

FALL '93

GRANDE PRAIRIE REGIONAL COLLEGE  
BUSINESS ADMINISTRATION  
COURSE OUTLINE

BA 1090 - INTRODUCTION TO MARKETING

- INSTRUCTOR:** Tom Grainger  
Office: C301  
Tel: 539-2971 (office)  
532-2472 (home)
- TEXT:** Fundamentals of Marketing, Sommers, Barnes, Stanton, McGraw Hill Ryerson, sixth Canadian Edition, 1992.
- PREREQUISITE:** Nil,
- COURSE DESCRIPTION:** The development of a strategic model and its implementation is the prime focus for this introductory course. Using the principles of product price, promotion and place, plus the crucial importance of the consumer, students will develop analytical skills. The case method is the primary learning vehicle.
- COURSE OBJECTIVES:**
- i) To acquaint students with terminology and fundamental concepts of marketing.
  - ii) To solve business problems.
  - iii) To acquaint students with techniques used in defining and selecting target markets.
  - iv) To scope elements of buyer behaviour.
  - v) To survey the components of the marketing mix to outline how the marketing mix relates to target markets.
  - vi) To apply learning via case method.
  - vii) To expose students to group work.
- GRADING:**
- |                    |              |            |                          |
|--------------------|--------------|------------|--------------------------|
| Case/Quiz #1       | (individual) | 10%        |                          |
| Case #2            | (group)      | 10%        |                          |
| Product Quiz       | (individual) | 10%        |                          |
| Case/Quiz #3       | (individual) | 20%        | (equiv to mid-term exam) |
| Case #4            | (group)      | 15%        |                          |
| Final              |              | 20%        |                          |
| Class Contribution |              | 5%         |                          |
| Attendance Bonus   |              | <u>10%</u> |                          |
|                    |              | 100%       |                          |

BA 1090 - INTRODUCTION TO MARKETING

NOTES:

i) Class Contribution

- responses to questions
- questions raised
- interaction with other students
- demonstrated initiative

ii) Cases

A separate handout outlines my expectations for formal, hand-in cases. It is imperative that it be closely adhered to. Case analysis is, for virtually all students, a novel learning experience and accordingly extra time will be spent debriefing it in class. Its worth in an introductory course in marketing is, in my judgement, unquestioned particularly in light of objective ii.

iii) Group Work

Students should note the heavy emphasis on group work. Clearly, the quality of each student's work will be a function of his/her choice of group members. Students are encouraged to choose with whom they work with extreme care.

iv) Stanine System

Conversion from percentages to stanines as follows:

90 - 100%	9
80 - 89%	8
72 - 79%	7
65 - 71%	6
57 - 64%	5
50 - 56%	4
45 - 49%	3
26 - 44%	2
0 - 25%	1

- v) It may be possible to share a textbook with a trusted fellow student. Only material discussed in class will be tested.

**BA 1090 - INTRODUCTION TO MARKETING**

**TESTS:** Only those students who contact me before a test will be permitted to write a supplemental.

- ASSIGNMENTS:**
1. Barring legitimately exceptional circumstances assignments are due by 3:00 p.m. on the due date (or in class for evening course). Late assignments will be docked 10% per school day late for two days after which time they will not be graded. Please note that assignments are late as of 3:05 p.m.
  2. Preferably assignments will be typed. However, so long as they are legible they will be accepted in handwritten form. Illegible papers will be returned unmarked.
  3. At the College level, you are expected to submit assignments which are properly edited, free of spelling and grammatical errors. Assignments with excessive errors may be returned unmarked.
  4. Students are encouraged to discuss cases among themselves. However, unless the case is specifically designed as a group paper, writeups are done independently. Plagiarism will be treated in the harshest possible terms.

**PUNCTUALITY/  
ATTENDANCE:** Classes will start on time and reviews of material already covered will not be provided for late students. Because course success is highly correlated with attendance, a record of attendance will be taken on three occasions during the course (2 x 3 marks + 1 x 4 marks). No after-the-fact excuses will be entertained except for illness supported by a doctor's certificate.

**FINALLY:** The onus is on the student to seek help if required. I shall presume satisfactory progress and comprehension unless I hear to the contrary. There is no shame whatsoever in seeking assistance and I shall happily provide it, but YOU must initiate the process. Please do so early as it is rather difficult to help in a significant way the day before the exam.

BA 1090 - INTRODUCTION TO MARKETING

My office hours are only a guide to my availability. Please feel free to wander in as you see fit.

**COURSE CONTENT:**

Student progress and interest will dictate pace but, in general terms, content will be:

Week #	Topic	Text Chapters	Assignment Due
1	Introduction	1	
2	Introduction	2	
3	Strategic Model	3	Case #1
4	Segmentation	4	
5	Positioning	5	Case #2
6/7	Consumer: Behavioral	6	
8	Product: Classes	8	Quiz
9	Product: Branding, Life Cycle	9/10	Case #3
10	Place	14	
11	Promotion: Introduction	17	
12	Promotion: Advertising, Other	18	Case #4
13	Review		

## ANALYSIS

Definition: To Analyze: to take to pieces, to resolve into elements, to examine critically part by part.

In other words, analysis sheds light on and makes meaningful raw data. Qualitative or quantitative raw data is mere description and as such, is worthless in terms of marks.

The following activities are a partial listing of analytical activities:

- compare and contrast (absolute and relative)
- comments, observations and insights.
- judgements, conclusions and implications
- assessment of value, appropriateness
- cause/effect relations, separation of symptoms and problem
- patters, trends, generalizations
- central tendencies
- use of theory or model to explain data
- etc.

### Example:

a)	Description:	<u>Person</u>	<u>Mark</u>
		Fred	85
		Joe	80
		Susan	50
		Max	45
		Dagmar	40

- b) Analysis
- central tendencies - mean, median, mode, standard, deviation, skew, graph
  - # of fails, % fails
  - # of excellents, % excellents
  - males do better than females
  - those with names with last letter before "f" do better
  - even increments of 0/5
  - etc.

### Summary:

Analysis is the massaging of data with the objective of making the data meaningful and useful. Computers generate data, managers analyze it (or, at least, instruct the computer to analyze it.) It is impossible to make good decisions based on description; analysis is mandatory.

## WRITING STYLE: HINTS FOR STUDENTS

Students have, quite legitimately, complained that my expectations pertaining to written submissions have been vague and/or unrealistic. To address this, please note the following:

1. Colloquialisms - use is discouraged but if appropriate, should be in quotes eg. "max out".
2. Spelling - buy and use a dictionary. In particular, please take note of errors identified and learn from them.
3. Grammar - at the College level, it is presumed that errors of grammar should be rare. In particular, please watch noun/verb agreement.
4. Possessives - a small but telling difference in English quality, eg. the company's assets not companies assets.

5. Recurring Errors -

Correct  
develop  
definite  
rationale  
a lot

Incorrect  
develope  
definate  
rational  
alot

6. Singular/Plural - The following are often confused by business students.

Singular  
datum  
criterion  
appendix  
medium  
*phenomenon*

Plural  
data  
criteria  
appendices  
media  
*phenomena*

7. Structure - Structure is key for 2 reasons:
- i) organized writer's thinking and analysis
  - ii) eases reader's tasks

By structure, I mean a systematic and logical series of titles, subtitles and numbering scheme.

for example:

- A. INTRODUCTION
- B. ANALYSIS
  - 1) Current Situation
    - i) Sales
    - ii) Competition
      - a) Domestic

The importance of structure cannot be over emphasized. Failing to do so creates problems, it does not solve them and no manager I know of would accept a document of more than one page without coherent structure.

FINALLY: purpose or objective statements are invaluable tools and deserve frequent use.

eg. "Our purpose in examining competitive pressures is to highlight their growing intensity ...."

eg. "The objective of minimizing risk by ...."

8. Data - Charts and lengthy calculation should be in appendices. A suggested format for dealing with charts is:

eg. TITLE: Question 10

Raw #	$\frac{1}{6}$	$\frac{2}{4}$	$\frac{3}{5}$	$\frac{4}{2}$	$\frac{5}{4}$	<u>Total</u>
‡	28.6	19.0	23.8	9.5	19.0	99.9

Mean (weighted): 2.71

Conclusions: i) Wide spread suggests .....

Also, histograms (bar charts) are useful visual tools, but should not replace sound analysis.

9. Sundry

- Street language is never acceptable  
eg. sort of, kinda, try and do something
- Point form is acceptable as long as it doesn't approach "punchiness":  
eg. Advantage
  - cheap
- Bullet format (such as sundry section) is another valuable structure tool.
- Unless warranted MUSH words (such as may, perhaps, could, might, etc.) are not acceptable.

HOPE THIS HELPS, (ALOT).



## BA 109 REVIEW (for BA 219)

Product Concept : sell what we've got  
Marketing Concept : .get what we can sell  
.satisfy customers at a profit.

Def'n: Marketing

.Planning and executing the conception, pricing , promotion and distribution of ideas, goods and services that satisfy consumer objectives.  
.Demand Management.  
.Attention to services produced by the product rather than the product.

Marketing Mix: 4 P's and C

Market: 1) set of all present and potential buyers for a product or service. 2) People or organizations with needs, \$, willingness to spend.

Product: "bundle of satisfactions."

Innovation Strategies:

1)

	<u>Present Prods</u>	<u>New Prods.</u>
<u>Present Markets</u>	Penetration	Product Development
<u>New Markets</u>	Market Dev't	Diversification

2) Innovator/Imitator

Segmenter (satisfy one slice very well) vs. Combiner (satisfy more than one slice pretty well) NB. Combine segments not products

Marketing Warfare: leader, challenger, follower, nicher  
defense, offense, flanker, guerrilla.  
see attached- NB. Most cases will use this analysis.

Demographics- necessary but not sufficient.  
Psychographics - not required.

PRODUCT LIFE CYCLE- VITAL- USE IT!!!-see attached.

### CONSUMER BEHAVIOUR

1) Economic Needs (man as utility maximizer)  
.economy of purchase/use  
.convenience  
.efficiency in operation/use  
.dependability in use  
.improvement of earnings  
.reliability of service  
.durability

- .enhancement of productivity.
- 2) Maslow's Hierarchy of Needs: re: bundle of satisfaction.
  - Physiological (survive), Physical Safety/Emotional Security (over time), Social (fitting in), Ego/Self Esteem (sticking out) and Self Actualization (growth and creativity.)
- 3) Perceptions: In the battle for the mind, confusion is the enemy!
  - .selective exposure-what interests us
  - .       "        perception-screen out irrelevancies
  - .       "        retention-don't remember-why ads are repeated
  - i) Interest level vital-are they in the market? AIDA
  - ii) Adoption curve
  - iii) Perceptions from customers point of view-what are their problems, info needs and choice criteria?
- 4) Learning-where on adoption curve-diff. message to diff. level of learning.
  - .impact of trial
  - .degree of brand awareness (rejection, ignorance, indifference awareness, interest, preference, insistence.
  - .education requires deep pockets.
- 5) Attitudes-word of mouth
  - intention to buy
  - "+, -, or neutral leads to very diff. strategies.
  - "Go with what's there and shape it."
- 6) Personality- Activities, Interests, and Opinions (AIO)
  - Psychographics
- 7) Family: who decides?
  - Consumer, Customer, Influencer, Decision Maker, Agent, Financier, Initiator.
  - Stages in consumption patterns- link to demographics.
- 8) Social Class = f(education, occupation, place of residence, and source of income) not income.
  - Class is a state of mind not a state of bank book ie. two consumers with the same \$ of \$ will consume profoundly differently.
  - Targeted class impacts each part of mix as a congruent package.
  - No segment blending.
- Regardless of class
  - 20% are price minimizers (the cheapest)
  - 60% are value maximizers
  - & 20% are quality maximizers (the best)
- 9) Reference Groups-for visibly consumed products and services.
  - impact of others- inner vs. other directed
  - which peers?
  - endorsements and word of mouth
  - innovators/opinion leaders and early adopters critical.

10) Culture and Sub culture - nichemanship

11) Problem Solving Consumer

Awareness, Information Gathering, Evaluation of Alternatives, Decision, Evaluation of Decision (Post purchase reinforcement)

HOW FAST?

Consumer : Extensive, Limited and Routine

Industrial : New Task, Modified Rebuy, Straight Rebuy

-----  
Segmentation - Required in every case

- .homogeneous within
- .heterogenous among
- .useable, accessible and big enough to be profitable.

YOUR PERCEPTION OF MARKET.

Positioning - Required in most cases

- .location in the mind
- .niches in the mind
- .unique selling proposition
- .who the real competition is.

THEIR PERCEPTION OF YOU AND OF COMPETITION.

N.B. Marketing warfare position is a different concept to this in that it looks at competitive roles within a market.

Product - Product Life Cycle (for industry)

- Goods Class - Convenience (impulse, staple, emergency)
  - Shopping (Hetero, Homo)
  - Specialty
  - Unsought (New and Regularly)

- Branding - continuum (differentiation)

Place = Channel of Distribution - draw a map!

- .Intensity - intensive, selective, exclusive.
- .Vertical Integration - Fwd - closer to customer
  - backwd - closer to raw material
- .Channel Captaincy - who calls the shots
- .Co-operation Opportunities - partnerships
- .push to channel, pull to consumers
- .care and feeding of middlemen is VITAL.
- .direct vs. indirect.

Promotion = Blend of Mass Advertising, Personal Selling, Publicity, and Sales Promotion.

.How much and what type = f (PLC, S, competition, adoption curve, target <channel or consumers>, product class) - consumer needs.  
Can't judge a piece of communication without knowing Target Market (TM) and objectives.

Ad types- Pioneer, Competitive (Direct and Indirect), Comparative, and Reminder.

Price-consumer oriented  
-profit oriented  
-cost oriented  
-competition oriented.

The lazy way to market share is the cut price.

---

Break even analysis  $B/E = \text{Fixed Costs divided by Contribution Margin}$

An excellent reality test!!!!!!!!!!!!!!

It is my assumption that these terms and tools are meaningful to you and that they be USED frequently and where appropriate.

## MARKETING WARFARE STRATEGIES

### DEFENSIVE: LEADER

- .only leader plays defense
- .best defense is a good offense, therefore, be aggressive against nibblers
- .block strong competitive moves quickly and overwhelming (no more Mr. Nice Guy!)

### OFFENSIVE: CHALLENGER

- .main consideration is the strength of the leader
- .attack weaknesses of leader (where vulnerable)
- .attack on a narrow front (where you are strong)
- .requires enormous and sustained effort- no half measures

### FLANKING: FOLLOWER

- .move into uncontested areas
- .tactical surprise-no testing or telegraphing
- .pursuit is as critical as the attack itself-keep pushing
- Trap-don't emulate leader if successful ie. no long thin lines; continue to concentrate forces in overpowering mass.

### GUERRILLA: NISHER

- .find niche small enough to defend (take crumbs too small for others to care about)
- .be ready to "bug out" at a moments notice to conserve forces to fight again.
- .94% of market fighters ought to be guerrillas.

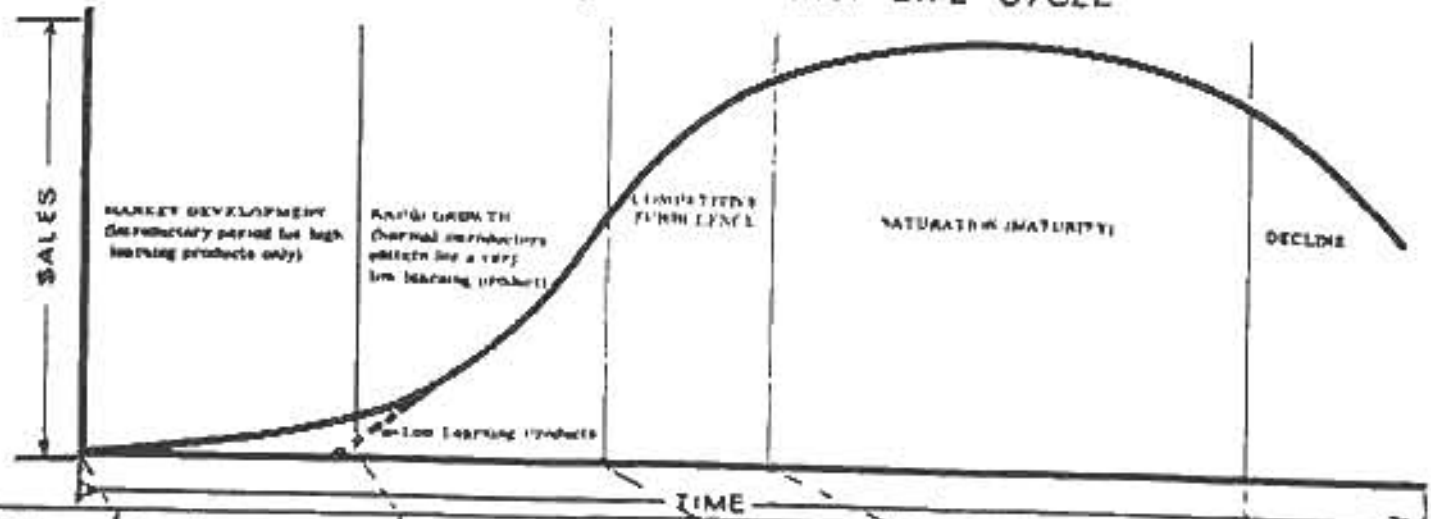
### 5 QUESTIONS

- 1)What position do we own in the mind? Via research.
- 2)What position do we want?
- 3)Whom must we outgun? What strengths and weaknesses? Who leads?
- 4)Do we have enough ammunition and WILL? (to get mind share)
- 5)Can we stick it out for the long term?

### AXIOMS

Start with what's in the mind.  
Product ladders-leader gets twice business as 2nd who gets twice 3 rds. Only 7 brands in a HIGH interest area.  
Cherchez les creneux- available "holes" in the mind.

# DYNAMIC COMPETITIVE STRATEGY & THE MARKET LIFE CYCLE



STRATEGY OBJECTIVE	MARKET DEVELOPMENT (Differentiation period for high learning products only)	RAPID GROWTH (Normal introductory products for a very low learning product)	COMPETITIVE TURBULENCE	SATURATION (MATURITY)	DECLINE
STRATEGY OBJECTIVE	Optimize learning requirements, locate and reward offering benefits quickly, develop independent awareness of benefits, and gain trial by early adopters	To establish a strong brand market and distribution early as quickly as possible	To maintain and strengthen the market with a balanced through dealer and consumer loyalty	To defend brand position against competing brands and product category or generic other market offerings, through consumer education to product (performance, availability and fresh presentation) and distribution attributes	To make the offering dry of all possible profit
CUTBACK FOR COMPLIANCE	None is likely to be required in the early, differentiable stage	Early emphasis of business agencies and retailers	Price and distributional incentives in the industry, making out the weaker competitors	Continued stabilized, pay off to new entrants. Market aware relatively stable and aware with a brand share substantial added perceived value through service, self-improvement or price repositioning	Similar competition declining and dropping use because of decrease in consumer interest
PRODUCT DESIGN OBJECTIVE	Limit number of models with physical product and offering design both focused on maximizing learning requirements. Design ease- and size-engineered to appeal to model receptive segment. Utmost attention to quality control and quick elimination of market-oriented defects in design	Modular design to facilitate flexible addition of features to general to early use without and new entry view as late as desirable	Manufacture attention to product improvement, rightening up of line to eliminate unnecessary complexity with little market appeal	A consistent plan for market repositioning opportunities through other low cost and price-reduction of new models or major product changes. <u>Introduction of newer models</u> . Continued attention to opportunities for product improvements and cost cutting. Recognition of necessity of design improvements	Constant pricing of line to eliminate pay items for returning a direct profit
PRICING OBJECTIVE	To ensure the maximum of value perception learning and to match the value reference perception of the most receptive audience. High trade discounts and skimming desirable	A price line for every year, from low-end to premium models. Customary trade discounts. Aggressive promotional pricing, with price cut as fast as possible due to accumulated gross dollar sales. Intensive use of sampling	Increased attention to market-impacting and promotional pricing opportunities	Price repositioning whenever demand peaks and competitive strategies permit. Intensity pricing to attract product category franchise. Search for incremental offering opportunities, including price level changes, to level volume and gain an experience advantage	Importance of price level pricing with complete disregard of any effect on market share
PROMOTIONAL GUIDELINES <u>Communications Objectives</u>  <u>Most valuable media use</u>	to create widespread awareness and understanding of offering benefits in their trial by early adopters  in order of value: - Personal - Personal sales - Mass communications	Create and strengthen brand preference among trade and final users. Stimulate general trial  Mass media Personal sales Sales promotion, including sampling Publicity	Maintain consumer focus and strengthen it as early as possible  Mass media Trade communications Personal selling to dealers Sales promotion Publicity	Maximize consumer and trade loyalty, with strong emphasis on dealers and distributors. Promotion of direct user testimony  Mass media Dealer-oriented promotion	Phase out, keeping just enough to maintain predictable distribution  Cut down all media - the better to enter promotional - buy sale
DISTRIBUTION POLICY	Exclusive or selective, with distributor margins high enough to justify heavy promotional spending	Intensive and efficient, with dealer margins just high enough to keep them interested. Close attention to rapid receipt of distributive space and rapid accumulation of gross sales	Intensive and efficient, with strong emphasis on keeping dealer well equipped, fed with technique and effort to keep	Intensive and efficient, with strong emphasis on keeping dealer well equipped, fed with technique and effort to keep	Phase out outlets as they become marginal
INTELLIGENCE FOCUS	To identify critical developing competitors and to uncover any product weaknesses	Deceased attention to brand position, to place in model and market context, and to opportunities for market segmentation	Close attention to product weaknesses, to market-leader changes, and to possible fresh promotional themes	Close analysis of competitors' strategies. Rigorous monitoring of change in use patterns and possible product improvements. Sharp alert for potential new technological and new international competition at other signs of beginning product decline	Intensive effort to identify the date at which the product should be phased out

Copyright © 1978 by Chester R. Masson. Based on Masson, DYNAMIC COMPETITIVE STRATEGY & PRODUCT LIFE CYCLES, Challenge Books, St. Charles, Ill., 1974, and Austin Press, P. O. Box 9774, Austin, Texas 78766, in 1978.

NOTE: Strictly speaking, this is the cycle of the category market, and only a high learning introduction passes through all phases indicated above. The term, product life cycle, is sometimes applied indiscriminately to both brand cycles and category cycles. Most new brands are only emulative of other products already on the market, have a much shorter life cycle than the product category, and must follow a strategy similar to any low-learning product.

## CASE METHOD

This course used the case method as the primary learning testing vehicle. It is, therefore, crucial that students be conversant with my expectations.

### A) FORMAT

The following major headings should be used:

PROBLEM: •concise  
•in the form of a question  
•open ended so as to not eliminate alternatives

EXECUTIVE SUMMARY short paragraph which summarizes recommendations provides a "sneak preview" of direction and bias

ALTERNATIVES numbered and stated concisely

### ANALYSIS

- a) Consumer behaviour
- b) Current Mix - Product
  - Price
  - Promotion
  - Place

N.B. appropriateness **MUST** be assessed

- c) Other - financial, preferences of management, anything else which helps in analysis of alternatives, etc.
- d) Alternatives - advantages disadvantages plus explanatory notes.
- e) Summary - not always required if one alternative is clearly superior.

RECOMMENDATIONS - numbered and action oriented  
**MUST "solve" problem**

### B) REQUIREMENTS

Written case analyses should:

- a) be typed and double-spaced on one side of unlined 8 1/2 x 11" paper, or be handwritten legibly. Illegible papers will be returned ungraded.
- b) show pages numbered consecutively
- c) have pages held together in a booklet or stapled together in the upper left hand corner
- d) be free of errors in grammar, spelling and punctuation.

## REQUIREMENTS (continued)

- e) be written clearly and succinctly. Brevity is strenuously encouraged but not at the expense of sound and complete analysis
- f) fully document in footnotes, all sources which are quoted or referred to
- g) employ accepted form for any footnotes, charts, tables or bibliography
- h) present lengthy calculations, in appendices rather than in the body of the report.
- i) have a title page
- j) be clearly and logically organized around headings, eg., PROBLEM, Market, i) Consumer
- k) have a table of contents
- l) be submitted on time. Only extremely exceptional circumstances will justify a late case.

## C) SUGGESTIONS

- a) absorb and think about the case over a period of time; avoid starting "cold" shortly before the due date
- b) remember that you are not required to agree with the opinions expressed by individuals in the case
- c) be sure that your case rests on a close analysis of the market
- d) bring to bear other material from the course where it is relevant and useful. Use of terms and analytical techniques are strongly encouraged
- e) feel free to discuss the case with others in the class
- f) consult other sources such as businessmen and trade literature if you wish, but it is not expected of you



SUGGESTIONS (continued)

- g) quantify wherever possible
- h) where it is necessary to make certain assumptions in order to proceed with your analysis, identify them as such and show why they are reasonable
- i) remember that since there is no single "right" answer to a case, you are merely expected to show what course of action, all things considered, would appear to be the best--and why
- j) remember that calling for more information is usually a ploy to postpone hard thought. Therefore before making such a recommendation verify that you have "squeezed" the information at hand, and be sure that the company can afford to wait for the time that it would take to obtain it; then specify in detail what information should be obtained
- k) design your report for a busy, perceptive, demanding and action-oriented company management
- l) assume that the reader of your report is fully familiar with the facts as they are presented in the case.
- m) get briskly to the point by avoiding windy preliminaries
- n) write economically by eliminating verbiage, duplication, and baroque sentences
- o) be sure that you have dealt with all of the major reasonable alternatives to the course of action you recommend
- p) if you can't write correct English, enlist a knowledgeable and punctilious person to purge your report of errors in spelling, grammar and punctuation

Plagiarism is the taking of ideas and exact words of another and the offering of them as one's own. Plagiarism specifically consists of copying verbatim from a book, magazine, etc; using someone else's ideas (theory, interpretation, etc.); handing in a paper written by someone else.

Plagiarism is a deceitful practice which is unbecoming of any professional business person. And it is not to be tolerated.

The Department of Administrative Studies is concerned about plagiarism within our program. As instructors we encourage students to use resources whether primary or secondary to support or refute positions they may take. If resources are used, if ideas are borrowed, if someone's exact words are used, the students should document their sources.

If an instructor suspects a student of plagiarism, he or she may:

- 1) wish to discuss the situation with the student
- 2) try to find the original source

If an instructor accuses a student of plagiarism, he or she may assign:

- 1) a "0" for the assignment
- 2) a "F" for the course

If a student accused of plagiarism wishes to contest the charge he/she should

- 1) discuss the problem with the instructor
- 2) discuss the situation with the Chairman of the department
- 3) appeal to the Executive Committee of Academic Council