

INSTRUCTOR MANUAL

MKTG, 13th Edition, Charles W. Lamb

Chapter 1-19

Chapter 1

Table of Contents

Purpose and Perspective of the Chapter	2
Cengage Supplements.....	2
Learning Outcomes	2
Complete List of Chapter Activities and Assessments	2
Key Terms.....	4
What's New in This Chapter.....	5
Chapter Outline	5
Discussion Questions.....	11
Additional Activities and Assignments.....	11
Additional Resources	16
External Videos and Playlist.....	16
Appendix	17
Generic Rubrics	17
Standard Writing Rubric	17
Standard Discussion Rubric	18

Purpose and Perspective of the Chapter

The purpose of this chapter is to define marketing, which is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. The chapter introduces four types of marketing philosophies: production-orientation, sales orientation, market-orientation, and societal marketing orientation. It differentiates between sales- and market-oriented firms. Finally, the chapter provides several reasons why marketing is important to study, including its role in the allocation of goods and services, understanding businesses, creating career opportunities, and becoming an informed consumer.

Cengage Supplements

The following product-level supplements provide additional information that may help you in preparing your course. They are available in the Instructor Resource Center.

- Transition Guide (provides information about what's new from edition to edition)
- Educator's Guide (describes assets in the platform with a detailed breakdown of activities by chapter with seat time)
- PowerPoint (provides text-based lectures and presentations)
- Test Bank (contains assessment questions and problems)
- Guide to Teaching Online (provides information about the key assets within the product and how to implement/facilitate use of the assets in synchronous and asynchronous teaching environments)
- Accelerated Course Syllabus (provides guidance on the recommended delivery of course materials given a 5-week, 8-week, 12-week, and 16-week course)
- MindTap User Guide (provides information on how to navigate and use MindTap)

Learning Outcomes

The following learning outcomes are addressed in this chapter:

- 1-1 Define the term *marketing*.
- 1-2 Describe four marketing management philosophies.
- 1-3 Discuss the differences between sales and market orientations.
- 1-4 Describe several reasons for studying marketing.

Complete List of Chapter Activities and Assessments

For additional guidance refer to the Teaching Online Guide.

Learning Outcome	PPT slide	Activity/Assessment	Duration	Certification Standard
N/A		MindTap: Why Does Marketing Matter to Me?	5 minutes	BUSPROG: Reflective Thinking DISC: Customer
1-1		MindTap: Learn It 1-1: What Is Marketing?	5 minutes	BUSPROG: Analytic DISC: Marketing Plan
1-2		MindTap: Learn It 1-2: Marketing Management Philosophies	5-10 minutes	BUSPROG: Analytic DISC: Marketing Plan
1-3		MindTap: Learn It 1-3: Differences Between Sales and Market Orientations	15 minutes	BUSPROG: Analytic DISC: Customer
1-4		MindTap: Learn It 1-4: Why Study Marketing	5 minutes	BUSPROG: Analytic DISC: Marketing Plan
1-1 – 1-4		MindTap: Assignment	25 minutes	BUSPROG: Analytic DISC: Marketing Plan
1-1 – 1-4		MindTap: Case Activity	15 minutes	BUSPROG: Analytic DISC: Strategy
1-1	3	Icebreaker in PPT	5 minutes	BUSPROG: Reflective Thinking DISC: Marketing Plan
1-2	19	Discussion in PPT	10 minutes	BUSPROG: Analytic DISC: Customer
1-2	21	Group Activity 1 in PPT	20-25 minutes	BUSPROG: Ethics DISC: Research
1-3	42	Knowledge Check in PPT	5 minutes	BUSPROG: Analytic DISC: Strategy
1-4	45	Group Activity 2 in PPT	20-25 minutes	BUSPROG:

				Communication DISC: Research
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[\[return to top\]](#)

Key Terms

Big Data: the discovery, interpretation, and communication of meaningful patterns in data.

Customer relationship management (CRM): a company-wide business strategy designed to optimize profitability, revenue, and customer satisfaction by focusing on highly defined and precise customer groups.

Customer satisfaction: customers' evaluation of a good or service in terms of whether it has met their needs and expectations.

Customer value: the relationship between benefits and the sacrifice necessary to obtain those benefits.

Empowerment: delegation of authority to solve customers' problems quickly—usually by the first person the customer notifies regarding a problem.

Exchange: people giving up something in order to receive something else they would rather have.

Market orientation: a philosophy that assumes that a sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product; it is synonymous with the marketing concept.

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

Marketing concept: the idea that social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting organizational objectives.

On-demand marketing: delivering relevant experiences, integrated across both physical and virtual environments, throughout the consumer's decision and buying process.

Production orientation: a philosophy that focuses on the internal capabilities of the firm rather than the desires and needs of the marketplace.

Relationship marketing: a strategy that focuses on keeping and improving relationships with current customers.

Sales orientation: the belief that people will buy more goods and services if aggressive sales techniques are used and that high sales result in high profits.

Societal marketing orientation: the idea that an organization exists not only to satisfy customer wants and needs and to meet organizational objectives but also to preserve or enhance individuals' and society's long-term best interests.

Teamwork: collaborative efforts of people to accomplish common objectives.

[\[return to top\]](#)

What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

- New example of marketing concept using Harley Davidson
- New example of societal marketing concept using CVS
- New example of role of training using Atlantic Health Systems
- New example of American Express, Ikea, and Patagonia's mission statements
- New discussion of Big Data with examples using Sweetgreen, Inc.
- New discussion of the elements of value

[\[return to top\]](#)

Chapter Outline

In the outline below, each element includes references (in parentheses) to related content. "LO CH-##" refers to the chapter learning outcome; "PPT Slide #" refers to the slide number in the PowerPoint deck for this chapter (provided in the PowerPoints section of the Instructor Resource Center); and, as applicable for each discipline, accreditation or certification standards ("DISC"). Introduce the chapter and use the Ice Breaker in the PPT if desired, and if one is provided for this chapter. Review learning outcomes for Chapter 1. (PPT Slide 2).

1. What Is Marketing? (LO 1-1, PPT Slide 4, DISC: Marketing Plan)
 - a. There are two important facets to marketing:
 - It is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction.
 - It is an organizational function and a set of processes used to implement this philosophy.
 - b. **Marketing** is defined as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
 - c. The most important purpose of marketing is to facilitate an **exchange**—in other words, people giving up something in order to receive something else they would rather have.
 - d. An exchange does not always involve money, but it does require the following five conditions:
 - There must be at least two parties.
 - Each party has something that might be of value to the other party.
 - Each party is capable of communication and delivery.
 - Each party is free to accept or reject the exchange offer.

- Each party believes it is appropriate or desirable to deal with the other party.

Even when all of these conditions are met, an exchange may not necessarily take place.

2. Marketing Management Philosophies (LO 1-2, PPT Slide 8, DISC: Marketing Plan)
 - a. There are four competing philosophies that strongly influence an organization's marketing processes: production orientation, sales orientation, market orientation, and societal marketing orientation.
 - b. **Production Orientation:** A **production orientation** philosophy focuses on the internal capabilities of the firm rather than on the desires and needs of the marketplace. In a production orientation environment focused on creating products, management assesses its resources and asks questions like: "What can we do best?" "What can our engineers design?" "What is easy and profitable for us to produce, given our equipment?"

Example: Most traditional furniture stores carry the same styles and varieties of furniture that they have carried for many years. Regardless of what customers may be looking for, they will find the same types of products sold in the same configurations at the same price points. Furniture has always been a production-oriented industry, and it continues to work because what they produce matches customer expectations.

In a production-oriented service organization, managers ask, "What services are most convenient for us to offer?" and "Where do our talents lie?"

- c. **Sales Orientation:** A **sales-orientation** is based on the belief that people will buy more goods and services if aggressive sales techniques are used. High sales result in high profits, and marketing basically means selling things and collecting money. However, without a focus on meeting customer wants and needs, sales-oriented companies may find that even the most talented salespeople cannot convince people to buy goods or services.
- d. **Market Orientation:** A market orientation environment employs the **marketing concept**, which states that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting organizational objectives. A business is defined by the customers' perceived value in its products or services.
 - The marketing concept includes:
 - Using customer wants and needs to distinguish an organization's product(s) from competitors' offerings
 - Integrating all of the organization's activities, including production, to satisfy customer wants
 - Achieving long-term goals for the organization by satisfying customer wants and needs ethically and legally
- e. Success in marketing comes from developing a thorough understanding of a firm's customers and competition, its distinctive capabilities that enable the company to execute plans on the basis of this customer understanding, and knowledge of how to deliver the desired experience using and integrating all of the resources of the firm.

Example: Harley-Davidson fans told the organization they wanted bikes that were lighter and more powerful that handled better. The company responded with the Softail line of bikes, which meets all of these customer needs and preferences.

- f. Market-oriented organizations also focus on knowing competitors' strengths and weaknesses, both currently and as predicted in the future.

Example: Specialty clothing store American Apparel has experienced numerous store closings and a bankruptcy filing because it failed to adopt methods used by its fast-fashion competitors, particularly Zara and H&M. These organizations offer consumers up-to-date fashions more quickly and at more affordable prices.

- g. **Societal Marketing Orientation:** The **societal marketing orientation** extends the marketing concept. This philosophy states that organizations should not only work to satisfy customer wants and needs and to meet organizational objectives but should also seek to preserve or enhance individuals' and society's long-term best interests. The application of this philosophy can be seen in products and containers that are less toxic than normal or made of recyclable materials. This concept explains why the American Marketing Association's definition of *marketing* includes "society at large" as one of the constituencies for which marketing seeks to provide value.

Example: National drugstore chain CVS has taken several steps to help solve the nation's opioid crisis. It has enhanced opioid utilization management protocols, installed hundreds of new drug disposal collection units in its pharmacies, and is educating its pharmacists on the dangers of opioids and other prescription drugs.

- h. **Who Is in Charge?** When customers started using the Internet and social media to access information, goods, and services, power began to shift from manufacturers and retailers to consumers and business users. Customers now use their widespread knowledge to shop smarter, and they are exercising their newfound power in myriad ways. In response, companies must offer distinct and compelling customer value. This can be accomplished only by using customer-driven market insights to inform and guide companies' decisions.

3. Differences Between Sales and Market Orientations (LO 1-3, PPT Slide 23, DISC: Marketing Plan)

- a. It is useful to study the differences between sales and market orientations by comparing five key characteristics: the organization's focus, the firm's business, those to whom the product is directed, the firm's primary goal, and the tools used to achieve the organization's goals.
- b. **The Organization's Focus:** Historically, sources of competitive advantage included technology, innovation, and economies of scale, and they were derived from an internal focus. Today, many successful firms derive their competitive advantage from an external, market-oriented focus.
- c. **Customer value** is the relationship between benefits and the sacrifice necessary to

obtain those benefits. It is not simply a matter of high quality. Value is something that shoppers of all markets and at all income levels look for, mainly because customers value goods and services that are of the quality they expect and that are sold at prices they are willing to pay.

Example: Operating under the banner of “enlightened hospitality,” Shake Shack is a fast-casual burger restaurant that targets people who care about the food’s taste and source and are willing to pay higher-than-average prices for burgers made from humanely raised, antibiotic- and hormone-free meat. The company also pledges not to use genetically modified organisms (GMOs) in its hamburger buns and is known for superior service.

- d. **Customer satisfaction** refers to the customers’ evaluation of whether a good or service has met their needs and expectations. Failure to meet needs and expectations results in dissatisfaction with the good or service. In firms that have a reputation for delivering high levels of customer satisfaction, everyone from top management on down understands the link between their job and satisfied customers.
- e. Companies can expand market share in three ways: attracting new customers, increasing business with existing customers, and retaining current customers. Building relationships with existing customers directly addresses two of the three possibilities and indirectly addresses the other. **Relationship marketing** is a powerful strategy that focuses on keeping and improving relationships with current customers.
- f. Most successful relationship marketing strategies depend on:
 - Customer-oriented personnel: Any person, department, or division that is not customer oriented weakens the positive image of the entire organization.

Example: Costco believes that treating employees well is a major factor in creating customer-oriented personnel focused on good customer service. The company offers higher-than-average pay and generous benefits. As a result, the retention rate for employees who have been there a year is 94 percent—significantly higher than that of its competitors.

- Effective training programs: Employee training in customer service, relationship building, and more help spark innovation and engagement within the company.
- Employees with the authority to make decisions and solve problems: Empowered employees manage themselves, are more likely to work hard, account for their own performance and that of the company, and take prudent risks to build a stronger business and sustain the company’s success.

Example: In order to empower its workers, Ritz-Carlton luxury hotels developed a set of 12 “Service Values” guidelines, which include statements like “I am empowered to create unique, memorable and personal experiences for our guests” and “I own and immediately resolve guest problems.” Employees review and discuss the guidelines daily.

- Teamwork: Job performance, company performance, product value, and customer

satisfaction all improve when people in the same department or work group function as a team, assisting each other and emphasizing cooperation instead of competition.

- g. **The Firm's Business:** A sales-oriented firm defines its business (or mission) in terms of goods and services, whereas a market-oriented firm defines its business in terms of the benefits its customers seek.

Example: Microsoft's original mission was "A computer on every desk and in every home." This is typical of a product-centered, sales-oriented firm. Microsoft's current mission is "To empower every person and every organization on the planet to achieve more." The focus is now on the benefit to the customer.

- h. By answering the question "What is this firm's business?" in terms of the benefits customers seek, market-oriented firms gain three important advantages:
- Ensures the firm keeps focusing on customers
 - Encourages innovation and creativity
 - Stimulates an awareness of ever-changing customer desires and preferences
- i. **Those to Whom the Product Is Directed:** A sales-oriented organization targets its products at "the average customer," but a market-oriented organization understands that there is no "average" customer, so it focuses on specific groups of people who are fairly similar in terms of selected characteristics. Because these different customer groups want different features or benefits, the firm will develop different goods, services, and promotional appeals.

Example: The Nordstrom department store chain is trying to attract millennial shoppers, who typically avoid department stores, with themed pop-up shops, shop-in-shops featuring new fashion designers, and branded concept shops.

- j. **Customer relationship management (CRM)** is a strategy designed to optimize profitability, revenue, and customer satisfaction by focusing on highly defined and precise customer segments. This is accomplished by organizing the actions of the entire company around those segments, establishing and tracking customer interactions with the company, fostering customer-satisfying behaviors, and linking all processes of the company from its customers through its suppliers.
- k. Companies using CRM systems customize their product and service offerings based on "big data" generated through interactions between the customer and the company. This strategy transcends all functional areas of the business, producing an internal system in which all of the company's decisions and actions are a direct result of customer information.

Example: Sweetgreen Inc., a California-based salad chain, uses a mobile app to gather data on their guests' allergies and tastes. When guests place mobile orders, they are asked to select from a list of dietary restrictions that includes soy, nuts, and gluten. Selections cause menu items containing those ingredients to be flagged so the guests know to avoid them. Insights from data are also used to shape future menus.

- l. As technology evolves and becomes more sophisticated, consumer expectations of their buying-related experiences have changed. Consumers:
 - Want to interact anywhere, anytime
 - Want to do new things with varied kinds of information in ways that create value
 - Expect data stored about them to be targeted specifically to their needs or to personalize their experiences
 - Expect all interactions with a company to be easy

In response to these expectations, companies are developing new ways to integrate and personalize each stage of a customer's decision journey, which in turn should increase relationship-related behaviors. For this type of **on-demand marketing** to be successful, companies must deliver high-quality experiences across all touch points with the customer, including sales, service, product use, and marketing.

- m. **The Firm's Primary Goal:** Sales-oriented organizations emphasize making sales at any cost. By contrast, the ultimate goal of most market-oriented organizations is to make a profit by creating customer value, providing customer satisfaction, and building long-term relationships with customers.
 - n. **Tools the Organization Uses to Achieve Its Goals:** Sales-oriented organizations seek to generate sales volume through intensive promotional activities, mainly personal selling and advertising. Market-oriented organizations recognize that all four components of the marketing mix are important: product decisions, place (or distribution) decisions, promotion decisions, and pricing decisions. Additionally, market-oriented organizations recognize that skills and resources throughout the organization are needed to create, communicate, and deliver superior customer service and value.
 - o. **A Word of Caution:** This comparison of sales and market orientations is not meant to belittle the role of promotion nor of personal selling. Promotion is the means by which organizations communicate with present and prospective customers about the merits and characteristics of their organization and products and continues to play an essential role in effective marketing in all organizations.
4. Why Study Marketing? (LO 1-4, PPT Slide 43, DISC: Marketing Plan)
 - a. **Marketing Plays an Important Role in Society:** Think about how many exchanges or transactions are needed each day to feed, clothe, and shelter the U.S. population. Despite the enormity of the system, it works quite well, partly because the system efficiently distributes the output of farms and factories and partly because marketing makes products and related services readily available.
 - b. **Marketing Is Important to Businesses:** Marketing contributes directly to achieving the fundamental objectives of most businesses: survival, profits, and growth. All businesspeople, regardless of specialization or area of responsibility, need to be familiar with the terminology and fundamentals of accounting, finance, management, and especially marketing since virtually everyone in an organization contributes to marketing in some way.
 - c. **Marketing Offers Outstanding Career Opportunities:** Somewhere between one-fourth

and one-third of the U.S. workforce performs marketing activities, such as personal selling, marketing research, advertising, retail buying, distribution management, product management, product development, and wholesaling. Thus, marketing offers numerous career opportunities.

- d. **Marketing in Everyday Life:** By developing a better understanding of marketing, you will become a better-informed consumer, have a clearer understanding of the buying process, and be able to negotiate more effectively with sellers.

[\[return to top\]](#)

Discussion Questions

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class discussions in person; or as a partner or group activity in class. A generic discussion rubric is provided in the Appendix.

1. Discussion: (LO 1-2, PPT Slides 19 – 20) Duration 10 minutes.
 - a. Donald E. Petersen, former chairman of the board of Ford Motor Company, remarked, "If we aren't customer driven, our cars won't be either."
 - b. How do cars add value to people's lives?
 - c. Why is it important for a company such as a car manufacturer to focus on customers?
 - d. How does this statement reflect the marketing concept?
 - i. Although students' answers will vary, they should address some of these points. The marketing concept focuses on satisfying customers' wants and needs while meeting organizational objectives. Most prosperous firms, such as Ford, have adopted this management philosophy because experience has taught them that customer satisfaction is crucial to their success.

[\[return to top\]](#)

Additional Activities and Assignments

A generic discussion and writing rubric is provided in the Appendix.

1. **Activator Exercise: Brining Value to Customers** (LO 1-1 – LO 1-3)
Purpose: To demonstrate to students how companies bring value to society through goods and services.
Format: This activity can be facilitated in both a classroom and an online environment. Instructions for how to facilitate the activity in the classroom and online are provided below.
Classroom Format: Small group discussion, then class presentations
(Estimated Time: 20-40 minutes)
 1. Have students divide up into groups of three or four.

2. Select a good or service that didn't exist 30 to 50 years ago. (You may want to assign goods or services to ensure that student groups don't select the same thing.)
Examples: Smartphones with map apps, online banking, social networking sites, etc.
3. Discuss what life was like for a consumer before that good or service was available. What about life was more difficult, more expensive, or simply not possible before that good or service existed?
4. Discuss what life is like now that the good or service is available. In what ways has it improved lives for users and for society as a whole?
5. Have groups create and share a short presentation or perform a skit that depicts the before and after.

Example: Before Uber, you had to hope a taxi drove by and saw you wave. If it didn't, you sat there lonely and frustrated. Or you had to get on a payphone to call the taxi company (if you had its number). You might be waiting there for hours. And if you didn't have cash, you might not be able to pay for a taxi in the first place. All that has changed with Uber.

Online Format: Video presentation submitted by each student
 (Estimated Time: 20-30 minutes)

1. Create this assignment in the Bongo app in MindTap or your LMS. Click on the following link for instructions on how to create this video assignment in Bongo: <https://bongolearn.zendesk.com/hc/en-us/articles/360036630993-Add-a-Video-Assignment-in-MindTap>
2. Select a good or service that didn't exist 30 to 50 years ago, such as smartphones with map apps, online banking, social networking sites, etc.
3. Consider what life was like for a consumer before that good or service was available. What about life was more difficult, more expensive, or simply not possible before that good or service existed?
4. Consider what life is like now that the good or service is available. In what ways has it improved lives for users and for society as a whole?
5. Create and record a short presentation or one-person skit on your findings.
6. Have each student upload their video presentation to Bongo in MindTap.
7. Grade the video presentation using the Rubric provided with the Instructor's Manual on the Instructor Companion Site.

Example: Before Uber, you had to hope a taxi drove by and saw you wave. If it didn't, you sat there lonely and frustrated. Or you had to get on a payphone to call the taxi company (if you had its number). You might be waiting there for hours. And if you didn't have cash, you might not be able to pay for a taxi in the first place. All that has changed with Uber.

Additional questions for a classroom or discussion board: What prompted these goods or services to be created? Compared to 30 to 50 years ago, was there a steady stream of better products that led to the current version, or was this a sudden innovation that changed everything? What do you think the next innovation for this type of product will look like, and how will it change our lives?

Result: This exercise is an easy and fun way to introduce the topic of marketing. Students get to discuss products and companies they are familiar with, which helps them engage with core content.

2. Class activity (LO 1-2)

Format: This activity can be facilitated in both a classroom and an online environment. Instructions for how to facilitate the activity in the classroom and online are provided below. (Estimated time: 10-20 minutes)

Classroom Format: Have students break into groups of three or four to discuss the concept of marketing management philosophies. Instruct them to use the Internet to locate one product manufacturer's website and one service provider's website. Based on the information provided on each company's website, groups should identify what type of orientation each organization has: production, sales, market, or societal marketing. Groups should share their findings with the class, including their rationale for categorizing each of their organizations.

Online Format: If you're delivering your course online, you can have students do this on their own and have them post their answers in a discussion board. Use the following prompt to facilitate this activity:

Use the Internet to locate either a product manufacturer's website or a service provider's website. Based on the information provided on the company's site, identify what type of orientation the organization you've selected has: production, sales, market, or societal marketing. In your post, share your findings, including your rationale for categorizing your organization. Be sure to include a link to the website you reviewed. In responding to your classmates' posts, evaluate and offer constructive feedback on their analysis and categorization of their selected organizations.

3. Class activity (LO 1-3)

Format: This activity can be facilitated in both a classroom and an online environment. Instructions for how to facilitate the activity in the classroom and online are provided below. (Estimated time: 10-20 minutes)

Classroom Format: Have students break into groups of three or four to discuss differences between sales and market orientations. Using the Internet, groups should locate websites for three different organizations that include the organizations' mission statements. These can be manufacturers, service providers, or sellers. Based on the

mission statements provided on each company's website, groups should identify what type of orientation each organization has: sales or market. Groups should share their findings with the class, including their rationale for categorizing each of their organizations.

Online Format: If you're delivering your course online, you can have students do this on their own and have them post their answers in a discussion board. Use the following prompt to facilitate this activity:

Use the Internet to locate websites for two different organizations that include the organizations' mission statements. These can be manufacturers, service providers, or sellers. Based on the mission statements provided in each company's website, identify what type of orientation each organization has: sales or market. In your post, share your findings with the class, including your rationale for categorizing each of your two organizations. Be sure to include links to the two mission statements you reviewed. In responding to your classmates' posts, evaluate and offer constructive feedback on their analysis and categorization of their selected organizations.

4. **Class activity** (LO 1-4)

Format: This activity can be facilitated in both a classroom and an online environment. Instructions for how to facilitate the activity in the classroom and online are provided below. (Estimated time: 15-25 minutes)

Classroom Format: Have students work in pairs to learn more about careers in marketing. Instruct them to use the Internet to locate information on marketing careers. What are some of the specific careers available to students who earn degrees in marketing? What are some of the growth areas for the future? What is the typical salary range for some of these positions? Invite several students to share their findings and, if desired, to share what specific career opportunities they found most appealing.

Online Format: If you're delivering your course online, you can have students do this on their own and have them post their answers in a discussion board. Use the following prompt to facilitate this activity:

Use the Internet to locate information on marketing careers. What are some of the specific careers available to students who earn degrees in marketing? What are some of the growth areas for the future? What is the typical salary range for some of these positions? Based on your findings, what specific career opportunities do you find most appealing? In responding to your classmates' posts, discuss findings, interests, and preferences.

5. **Additional activity: Restructuring for Market Orientation** (LO 1-2 – LO 1-3)

Purpose: To give students a chance to apply market orientation concepts.

Background: This exercise is designed to give students a more in-depth understanding of the differences between sales-oriented organizations and market-oriented

organizations. It also emphasizes how marketing and a market orientation impacts all aspects of an organization.

Relationship to Text: Differences Between Sales and Market Orientations

Estimated Class Time: About 25-35 minutes

Format: This activity can be facilitated in both a classroom and an online environment. Instructions for how to facilitate the activity in the classroom and online are provided below.

Classroom Format: Divide your class into groups of three to five students and ask each group to imagine that they are the executive team for a manufacturer or service provider that has traditionally had a sales orientation. They should choose a name for their organization and identify a specific product or service. Then, ask them to prepare a five-minute presentation that answers the following questions:

1. What outcomes would you expect to see if you adopted a market orientation for your organization?
2. What value will you offer customers? How will you and your customers define value and satisfaction?
3. How do you describe the people for whom your product or service is intended?
4. What is the organization's new mission statement?
5. How will you encourage employees in all areas of the organization to focus on customers?
6. What are a few ideas you have for creating high-quality experiences across all touch points with the customer, including sales, service, product use, and marketing?

Ask each group to share their results with the class.

Online Format: Discussion board with posted response from each student. (Estimated Time: 15-25 minutes)

1. Use the following prompt to facilitate this activity in a discussion board:

Imagine that you are the owner of a small manufacturer or service provider that has traditionally had a sales orientation. Choose a name for your organization and identify the specific product or service you provide. In your post, answer the following questions:

1. *What outcomes would you expect to see if you adopted a market orientation for your organization?*
2. *What value will you offer customers? How will you and your customers define value and satisfaction?*
3. *How do you describe the people for whom your product or service is intended?*

4. *What is the organization's new mission statement?*
5. *What are a few ideas you have for creating high-quality experiences across all touch points with the customer, including sales, service, product use, and marketing?*

2. Have students discuss and offer constructive feedback on the intended outcomes, benefits, target customers, mission statements, and other plans when commenting on their classmates' posts.

Additional Questions for Reflection:

- Why is relationship building, both within an organization and externally with customers, so important to a market-oriented organization?
- How does having a market orientation affect product decisions, place (or distribution) decisions, promotion decisions, and pricing decisions?

6. Online Research Activity (LO 1-1, 20-30 minutes)

- a. As defined in the text, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. This definition comes from the American Marketing Association (AMA), which is a professional association for those in the marketing profession. Visit and explore the AMA website. What is the purpose or mission of the AMA? What kinds of information or services does it offer? Search the AMA website for its Codes of Conduct (AMA Statement of Ethics) and review them. Describe one of AMA's ethical values and explain why it is important.
<https://www.ama.org>
- b. Student answers will vary. The AMA offers a wide variety of content that focuses on best practices and the role of marketing in today's organizations. Its mission is to be the most relevant force and voice shaping marketing around the world, and essential community for marketers. It helps marketers connect with the people and resources they need to be successful. It offers conferences, events, and training. The AMA's Codes of Conduct promote honesty, responsibility, fairness, respect, transparency, and citizenship.

[\[return to top\]](#)

Additional Resources

External Videos and Playlist

- Costco CEO: High Wages, High Volume Drive Results for Costco Shareholders. YouTube video, duration 12:14. LO 1-3: <https://www.youtube.com/watch?v=qC8Abk2atrM>

[\[return to top\]](#)

Appendix

Generic Rubrics

Providing students with rubrics helps them understand expectations and components of assignments. Rubrics help students become more aware of their learning process and progress, and they improve students' work through timely and detailed feedback.

Customize these rubrics as you wish. The writing rubric indicates 40 points and the discussion rubric indicates 30 points.

Standard Writing Rubric

Criteria	Meets Requirements	Needs Improvement	Incomplete
Content	The assignment clearly and comprehensively addresses all questions in the assignment. 15 points	The assignment partially addresses some or all questions in the assignment. 8 points	The assignment does not address the questions in the assignment. 0 points
Organization and Clarity	The assignment presents ideas in a clear manner and with strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are logically related and consistent. 10 points	The assignment presents ideas in a mostly clear manner and with a mostly strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are mostly logically related and consistent. 7 points	The assignment does not present ideas in a clear manner and with strong organizational structure. The assignment includes an introduction, content, and conclusion, but coverage of facts, arguments, and conclusions are not logically related and consistent. 0 points
Research	The assignment is based upon appropriate and adequate academic literature, including peer reviewed journals and other scholarly work. 5 points	The assignment is based upon adequate academic literature but does not include peer reviewed journals and other scholarly work. 3 points	The assignment is not based upon appropriate and adequate academic literature and does not include peer reviewed journals and other scholarly work. 0 points
Research	The assignment follows the required citation guidelines. 5 points	The assignment follows some of the required citation guidelines. 3 points	The assignment does not follow the required citation guidelines. 0 points
Grammar and Spelling	The assignment has two or fewer grammatical and spelling errors. 5 points	The assignment has three to five grammatical and spelling errors. 3 points	The assignment is incomplete or unintelligible. 0 points

Standard Discussion Rubric

Criteria	Meets Requirements	Needs Improvement	Incomplete
Participation	Submits or participates in discussion by the posted deadlines. Follows all assignment instructions for initial post and responses. 5 points	Does not participate or submit discussion by the posted deadlines. Does not follow instructions for initial post and responses. 3 points	Does not participate in discussion. 0 points
Contribution Quality	Comments stay on task. Comments add value to discussion topic. Comments motivate other students to respond. 20 points	Comments may not stay on task. Comments may not add value to discussion topic. Comments may not motivate other students to respond. 10 points	Does not participate in discussion. 0 points
Etiquette	Maintains appropriate language. Offers criticism in a constructive manner. Provides both positive and negative feedback. 5 points	Does not always maintain appropriate language. Offers criticism in an offensive manner. Provides only negative feedback. 3 points	Does not participate in discussion. 0 points

Instructor Manual

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Table of Contents

Purpose and Perspective of the Chapter	20
Cengage Supplements.....	20
Learning Outcomes	20
Complete List of Chapter Activities and Assessments	21
Key Terms.....	22
What's New in This Chapter.....	24

Chapter Outline	24
Discussion Questions.....	37
Additional Activities and Assignments.....	38
Additional Resources	45
External Videos or Playlist	45
Appendix	46
Generic Rubrics	46
Standard Writing Rubric	46
Standard Discussion Rubric	47

Purpose and Perspective of the Chapter

The purpose of this chapter is to begin to understand strategic planning, fitting the company's objectives with opportunities in the market, and why it is important to a business. The goals are to use strategic business units and other business components to create a marketing plan, mission statement, and situational analysis. Identifying and using competitive advantages to create marketing objectives and strategies will help to control, evaluate, and implement the marketing plan and make strategic planning effective.

Cengage Supplements

The following product-level supplements provide additional information that may help you in preparing your course. They are available in the Instructor Resource Center.

- Transition Guide (provides information about what's new from edition to edition)
- Educator's Guide (describes assets in the platform with a detailed breakdown of activities by chapter with seat time)
- PowerPoint (provides text-based lectures and presentations)
- Test Bank (contains assessment questions and problems)
- Guide to Teaching Online (provides information about the key assets within the product and how to implement/facilitate use of the assets in synchronous and asynchronous teaching environments)
- Accelerated Course Syllabus (provides guidance on the recommended delivery of course materials given a 5-week, 8-week, 12-week, and 16-week course)
- MindTap User Guide (provides information on how to navigate and use MindTap)

Learning Outcomes

The following learning outcomes are addressed in this chapter:

- 2-1 The Nature of Strategic Planning
- 2-2 Strategic Business Units
- 2-3 Strategic Alternatives
- 2-4 Defining the Business Mission
- 2-5 Conducting A Situation Analysis
- 2-6 Competitive Advantage
- 2-7 Setting Marketing Plan Objectives
- 2-8 Describing the Target Market
- 2-9 The Marketing Mix
- 2-10 Following Up on the Marketing Plan
- 2-11 Effective Strategic Planning