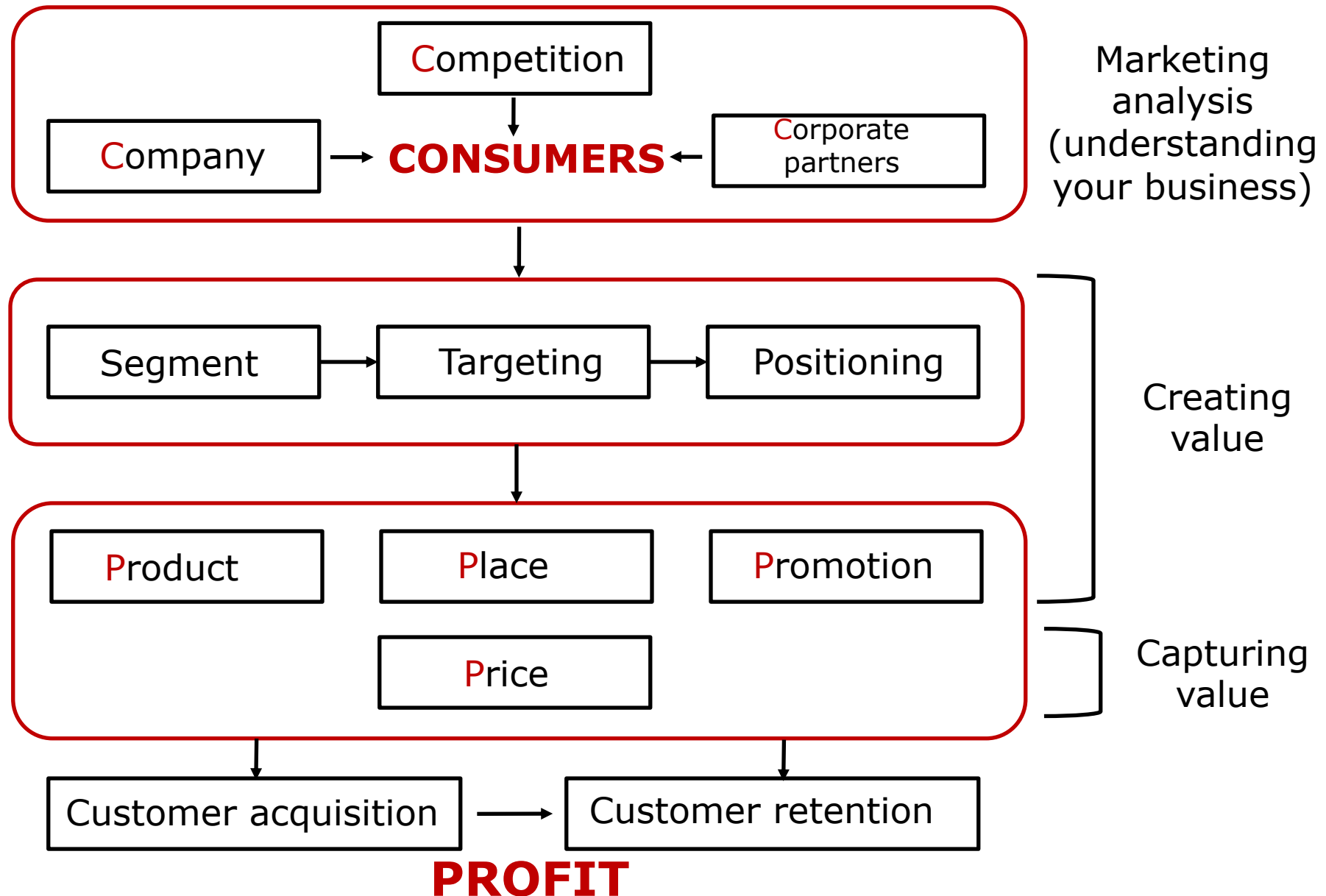
- Find better ways to analyze data
- Create products using less resources
 - Nike: <https://www.youtube.com/watch?v=D2t6yc1t9KY>

A Framework for Ethical Decision Making

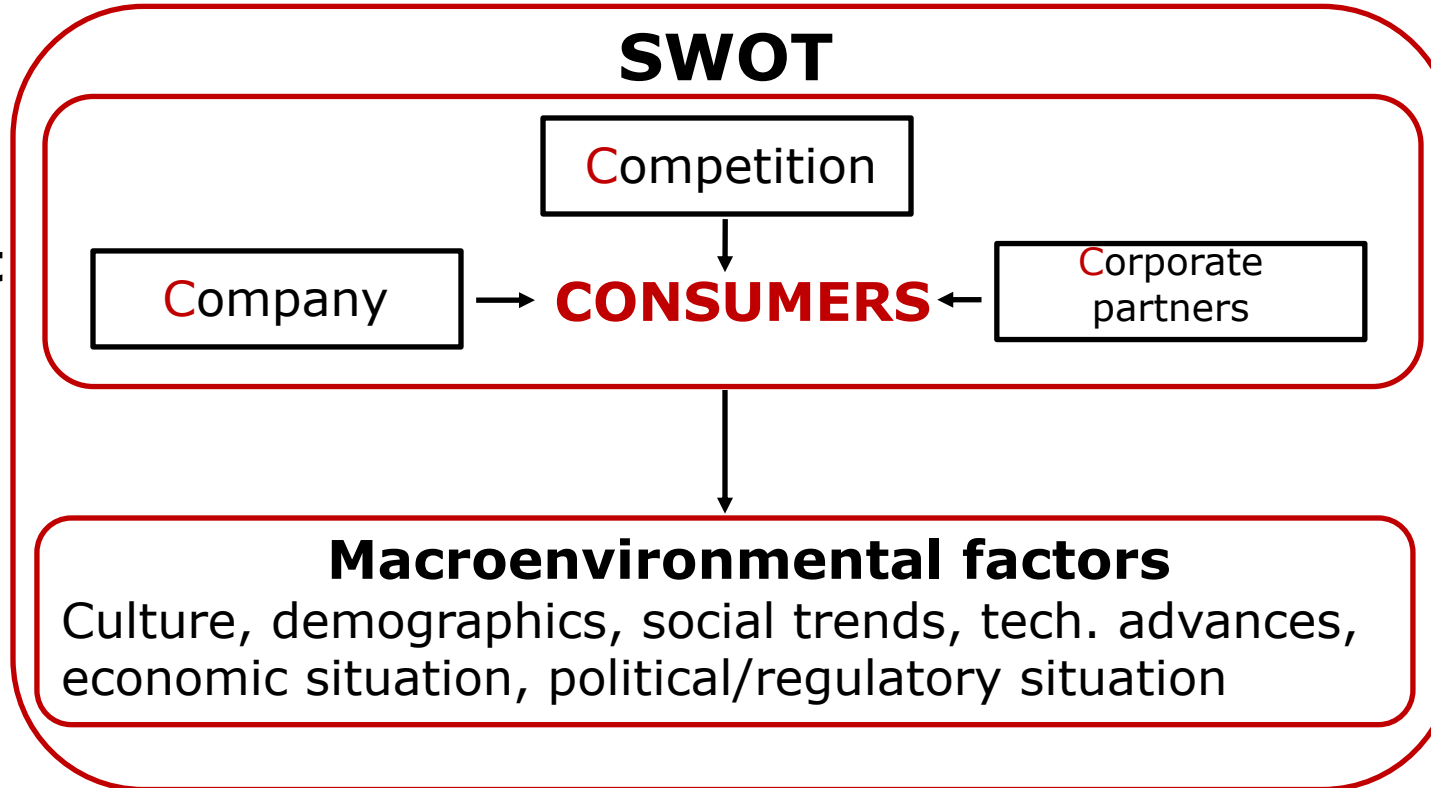


Critical in all situations that involve ethical decision making!!
Particularly in high-stress, high-pressure situations!!

The big picture (CH 5)



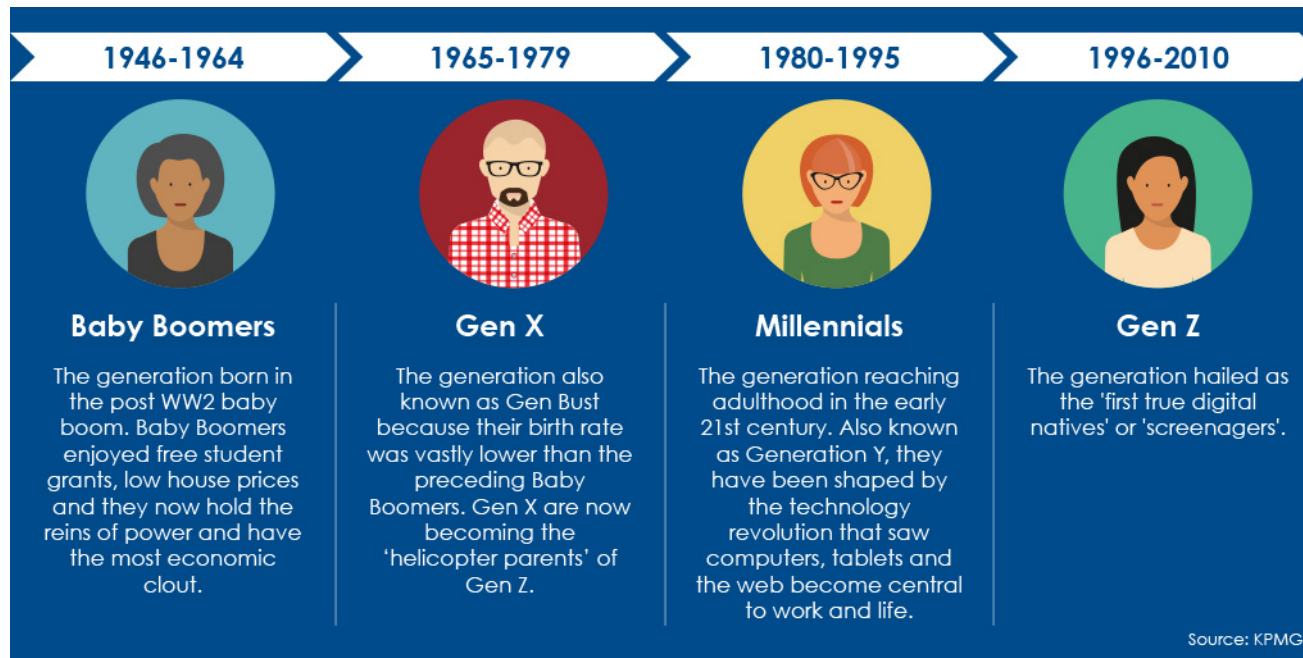
**Immediate
environment**



Marketing
analysis
(understanding
your business)

Macroenvironmental factors: Demographics (CH 5)

Provides an easily understood snapshot of the typical consumer in a specific target market



How do these generations differ?

You must understand how this process works in your specific industry ...



You must understand how this process works in your specific industry ...



Step 1: Functional vs Psychological needs

Step 2: Internal vs external, benefits vs costs

Step 3: Consumer decision rules

- Attribute sets (universal, retrieval, considered)
- Determinant attributes

Step 4: Conversion rate / why not purchase?

Step 5: Listen and fix problems if any

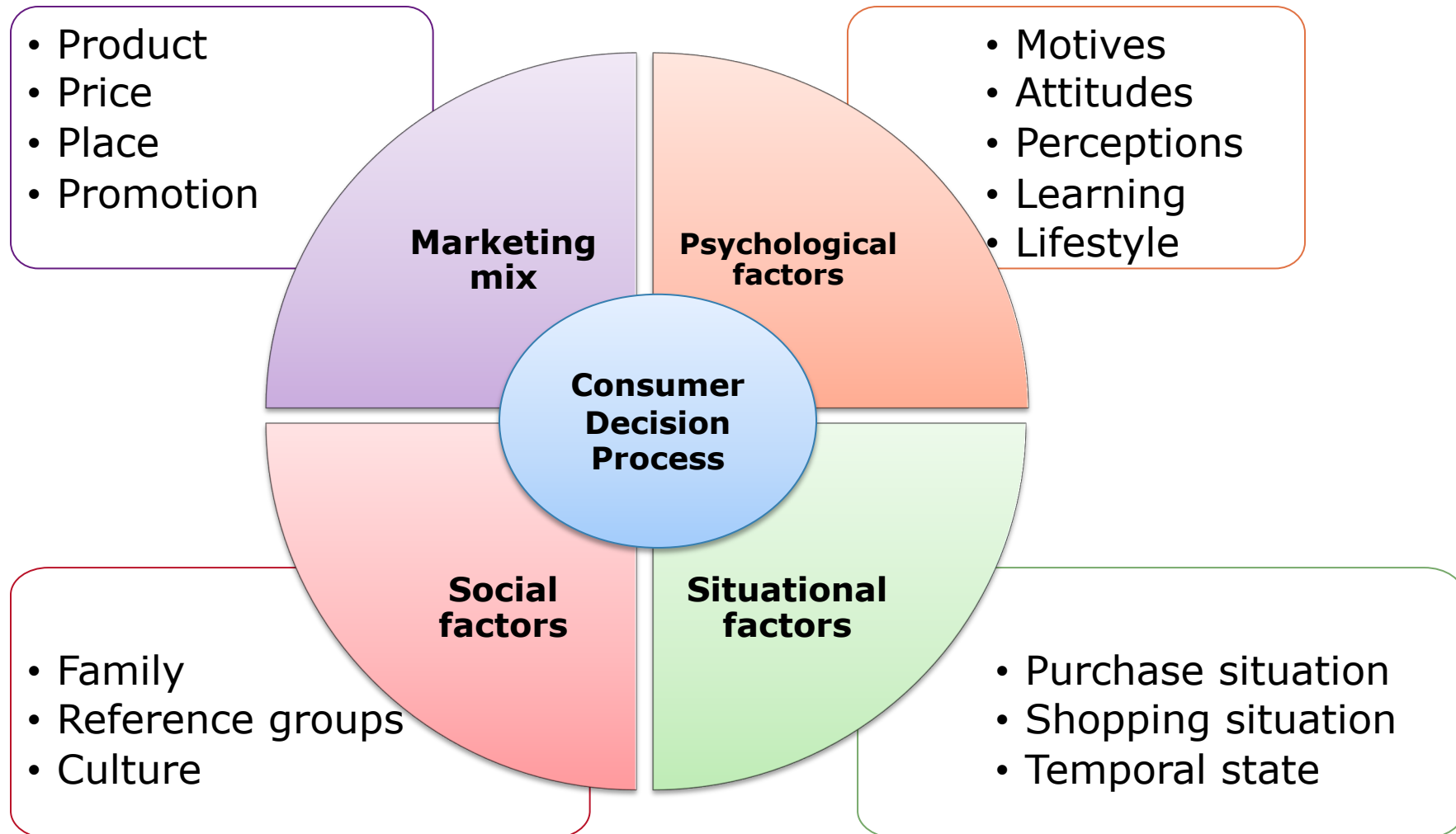
Factors affecting search processes



Perceived
benefits

Perceived costs
(not just price!)

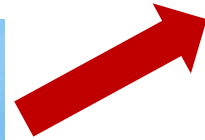
Factors Influencing the Consumer Decision Process (CH 6)



B2B Marketing: The process of buying and selling goods or services to be used in the production of other goods and services, for consumption by the buying organization, or for resale by wholesalers and retailers to consumers.

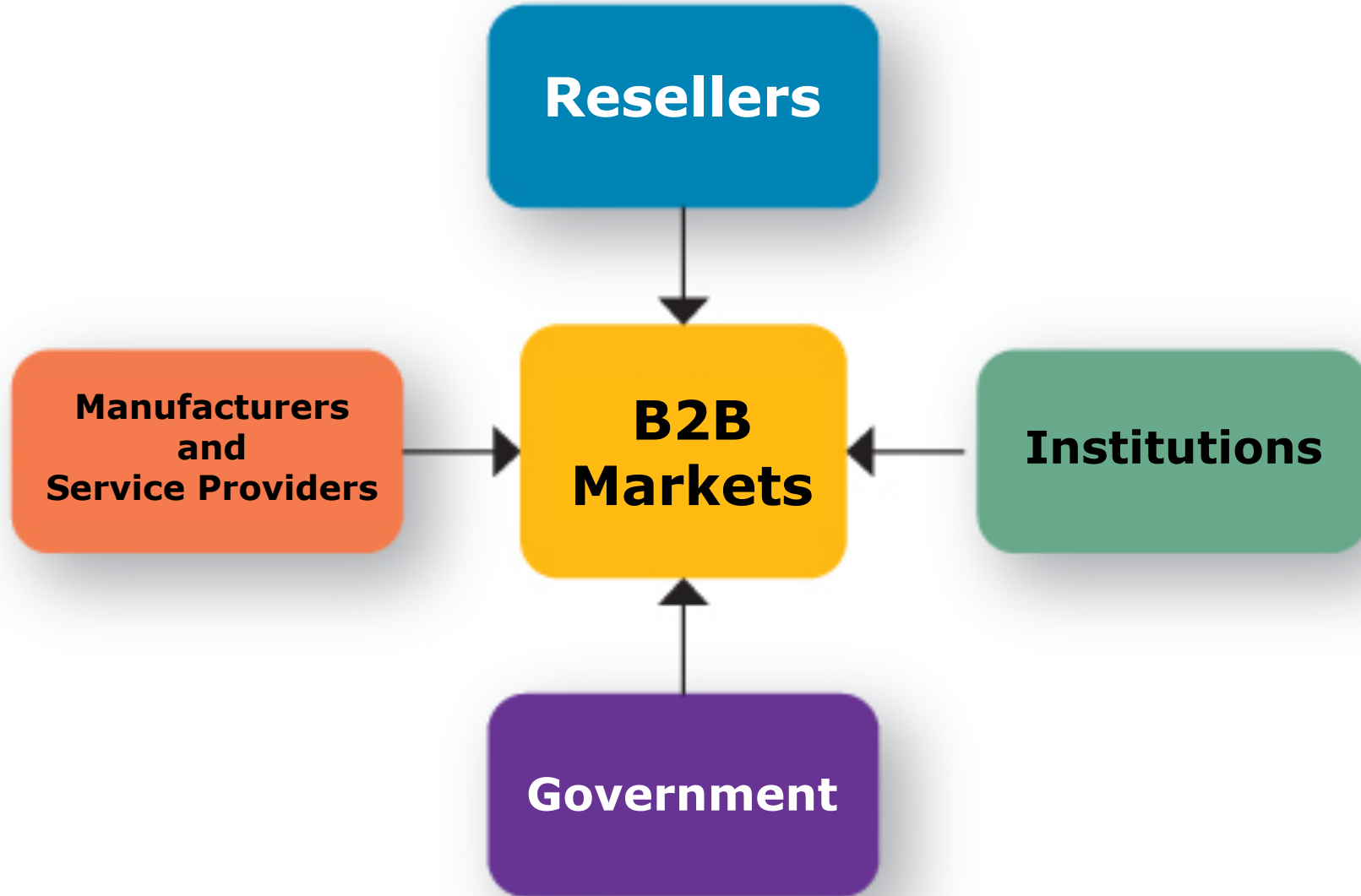
The distinction between B2B and B2C is NOT the product or service itself BUT the **ultimate use** of the product or service

B2B vs B2C (CH 7)

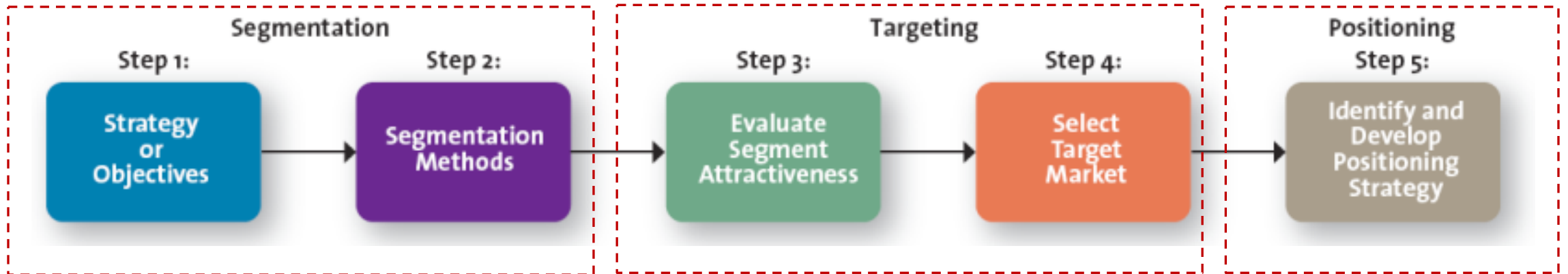


www.alamy.com - DNGAR

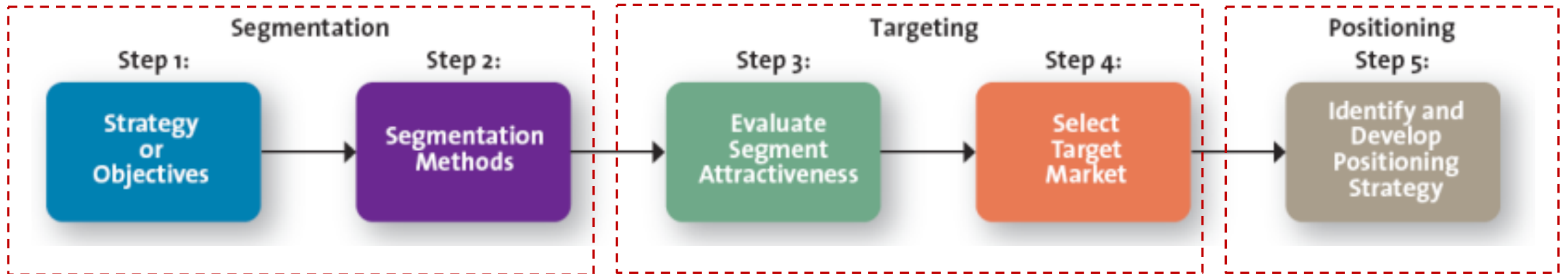




STP Process (CH 9)



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Step 1: Segmentation strategy must be consistent with firm objectives

Step 2: Segmentation methods: geo/demo/psycho/benefits/behavioral

Step 3: Segment attractiveness: substantial/reachable/etc.

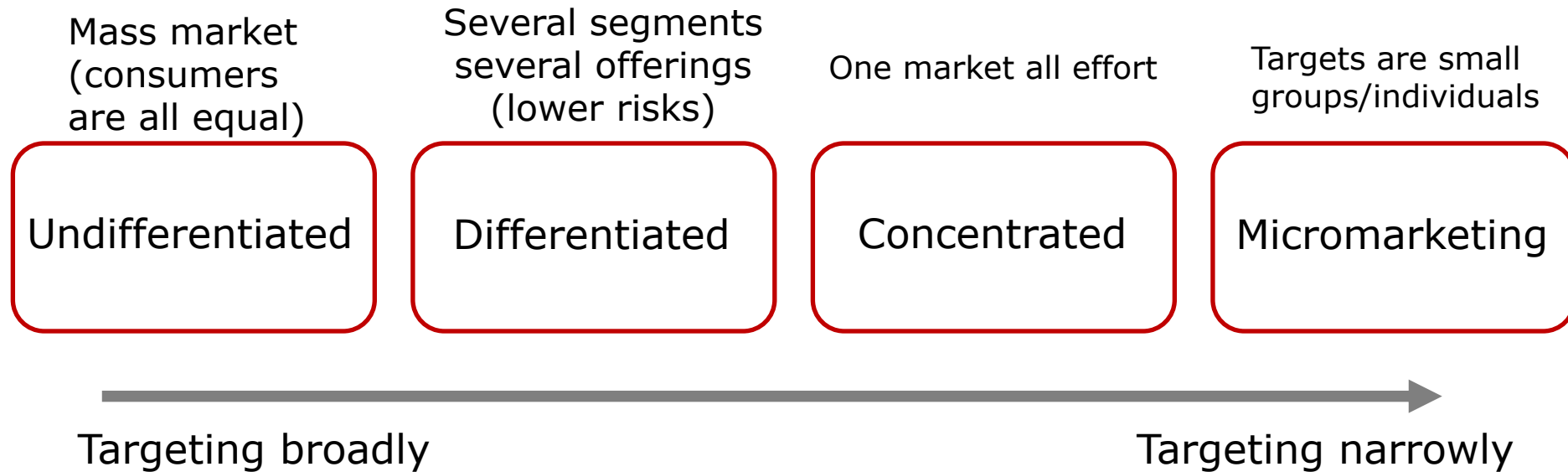
Step 4: Undiff/diff/concentrated/micro

Step 5: Unique value proposition

Step 2: Segmentation Methods

Segmentation Method	Sample Segments
Geographic	Continent: North America, Asia, Europe, Africa. Within the United States: Pacific, mountain, central, south, mid-Atlantic, northeast
Demographic	Age, gender, income
Psychographic	Lifestyle, self-concept, self-values
Benefits	Convenience, economy, prestige
Behavioral	Occasion, loyalty

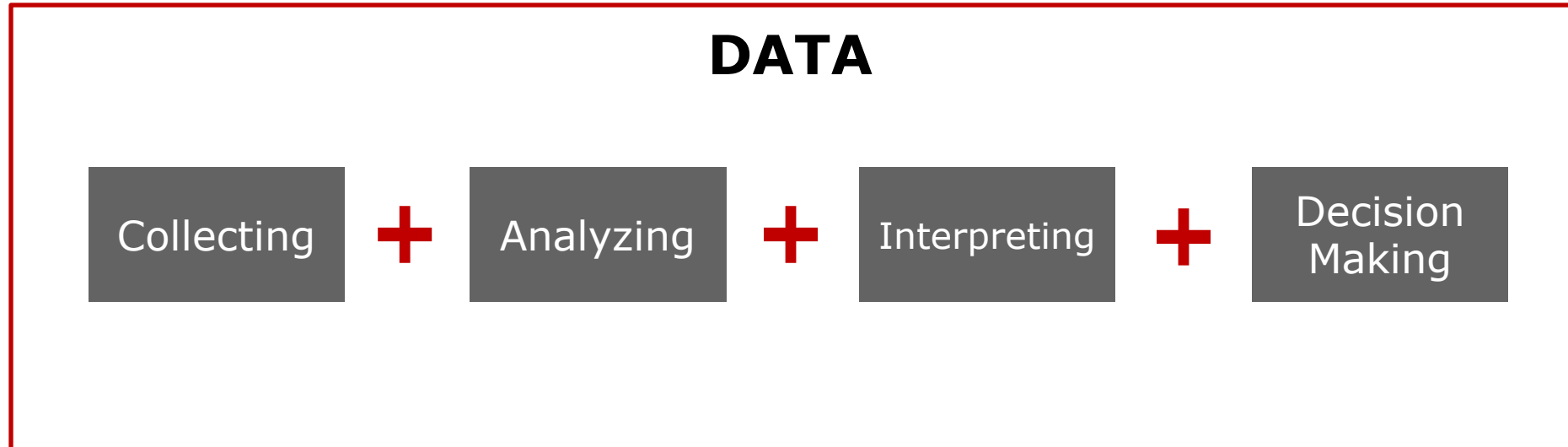
There are several targeting strategies



What sets your product or service apart from the others (**unique value proposition**)? You already offer what they offer, but your company takes it to the next level!

Positioning methods:

- **Value** - e.g., relationship price-quality
- **Salient attributes** (that are most important to the target market)
- **Competition** - some firms choose to position themselves against the competition
- **Symbol** – well-known symbols can be used as a positioning tool



The Marketing Research Process (CH 10)





- Step 1: What are you trying to accomplish
- Step 2: Type of data/research
- Step 3: Survey/experiments/scrape
- Step 4: Datamining/ML/Deep learning
- Step 5: Summary + short presentation

Type of data

- Qualitative
- Quantitative
- Over time
- One instance

Type of research

Panel data: repeated observations of the same individual over time

Cross-sectional data

- The age of your car (Quantitative).
- The number of files on your PC (Quantitative).
- The softness of a cat (Qualitative).
- The color of the sky (Qualitative).
- The number of pennies in your pocket (Quantitative).

Secondary Data – A Closer Look at Some Examples (CH 10)

Syndicated
Data

Syndicated data are data available for a **fee** from commercial research firms such as Information Resources Inc. (IRI), National Purchase Diary Panel (now NPD Group), and Nielsen.

Scanner Data

Scanner data is a type of quantitative data obtained from scanner readings of UPC codes at check-out counters (**receipts**).



<https://www.npd.com/wps/portal/npd/us/home/>
<http://www.iriworldwide.com/>
<http://www.nielsen.com/us/en.html>

- 22) Wanda and Jim are working on a research project to anticipate customer attitudes toward a proposed new product line for their company. They have worked with the marketing manager to determine the answers that are needed and have created a detailed design of the project. Their next logical step will be to
- A) summarize their preliminary conclusions to present to managers.
 - B) analyze the data.
 - C) begin recommending changes to the new product line.
 - D) begin to collect data.
 - E) develop a budget.

Questions

- 22) Wanda and Jim are working on a research project to anticipate customer attitudes toward a proposed new product line for their company. They have worked with the marketing manager to determine the answers that are needed and have created a detailed design of the project. Their next logical step will be to
- A) summarize their preliminary conclusions to present to managers.
 - B) analyze the data.
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 - D) begin to collect data.
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22) D

Explanation: After defining the research objectives and designing the research, the next step is to collect data.

- 13) Adidas Group owns Reebok, Rockport, and TaylorMade brands. Adidas uses the different brands to pursue a(n) _____ strategy.
- A) micromarketing
 - B) differentiated targeting
 - C) benefit targeting
 - D) concentrated targeting
 - E) undifferentiated targeting

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13) B

Explanation: Firms using a differentiated targeting strategy target several market segments with a different offering for each.

- 7) After reviewing the existing data on seasonal spending by his company's customers, Marvin decided he needed new information collected to address his research questions. Marvin will need _____ data to address the questions in his marketing research study.
- A) syndicated
 - B) warehoused
 - C) primary
 - D) secondary
 - E) mined

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- A) syndicated
- B) warehoused
- C) primary
- D) secondary
- E) mined

7) C

Explanation: Because existing secondary data do not answer his questions, Marvin may need to collect primary data.

- 4) Segmentation, targeting, and positioning
- A) are optional elements of a marketing plan.
 - B) are part of the marketing plan but bear little direct relationship to the marketing mix.
 - C) are part of a firm's marketing strategy.
 - D) should be done simultaneously so synergies can help streamline the effort.
 - E) are terms that can be used interchangeably in developing marketing plans.

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4) C

Explanation: The third step of the strategic marketing planning process, following defining the mission and objectives and conducting a situation analysis, is the STP process. Segmentation, targeting, and positioning are not interchangeable concepts—they are three separate steps of the process, and are not executed simultaneously.

- 1) If a firm wants to develop a sustainable competitive advantage, it should
 - A) examine its operations and customer relations to identify significant things competitors cannot easily copy.
 - B) increase its marketing budget so that it outspends its competitors.
 - C) arrange to meet with competitors to discuss how to avoid direct competition.
 - D) copy the innovative features of other firms that are attractive to customers.
 - E) begin an aggressive campaign to buy up competitors.

Questions

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1) A

Explanation: A sustainable competitive advantage comes from doing things that add value and that are not easily imitated by competitors. The other options do not achieve this objective.

- 2) When Ramona, the keynote speaker at a major business leaders' conference, arrived in the middle of the night at the Ritz-Carlton, she was exhausted and her suit was wrinkled from her 10-hour plane trip. The night clerk found someone to dry clean Ramona's suit and have it ready for her morning presentation. She has been a loyal Ritz-Carlton customer ever since. In this example, Ritz-Carlton demonstrated the macro strategy of
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2) B

Explanation: The Ritz-Carlton clerk went to extra trouble to offer excellent customer service, which is one way to pursue a customer excellence strategy.

- 3) Some banks offer special accounts designed to attract junior high school students. These kids save in such small amounts that the accounts cost banks more to maintain than they are worth; however, bankers know that consumers are creatures of habit and hope that the young people they serve now will become adult customers. These banks recognize
- A) that product excellence leads to loyal customers.
 - B) the lifetime value of customers.
 - C) that operational excellence is an important macro strategy.
 - D) that as long as customers bring in some revenue, costs do not matter.
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3) B

Explanation: Viewing customers with a lifetime value perspective rather than on a transaction-by-transaction basis is key to modern customer retention programs.

- 4) Nordstrom, an upscale department store, has a well-known reputation for going the extra mile to serve its customers. This reputation for excellent customer service will *most likely* result in
- A) mission statement satisfaction.
 - B) sustainable price decreases.
 - C) producer excellence.
 - D) a sustainable competitive advantage.
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 - D) a sustainable competitive advantage.
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4) D

Explanation: This is a good example of a potential sustainable competitive advantage based on customer service (i.e., a customer excellence strategy). A sustainable competitive advantage is an advantage over the competition that is not easily copied and can be maintained over a long period of time.

- 5) The automobile manufacturing industry closely watches annual consumer satisfaction surveys. For years, Japanese car companies consistently had the highest levels of customer satisfaction, creating a(n) _____ for these companies.
- A) sustainable competitive advantage
 - B) clear mission statement
 - C) operational advantage
 - D) strategic marketing plan
 - E) diversification strategy

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 - E) diversification strategy

5) A

Explanation: Satisfied customers, if this satisfaction leads to loyalty, are a source of sustainable competitive advantage.