Marketing 5e

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Dear Professor,

We are delighted to inform you that the 5th edition is now in print. The new edition provides the power of the new **SmartBook** adaptive reading experience, which allows you to engage your students so that they are better prepared when they come to class. With the introduction of the 5th, edition there will be **new Video Cases** and new iSeeIt! Videos coming in connect. At the end of this newsletter, we have included a preview of the new material in 5e. If you haven't yet seen the 5e, request a sample from your McGraw-Hill rep or **request it online here**!

We are thrilled to provide the Grewal/Levy newsletter to empower you to provide current, cutting-edge examples of marketing in the classroom.

The newsletter includes abstracts of current articles, notes on the applicable chapters in the textbook, and discussion questions, together with their answers. The newsletter also features current videos. We hope you will find the visual and comprehensive topic coverage useful. The newsletter is also accessible at **grewallevymarketing.com**. We encourage you to tell us how you use the newsletter. Please send your feedback to **mlevy@babson.edu**.

Sincerely,

Dhruv Grewal and Michael Levy

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This newsletter summarizes article abstracts for the following topics:

- ***Videos***
- **Disney's Demand and Supply: Using Higher Prices to Help Ensure Customer Satisfaction (Chapter 15)**
- **The Publishing Wars, the Final Chapter: Apple Conspired to Raise Prices on eBooks (Chapters 4, 14)**
- **WiFi-Enabled Shopping in the Air (Chapters 13, 17)**
- **Kola House Restaurant: Ensuring a Service Experience that Includes Pepsi (Chapters 1, 13)**
- **Adding Another Flame-Grilled Favorite to Burger King's Menu (Chapter 12)**
- **The Use and Choice of Popular Music in Advertising Campaigns (Chapters 11, 19)**
- **Analyzing the Unmeasured: A Snapchat Experiment by Domino's to Test the Channel's Effectiveness (Chapter 18)**
- **Free Fruit for Children: What Could Go Wrong? (Chapter 4)**
- **Leveraging Customer Videos as Marketing Tools (Chapters 3, 17)**
- **Using Market Research to Redefine the YMCA (Chapters 10)**
- ***Article/Chapter Index***
- ***Preview of the New Features of 5e***

Videos

“Faith-Based Films Create Hollywood Holy Week”

- Religious movies will be filling multiplexes in the spring Easter season. Filmmakers hope that the holiday will prompt Christian consumers to seek out religiously themed entertainment; in the meantime, they are looking to church leaders to promote their entertainment products from the pulpit.
- Use with Chapter 5, “ Analyzing the Marketing Environment”
- 2:58 minutes
- **http://www.wsj.com/video/faith-based-films-create-hollywood-holy-season/D246B9A9-1747-48F6-835B-1105220DE8CD.html**

“Gwen Stefani’s New Album: How MasterCard Helped”

- By paying for the costs of her concert tours, marketing, and other details, MasterCard’s sponsorship allows Gwen Stefani “just to be creative,” and it gives selected MasterCard customers special access to the artist, while also promoting the brand.
- Use with Chapter 19 “Advertising, Public Relations, and Sales Promotions”
- 2:42 minutes
- **http://www.wsj.com/video/gwen-stefani-new-album-how-mastercard-helped/A13C7042-2080-4A5B-8B26-5B3B0AE705C9.html**

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Disney's Demand and Supply: Using Higher Prices to Help Ensure Customer Satisfaction

Brooks Barnes, "Disney Introduces Demand-Based Pricing at Theme Parks," *The New York Times*, February 27, 2016

Use with Chapter 15, "Strategic Pricing Concepts"

Some companies choose to raise prices to earn more profits. Others do so in response to increased prices on their raw materials or components. But for Walt Disney, its latest price increase might not have really have been the company's choice. The theme parks are bursting at the seams with visitors, and in an attempt to ensure that all these vacationers find the "Happiest Place on Earth" when they visit, Disney is implementing a demand-based pricing model to try to even out its supply.

The new model creates three main tiers for admission prices to the parks. The "value" tier refers to visits on regular work days (Monday–Thursday) during the traditional school year. "Regular" prices instead apply on weekends and most of the summer. And then there are the "peak" tickets, charged to visitors who want to visit on traditional spring break weeks, over Christmas, or during weekends in July.

The price tiers are about $10 apart, and the exact prices are little different for Disney World (in Orlando, Fla.) and Disneyland (in Anaheim, Calif.). For example, the peak price is $124 in Orlando but $119 in Anaheim. The Disney World value price of $105 is the same as the regular price at Disneyland. These variations in location reflect the slightly different popularity of the two parks, as well as their offerings. For example, the Florida location features four unique parks (Magic Kingdom, Epcot, Animal Kingdom, and Hollywood Studio), such that visitors have more choices.

But have no doubt: All the parks are popular. Attendance rates keep rising, such that Disney World welcomed approximately 20 million visitors last year. As the numbers climb, the parks struggle to keep the experience enjoyable, especially during the peak times. When so many people visit on the same day, there is little that Disney can do to keep the wait times reasonable and the lines moving.

Therefore, its primary goal with the demand-based pricing tiers is to encourage price-conscious travellers and those with more flexible schedules to plan their trips during regular work weeks. If Disney can convince even some of them to move their visits, it can better accommodate travellers across all the periods and likely earn better customer satisfaction.

Furthermore, Disney believes it has plenty of room to raise its prices. Admission prices traditionally have increased every year, and though some fans complain of course, they have never jumped enough to cause demand to drop—as evidenced by the continued popularity of these destinations. Disney also is applying the pricing innovation only to single-day tickets. Its experiments with multiday bundled ticket prices has been very successful, such that the price for a three-day admission to the park will remain the same, regardless of when people come for their extended visit.

Discussion Question:

1. **Which factors are driving Disney's new pricing tactics?**

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The Publishing Wars, the Final Chapter: Apple Conspired to Raise Prices on eBooks

Adam Liptak and Vindu Goel, "Supreme Court Declines to Hear Apple's Appeal in E-Book Pricing Case," *The New York Times*, March 7, 2016; Reuters, "Supreme Court Rejects Apple e-Books Price-Fixing Appeal," *The New York Times*, March 8, 2016

Use with Chapter 4, "Marketing Ethics," and Chapter 14, "Pricing Concepts for Establishing Value"

If you look back in the archives of our abstracts on this site, you can find several previous summaries of the long-running court case involving Amazon, Apple, a group of book publishers, and customers who found that the price of reading had taken an unpleasant jump. Here's a brief recap, along with the ultimate outcome of the fight.

Compared with Amazon, Apple was a late entrant to the ebook market. Amazon, with its Kindle devices and well-known reputation as a bookseller (which was how the online giant started), dominated the market of books sold to be read on Kindles, as well as on other devices, including Apple's phones and tablets. Amazon also offered great prices, with many popular titles priced at under $10. Faced with this tremendous dominance, Apple believed it needed to find a way to compete. It worked with five major book publishers to decide on a minimum price that they would not sell below. With the agreement, publishers like Simon & Schuster, Penguin, and Macmillan began insisting on higher prices for their titles, and Apple took a percentage of each sale. This pricing method, referred to as agency pricing, also meant that Amazon had to raise the prices it charged consumers, because it was paying more for the rights to the electronic content.

Amazon immediately brought the situation to the attention of the U.S. Justice Department, alleging that the agreement represented price fixing and illegal conspiracy. Apple defended its actions vigorously; by entering a market that had been essentially a monopoly, with Amazon as the only seller, Apple asserted that it was increasing competition, not harming it. It also alleged that the effect on the price was not the issue. Whether its entry led to higher or lower prices, the key point—according to Apple's argument—was that previously consumers had only one source for ebooks, and now they had two, and that was an improvement.

Various levels of the U.S. court system have disagreed with Apple's assertions though, and recently, the U.S. Supreme Court refused to hear an appeal. Thus the most recent decision by the lower appellate court stands. That decision establishes that the agreement among Apple and the five big publishers represented collusion. Previously the publishers had been forced, by Amazon, to sell at low prices. The deal with Apple benefitted them, by allowing them to charge what they wanted. It also benefitted Apple, which received a percentage of each sale. But the Court's interest is mostly in the effects on consumers, and for those stakeholders, the conspiracy had negative effects.

As a result, Apple is liable to pay a $450 million settlement. The publishers already had settled with the government.

Discussion Questions:

1. **What are some of the ethical concerns surrounding price fixing and conspiracies by sellers of products such as ebooks?**
2. **What is an agency pricing model?**

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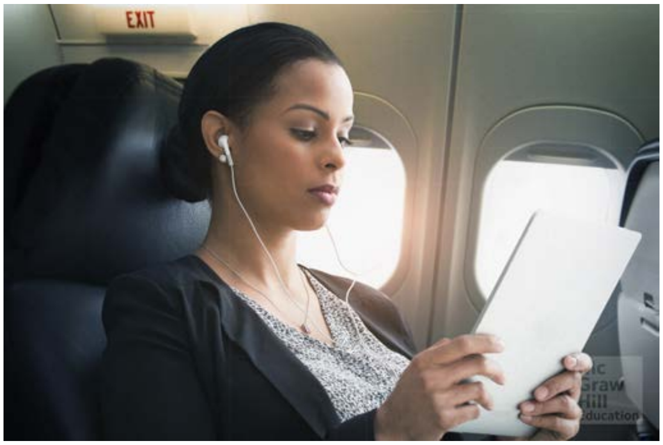
A Service for Fliers, a Moneymaker for Airlines: WiFi-Enabled Shopping in the Air

Martha C. White, "Airlines Use Wireless Networks to Replace Seat-Back Catalogs," *The New York Times*, February 1, 2015.

Use with Chapter 13, "Services: The Intangible Product," and Chapter 17, "Retailing and Omnichannel Marketing"



There is a new retail channel taking off—literally. The "onboard, online retail business" refers to the options that more and more airlines offer passengers to shop through their mobile devices while they fly toward their destination. The retail channel relies on technology that enables airlines to offer WiFi access to customers, as well as customers' evident desire to pick up new products in the skies.

According to JetBlue, which began offering WiFi-enabled flights at no charge as a service to customers, the expectation was that people would check their social media or maybe get some work e-mails sent. Instead, it found that many passengers on flights were visiting shopping websites and picking up new items to be delivered to their homes. Evidently, those kitschy in-flight catalogs that had long been stuck in the seat pockets, with their silly gifts and travel kits, had strong market appeal. When consumers could go online, they looked for the same functions of the in-flight retail catalogs, together with the conveniences of ordering and paying online.

In response, various players in the market are seeking to attract sales by the captive audience of airline passengers. In addition to general products, one of Lufthansa's divisions markets events and services available at the destination, such as hotel rooms or theater tickets. Virgin America allows passengers to purchase carbon credits to offset the impact of their trip on the environment. In a partnership with Amazon, JetBlue also pushes purchases of Amazon content, or else encourages customers to invest in purchasing a new Prime membership, which enables them to stream the content for free. According to a JetBlue spokesperson, a "surprising number" of customers take advantage of this offer, readily signing up to pay the annual fee, in return for the chance to stream *House of Cards* on their flight to the real Washington, DC for example.

Most carriers charge passengers for the right to access the WiFi, whereas JetBlue continues to offer it for free, in the belief that it can get more people to use the service that way. That means more people are looking at the product and service offers for sale, and that means that the resulting purchases are more likely to make up for the costs of the free service offer.

But there is something of a cost for consumers, namely, the prevalence and clutter of advertising that pops up every time they go online while onboard. For some, the annoyance of the advertising is enough to put them off the idea of shopping. For others though, they would even consider paying for the right to see that sort of marketing in the air.

Discussion Questions:

1. **Why are airline passengers such a desirable segment?**
2. **Should airlines charge for the WiFi service or not? Give reasons for both arguments.**

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Kola House Restaurant: Ensuring a Service Experience that Includes Pepsi

Sydney Ember, "Pepsi Turns Restaurateur, to Serve Up Some Buzz," *The New York Times*, January 28, 2016

Use with Chapter 1, "Overview of Marketing," and Chapter 13, "Services: The Intangible Product"

The terms and names that marketers use to describe their offerings are often critically important. Consumers might refer to carbonated beverages as colas, sodas, or pop, but in a new experimental expansion, PepsiCo. is emphasizing the term "kola" in an effort to highlight the kola nut that is the source of the flavor and body of traditional cola drinks. It isn't emphasizing the Pepsi name or any of the valuable brands that the company owns. And perhaps most remarkably, it isn't selling a product, in the traditional sense of the word.

Instead, at Kola House, a soon-to-open restaurant, bar, and event space in New York's trendy Chelsea neighborhood, Pepsi will run a traditional restaurant in conjunction with a product testing ground. The food and beverage menus will all revolve around the kola nut and related ingredients. This single space is the only Kola House planned so far, though Pepsi notes that if it achieves success here, it would consider expanding the idea to other cities.

Inside the still-under-construction Kola House, the menu has not been finalized, but Pepsi already has hired its head "alchemist"—a position that most people would likely call the head bartender. It also has plans for "modular" Kola Houses (a design that most people would call a pop-up) to appear at major sporting events like the Super Bowl, as well as at Lollapalooza and similar music festivals. Furthermore, the entire enterprise is being run by Pepsi's marketing department, not by a product division or specialized restaurant arm.

With this explicit marketing orientation, Pepsi is not only taking care with the words it uses but also taking a unique perspective on the entire restaurant experience. The physical space is largely designed to be so compelling and interesting that it drives consumers to report about it through social media. The very essence of the planning thus is not what products the restaurant will serve but rather what service experience it can create to excite and thrill consumers. The design firm helping Pepsi create the space is owned by Lenny Kravitz, and the plan is to include subtle hints of the ownership, without emblazoning the Pepsi logo everywhere.

The initiative is thus both innovative and risky. As this article asserts, "Essentially, Pepsi is trying to market its product without marketing its product."

Discussion Questions:

1. **Can companies market their products or services without marketing their products or services? Explain your reasoning.**
2. **Why won't the Kola House feature prominent Pepsi logos?**

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Hot Dog! Adding Another Flame-Grilled Favorite to Burger King's Menu

Natasha Madov, "Burger King Adds the 'Whopper of Hot Dogs' to Menu," *Advertising Age*, February 10, 2016.

Use with Chapter 12, "Developing New Products"

Rather than cutting-edge, Burger King is going old-school with its latest product offering. Although the new menu item is completely new for the restaurant chain, it isn't something anyone will need explained: Hot dogs are not only familiar and appealing to many consumers, but they also evoke a natural parallel with hamburgers. In this sense, the menu expansion is "the most obvious product launch ever."

But if it was so obvious, why have no fast food chains tried it before? Burger King isn't sure. It feels confident that the menu expansion will be meaningful and not overly difficult for its franchises. The hot dogs will be cooked on the same flame grills used to cook Whoppers. The supply chain for hot dogs also is well-established, because the same investment firm owns both Burger King and Oscar Mayer (as well as Heinz, so the ketchup supplies are set too).

This launch is thus notably different from another recent menu experiment by Burger King. Adding Chicken Fries to its menu was a response to customer suggestions through social media, and it required extensive marketing to explain what the concept even was before it could convince consumers to try out the reformulated fried chicken offerings.

The initial introduction of the hot dogs will feature two types: traditional, with onions, relish, ketchup, and mustard, and chili cheese. According to data obtained from limited release trials in a few cities, the introduction of the hot dogs increased both the number of visits to Burger King and the spending issued by each customer.

Discussion Questions:

1. **What sources has Burger King used to come up with new products to launch?**
2. **Will hot dogs be a successful addition to its menu? Why or why not?**

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Selling Out or Selling Well? The Use and Choice of Popular Music in Advertising Campaigns

Michael McCarthy, "Acura Taps Van Halen for a Hard-Driving Super Bowl Commercial," *The New York Times*, January 28, 2016

Use with Chapter 11, "Product, Branding, and Packaging Decisions" and Chapter 19, "Advertising, Public Relations, and Sales Promotions"

What's your reaction when one of your favorite songs, by one of your favorite brands, pops up in a commercial for a brand you may or may not love? Do you groan, annoyed that some hard rocking rebel or cutting-edge artist has sold the rights to the song for advertising purposes? Or do you smile, pleased to hear your preferred song, and thus feel more affection for the brand being advertised? Obviously, marketers hope that your reaction is the latter one, but in many cases, consumers express attitudes more in line with the former.

The hits keep coming though. During the most recent Super Bowl, Acura relied on Van Halen's "Runnin' with the Devil" to introduce the latest model of its NSX sports car. Other advertisers use cover versions of popular songs or seek out relatively unknown artists with a cool sound to add an appropriate vibe to their marketing communications. The various options come with different costs: Licensing a popular song by a well-known musician can cost hundreds of thousands of dollars for a single use with a massive audience, like a Super Bowl commercial. If the brand chooses to use the song in an extended campaign, the licensing costs can easily reach millions. Cover versions of popular songs generally are more affordable, though the song writer still earns licensing fees. Most affordable of all is new music by unfamiliar artists, because many of these musicians are happy mainly for the exposure that the advertising campaign offers them. As the music industry becomes increasingly challenging, such benefits, together with the promise of long-term residual income, make the licensing of music a popular and compelling option for struggling (or not so struggling) artists.

But choosing the right song for a marketing campaign involves more than considering the price. If the tone of the song does not match the marketing context, it can create cognitive dissonance. Thus for example, using "Cat's in the Cradle," the melancholy Jim Croce song about fathers and sons that makes virtually every listener cry, might not have been the best choice for a Nissan advertisement. Furthermore, reactions to songs are intensely personal, which makes it difficult for marketers to predict consumers' reactions. Many people obviously love Van Halen, but there are those for whom the sound of David Lee Roth's voice is deeply annoying. A song might remind an individual listener of a particularly good or particularly bad time in his or her life, with parallel effects on the consumer's perception of the product being advertised with that song. So will the effect be wonderful, or will it be terrible, and how are marketers to predict the answer in advance?

Discussion Question:

1. **Why is using popular music in advertising considered a high-risk but also a potentially high-return strategy?**

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Analyzing the Unmeasured: A Snapchat Experiment by Domino's to Test the Channel's Effectiveness

Seb Joseph, "Domino's Says Its Snapchat Test Led to a 'Surprising' Surge in Pizza Orders," *Business Insider*, February 18, 2016

Use with Chapter 18, "Integrated Marketing Communications"

Most marketing communications and advertising campaigns start with an idea, then choose the appropriate channel to share it. In a recent Snapchat campaign by the U.K. arm of Domino's Pizza though, the pattern was reversed: Domino's wanted to experiment with using Snapchat, so it chose the channel first, then developed an idea that would enable it to test the success of the campaign.

The unique approach was necessary because Snapchat—as a primarily creative, rather than informative, messaging channel—lacks the analytical tools available in most other sources. Unlike other social media sites for example, it does not provide users with measures of reach or consumer responses. Yet it is an organic and popular social media application, with great promise for reaching and appealing to young and savvy consumers.

Therefore, Domino's decided to undertake an experimental test, in which it posted a series of videos. The storyline featured a delivery driver beset by an alien invasion over multiple video uploads. Each entry in the series gave viewers a portion of a code; once they had the entire code, they could use it to receive a purchase voucher. Thus, the number of vouchers redeemed offered a good estimate of reach, because it signaled how many people were willing to watch the entire video series. After the 24-hour experiment, Domino's was pleasantly surprised by how many additional orders it received. As another measure of the campaign's success, Domino's also determined how far the video spread among various consumers.

Noting the gaps in its analytical capabilities, Snapchat is rumored to be working on developing better measurement and assessment tools. Some reports also suggest it might begin offering e-commerce capabilities and group messaging. Yet part of the appeal of Snapchat is the creativity it invokes. Other competitors already offer group messaging services, so expanding the services it offers could move Snapchat into more direct competition with new rivals, as well as disrupting its reputation as a fun site, not a commercial one.

The Domino's test thus remains just that; the pizza chain has not determined exactly how it will continue to use Snapchat in its marketing communications. But the promising results give it a good reason to continue experimenting. As Domino's head of digital marketing suggested, using Snapchat alongside other social media and traditional communications channel seemed like the way to go, such that "Our anticipation is that Snapchat will become a tool we add to our toolkit, rather than being the one that we use for everything."

Discussion Questions:

1. **What are the advantages for Domino's of advertising on Snapchat?**
2. **How is advertising on Snapchat different from advertising on other social media platforms?**
3. **How was Domino's able to gauge the success of its Snapchat campaign, without Snapchat-provided analytics?**

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Free Fruit for Children: What Could Go Wrong?

Tom Ryan, "Does it Pay for Grocers to Give Free Fruit to Kids?" *Retail Wire*, February 4, 2016

Use with Chapter 4, "Marketing Ethics"

Childhood obesity is a serious and global problem. For parents, shopping with hungry kids who demand sugary snacks sometimes might seem like an equally vexing challenge. In an effort to help resolve both concerns, several grocery store chains are offering a new kind of appealing giveaway. Specifically, these grocers set up stands that display a range of fruits, with signs offering the produce for free to children under a certain age.

The idea is that a banana or apple at the start of the shopping trip can keep kids from getting hungry and cranky, and thus make the shopping experience more pleasant for their parents. The fruit options are more healthful and less troublesome than other options, such as free cookies or doughnuts that some in-store bakeries provide for young shoppers. Because they are free, they also offer notable benefits over packaged snacks that parents might open up in the aisles, even before they check out.

The fruit giveaway experiments have expanded globally, with chains in the United States, United Kingdom, and Australia all taking part. Although many responses have been positive, including parents' praise for stores that help them encourage healthful eating by their children, others question the tactic. The key complaint has been hygiene, in that there are few options for washing fruit like apples, peaches, and pears before children bit down.

Still, the generally positive responses have led at least one chain to estimate that it will give away approximately 1 million pieces of fruit over the next year.

Discussion Question:

1. **What are the benefits and the costs of giving away free fruit to children? Which are greater?**

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Consumers as Advertising Creatives: Leveraging Customer Videos as Marketing Tools

Tom Ryan, "How Do Video Contests Help Retailers," *Retail Wire*, February 5, 2016

Use with Chapter 3, "Social and Mobile Marketing" and Chapter 17, "Retailing and Omnichannel Marketing"

For those who have always wanted to star in a major advertising campaign, but are not quite willing to give it all up to move to Hollywood, several retail chains have another idea. Make your own commercial, starring yourself but also promoting their products, and maybe they will highlight your work on their own social media and websites.

For the retailers, the benefits are evident. For very little investment, they gain access to diverse and creative marketing efforts, reflecting consumers' real experience with their products. They can use the resulting videos as traditional advertising, while also promoting the contest itself as an example of their close links with customers.

For example, The Container Store's video contest sought videos of up to 3 minutes long that featured three key programs that the retailer runs, namely, the new built-in closet line TSC Closets, its POP! Customer engagement efforts, and its in-home organizational service Contained Home. On social media, other consumers and fans could vote for their favorite submissions. The ten winners appeared on The Container Store's website; the top four vote getters also were highlighted in a YouTube campaign.

Rather than a particular initiative by the retailer, some contests focus on a specific event or tie-in. In its collaboration with Asics, Foot Locker encouraged shoppers to submit athletic films, emphasizing their reasons for running and its influence on their lives, in the weeks leading up to the New York City Marathon. Around the Super Bowl, Hannaford Supermarkets solicited videos of customers' best end zone dances.

Others are more focused on finding out how consumers use the products in their daily lives. Thus for example, the Dunkin' Donuts contest sought videos and pictures that depicted how consumers found joy by consuming their favorite coffee, and Cabela's asked its customers to post videos of the favorite outdoor adventures.

Discussion Questions:

1. **Do such video contests successfully engage customers?**
2. **Are they worth the trouble? Why or why not?**

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Swim, Lift, Play—But Also Donate: Using Market Research to Redefine the YMCA

Alina Tugent, "The Y Embarks on Its First National Advertising Campaign," *The New York Times*, January 23, 2016. See also Melissa Harris, "Kevin Washington Sets Agenda for YMCA's National Organization," *Chicago Tribune*, November 21, 2014.

Use with Chapter 10, "Marketing Research"

Over the years, the YMCA has come to mean different things to different people. Depending on the meanings that people embrace, the charitable organization sometimes struggles to achieve its mission and goals. Accordingly, a key element of its efforts, at both national and local levels, is to conduct ongoing and persistent research into what people perceive when they think of the Y—because some of those perceptions are not quite accurate.

As the president of the national organization explained, even as membership numbers were climbing, other data related to charitable donations suggested some concerns. That is, people were perceiving the Y "as a gym and swim place. We're also a charity, and that is the missing ingredient. We want people to realize that we're deserving of their charitable donations." To make that case, the Y (which rebranded in 2010 to take the single-letter moniker, though it also still relies on the longer YMCA acronym to maintain links to its historical functions) relies substantially on research. The goal is to show, with data, facts, figures, and graphics, how programs run by the Y and sponsored by charitable donations actually change lives and improve communities.

The national organization also considered its mission—to give families resources that they needed to build self-esteem and self-confidence, and thus build communities—evident, but the market research showed that these notions were not widespread among people who might use or contribute to their local organizations. In other, more targeted market research projects, the national and local arms of the Y also have sought to determine which price points will attract the most members. For example, the Boston branch cited extensive market research that showed that if it cut membership fees by 11 percent, it could attract 10,000 new members. The research got it a little bit wrong though: After it reduced the fees, the membership rolls swelled by more than 20,000 users.

Research also has informed which initiatives the Y has made its primary focus for the near future. It is expanding a summer camp program in an effort to reduce the well-documented "achievement gap" between children from poor and wealthy families. To support this initiative, the Y also instituted its first national advertising campaign, in which one televised advertisement highlights the various after-school, summer, and meal programs available for children. It also ends with a clear call for contributions to support such programs.

Some evidence suggests its efforts are paying off. Visits to the Y's website increased in just the two months after it launched the national advertising campaigns. So the Y means a lot of things to a lot of people. The national organization continues to find out what people think of when they think of the Y. In addition, it seeks to learn how it can convince them to think about the Y and its valuable programs as a destination for their charitable donations.

Discussion Questions

1. **What kinds of market research has the Y conducted?**
2. **Which questions has the Y sought to answer with each different type of market research it has conducted?**

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What's new in 5e

Chapter 1: Overview of Marketing, starts with a discussion of Starbucks' success and the role of marketing in it. There is a new Superior Service box on how the Sol Wave House is incorporating twitter to enhance customers' experience there. A new Social and Mobile Marketing box that discusses how companies are partnering with social media sites such as Twitter and Facebook appears in this chapter. There is a new Adding Value on new innovations in the "smart" market. Also, a new Ethical and Societal Dilemma box on how firms are using the location technology in smartphones has been added. Finally, we conclude with a new case study highlighting Starbucks' growth strategy, a nice tie-back to the opener and the cover concept.

Chapter 2: Developing Marketing Strategies and a Marketing Plan, begins with a comparison between Nike vs. adidas that weaves throughout the chapter. We introduce a new Adding Value box highlighting how online retail meets brick and mortar: Tesco's HomePlus virtual stores. There is a new Ethical and Societal Dilemma addressing the safety concerns for factory workers in the garment industry. Finally, a new case study highlighting the yogurt wars—Pinkberry versus Red Mango—closes this chapter.

Chapter 3: Social and Mobile Marketing, starts by highlighting the success Gatorade has experienced with its innovative Social Media Mission Control Center. We introduce a new 4E framework visual in Exhibit 3.1. There is a new Social and Mobile Marketing box on how Lexus and Jimmy Fallon launched an original campaign that engaged viewers via social media. Exhibit 3.2 uses new examples to illustrate different social media campaigns. We introduced a description of Instagram in the Media-Sharing Sites section. The Going Mobile and Social section was redesigned to describe the seven primary motivations for mobile app usage (Exhibit 3.4) and the different App pricing models. A new Exhibit 3.5 illustrates Apple App Store revenue by app category pricing models. We conclude this chapter with a new case study: Images, Sales, and Brands: How Red Bull Uses Various Social Media Techniques to Achieve All Its Objectives.

We start **Chapter 4:** Marketing Ethics, by highlighting ethical concerns with computer cookies used by marketers to track customers' web activity. Exhibit 4.5 highlights the CRS programs for 10 major companies. We end the chapter with a new case study examining the ethical concerns related to new technologies designed for young children.

Chapter 5: Analyzing the Marketing Environment, begins with a discussion of a how hotels are responding to new customer needs—for example, by offering increasingly extensive accommodations for pets. A new Social and Mobile Marketing box discusses the discrepancies between where marketers are devoting their media budget and what types of media Millennials actually interact with. A new Adding Value box pertaining to how marketers successfully and unsuccessfully use gender-based marketing strategies has been added. There is also a new Adding Value box discussing a recent trend in grocery stores to have in-house dietitians highlight healthy food options. A new Ethical and Social Dilemma box pertaining to the use of palm oil in General Mills' products has been added. A new Social & Mobile Marketing box on the 2014 Consumer Electronics Show (CES) is also presented.

Chapter 6: Consumer Behavior, begins with discussing Google Glasses and other wearable technologies. The following new boxes are added: Ethical and Societal Dilemma on how Google is punishing companies that use questionable techniques to improve their search engine optimization; Social and Mobile Marketing on the new health-related apps; Superior Service on the success of H-E-B supermarkets; and another new Social and Mobile Marketing box on how Sephora implements cross-channel marketing.

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Chapter 7: Business-to-Business Marketing, starts with an interesting discussion on how 3D printing could potentially change B2B marketing. A new Superior Service on applications of IBM's Watson computer was added. The chapter ends with a new case study on how Levi Strauss & Co. buys materials to manufacture jeans.

Chapter 8: Global Marketing, has a new opener highlighting Coca-Cola's efforts to expand its market share in India. The Choosing a Global Marketing Strategy section has been restructured around the three primary strategies companies employ. New boxes include an Ethical and Societal Dilemma about how Chinese regulations have changed car-buying trends; a Social and Mobile Marketing box that compares and contrasts Facebook's strategies for entering Brazil and China; an Adding Value box examining Starbucks' entrance into the Indian market; another Adding Value box contrasting Ford's and Chevy's strategies to bring their American muscle cars into the global market; and a Superior Service describing the success of Alibaba. Finally, there is a new case study at the conclusion of this chapter that highlights the globalization of McDonald's.

Chapter 9, Segmentation, Marketing, and Positioning, opens with how Netflix targeted different segments in regards to its new original shows. New boxes include a Social and Mobile Marketing box highlighting Facebook's struggle to remain relevant while gaining popularity among an older audience; a Superior Service on how airline companies are using the data they collect to improve customer experiences; an Ethical and Societal Dilemma box discussing the ethical issues regarding loyalty programs; an Adding Value examining the cancellation of the show Longmire; and another new Adding Value box discussing Self magazine's repositioning strategy.

Chapter 10: Marketing Research, begins with a discussion about the marketing research Disney undertakes to better serve its customers. The Internal Secondary Data section now includes information regarding big data. There are several new boxes including a Superior Service examining the pros and cons of McDonald's extending its breakfast hours; a Social and Mobile Marketing highlighting the diffi culties Nielsen is facing because of new trends in television watching behavior; another Superior Service illustrating the accuracy of Google Analytics in regard to the success of movies; and a new Ethical and Societal Dilemma discussing the ethical concerns surrounding the use of mannequins equipped with recording tools.

Chapter 11: Product, Branding, and Packaging Decisions, begins with a new opener on Red Bull's branding strategy. A new Ethical and Societal Dilemma box about Coca-Cola's promise to stop advertising to children has been added. This chapter also includes a new Adding Value box regarding American Airlines' rebranding strategy.

Chapter 12: Developing New Products, begins with another discussion of the applications of 3D printing, this time in regard to the development of innovative new products across various industries. The chapter concludes with a new case study analyzing the launch of Google Glass.

Chapter 13: Services: The Intangible Products, includes an opening vignette that describes how companies like Samsung and Seamless food delivery service are using Twitter to provide excellent customer service. A new Social and Mobile Marketing box discusses how American Express connects its customers with deals via its Twitter account and TripAdvisor.

Chapter 14: Pricing Concepts for Establishing Value, describes pricing concepts using new examples from Procter & Gamble (opening vignette) and Disney and Universal theme parks (Superior Service box). The influence of the Internet and economic factors on pricing are now integrated throughout the chapter and book. The chapter ends with a new case study on Planet Fitness.

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Chapter 15: Strategic Pricing Methods, opens with an examination of McDonald's unsuccessful launch of its Mighty Wing product line and the general effect that McDonald's has on market prices. New examples in this chapter include an Adding Value box describing how various companies are changing the meaning of value options to refer to the benefits they offer; another Adding Value box discussing Walmart's expansion into the organic food market; and a new Ethical and Societal Dilemma box highlighting instances of price fixing in the candy industry.

Chapter 16: Supply Chain and Channel Management, opens with a new vignette highlighting how exceptional channel and supply chain management has contributed to Amazon's success. The different bases of channel power are illustrated in a new exhibit. There is a new Superior Service box about the different strategies Amazon and Walmart are using to win the same-day grocery delivery market.

Chapter 17: Retailing and Omnichannel Marketing, begins with a discussion of how the implementation of omnichannel marketing has aided the success of H&M's flagship Times Square location. Other new examples include a Superior Service box about Trader Joe's; an Adding Value box highlighting the myWeeklyAd service offered to CVS ExtraCare members; and a Social and Mobile Marketing box detailing how Home Depot is improving customer experiences with modern technology.

Chapter 18: Integrated Marketing Communications, discusses the concepts that are important to consider regarding integrated marketing communications (IMC). A new Adding Value box appears highlighting the unique aspects of Jeep's celebrity endorsement strategy. There is a new Social and Mobile Marketing box examining how Google is using a combination of nostalgia and modern technology to promote various companies including Coca-Cola. Finally, there is a new case study accentuating Volvo's IMC strategy.

Chapter 19: Advertising, Public Relations, and Sales Promotions, starts with examinations of Chipotle's "Food with Integrity" and "Cultivating Thought" campaigns. There is a new Social and Mobile Marketing box on Twitter's advertising formats and future plans.

Chapter 20: Personal Selling and Sales Management, begins with a description of how the Boeing Companies' personal selling approach has engaged clients and made Boeing the top-ranking airline manufacturer. The chapter includes two new boxes, a Superior Service box on the cloud-based CRM system provided by Salseforce.com, and an Ethical & Societal Dilemma box analyzing the implications of realtors becoming reality TV stars.

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