

GREWAL / LEVY

Marketing



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
- Leveling the Retail Playing Field, One RFID Sensor at a Time (Chapter 16)
- Volkswagen Tries to Put Emission Woes Behind (Chapters 11, 19)
- High-Tech Banking in Rural Africa, Brought to You by MasterCard (Chapters 4, 8)
- Original Programming from Apple, Inc. (Chapters 12, 13)
- **Exposure Alone Won't Pay the Bills: The Revenue Concerns Affecting Instagram Stories** (Chapters 7, 19)
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- Rivals Cook Up New Business with Fresh Ad Campaigns (Chapters 9, 19)
- **The Caped Crusader Joins Chevy's Newest Focus Group** (Chapters 11, 19)
- Taco Bell Breaks into the Chinese Market—for the Second Time (Chapter 8)
- Promotional Offers Are Off the Menu as Chipotle Rebuilds (Chapters 4, 19)
- Article/Chapter Index
- Preview of the New Features of 5e



March 2017



Marketing

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Videos

“UPS Testing Delivery by Drones”

- The latest drone experimenter is UPS, which hopes to use its existing trucks as launch pads for drones that can fly up to 30 minutes and carry loads up to 10 pounds.
- 1:30 minutes
- <http://www.wsj.com/video/ups-testing-delivery-by-drone/DAFCD80D-2594-41FC-B2D4-F9EA8558456E.html>

“How Credit Scores Predict What You Will Buy Next”

- Marketing analytics and big data used by FICO to gauge consumers’ credit scores also can help predict what kinds of behaviors and choices those consumers will make, including what they are likely to buy, when, and through which channels.
- 2:22 minutes
- <http://www.marketwatch.com/video/sectorwatch/how-credit-scores-predict-what-you-will-buy-next/F7A2EAC4-A78C-456F-8DBA-3A7839D2A0A6.html>



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Leveling the Retail Playing Field, One RFID Sensor at a Time

Jack Neff, “Bringing Online-Style Shopper Tracking to Stores? It May Be Closer Than You Think,”

Advertising Age, January 10, 2017

Use with Chapter 16, “Supply Chain and Channel Management”



Online retailers have a distinct advantage over traditional brick-and-mortar stores: They can easily track a customer’s activities to help drive future sales. Metrics such as cart abandonment, a history of items viewed, and sponsored content click rates can all be used to help online retailers customize the shopping experience for users and hopefully increase sales.

But Zebra Technologies aims to level the playing field for brick-and-mortar retailers by introducing a new high-tech system that allows offline retailers to gather real-time information about a consumer’s shopping experience. The company installs sensors grids throughout the store, then uses video,

mobile device signals, and radio frequency identification (RFID) tags to track how customers interact with products and packages. This information then gets fed into a software program that provides the retailer with real-time analytics. Two major mass retailers currently are testing the technology; Zebra Technologies hopes to generate even more interest with a display at an upcoming “Big” show by the National Retail Foundation.

Confronted with concerns that the new system constitutes a potential invasion of privacy, Zebra Technologies offers assurances that the technology is designed to enhance the customer’s shopping experience. For a customer’s personal device to be tracked by the system, the customer must opt-in affirmatively. The company hopes to drive consumer engagement by offering greater convenience to those who choose to use the mobile application, in the form of coupons, store information, or shopping lists.

Zebra Technologies also believes that its system can drive down the cost of goods, because retailers can use the technology to prevent theft. For example, security alerts can be set if certain items move through the store in an unusual fashion or quantity. A shopper with 20 pairs of jeans in his or her cart may trigger a security alert. The system also can be used to evaluate and increase employee performance by logging how long each employee spends in a particular area of the store or engages with a customer.

The new system, which Zebra Technology hopes will be a “game changer” for offline stores nationwide, is the company’s first foray into the retail space. However, the company has a long history of success in the healthcare, manufacturing, and logistics. It currently uses its RFID technology to help the National Football League track and analyze player movements on the field.

And while the company is excited about the opportunities that its RFID technology and other sensor data might afford retailers, it also is eager for retailers to piggyback off its system, to do even more. With this in mind, Zebra Technologies has decided to make its application programming interface public, enabling retailers to write their own applications that can be customized to meet their specific needs.

Discussion Questions:

1. Is this system a “game changer” for brick-and-mortar stores? Why or why not?

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Volkswagen Tries to Put Emission Woes Behind as It Vows to “Think New”

E.J. Schultz, “Thinking New: Inside Volkswagen’s Plans to Become Relevant Again,” *Advertising Age*, January 11, 2017

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

Is it possible for Volkswagen to come back from the emissions cheating scandal and resulting betrayal of consumer trust? The company hopes so, and in support of that effort, it plans to “Think New!” That is, Volkswagen has shelved its long-running “Das Auto” tagline in favor of the new phrase, as the company tries to make a fresh start and rebuild its brand.



To win back the trust of auto consumers and stay relevant in the U.S. market, Volkswagen has introduced a new mix of family-friendly SUVs and electric vehicles. The cars are designed specifically to appeal to younger car buyers who value high-tech features, such as smartphone integration and easy-to-use interfaces with convenient services such as Apple CarPlay and Google Android Auto. With this innovative tact, Volkswagen hopes to lure drivers back to drive vehicles that are fun to be in, as well as fun to drive.

Prior to the emission scandal in 2015, the company heavily relied on its so-called clean diesel vehicles to appeal to environmentally friendly consumers; 20 percent of the company’s total U.S. sales featured such vehicles. Losing this market, as well as contending with an overall reduction in VW sales, has made it hard for the company to turn the page and start anew.

It has taken several steps forward in these efforts though. Volkswagen of America has been granted new autonomy from its German headquarters, allowing the company the freedom to respond to the changing market demands in the United States. The company thus hopes to fill a void in its current product line with a new seven-passenger SUV. It also has expressed its goal to emerge as one of the leaders in the electric car market, with ambitious plans to sell 1 million electric cars globally by 2025.

Volkswagen but even with a fresh line-up of cars and SUVs, the road to redemption in the hearts and minds of the American people will be slow to come. The company plans to continue its aggressive spending on advertising, in which it will highlight new vehicle offerings along with a consistent, core message that outlines what the Volkswagen brand stands for and where the company wants to go in the future.

Discussion Questions:

1. What challenges will Volkswagen face as works to rebuild confidence in its brand?
2. What branding strategies are most likely to result in success?

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High-Tech Banking in Rural Africa, Brought to You by MasterCard

Sara Castellanos, "Mastercard Mobile Effort Targets East Africa's Small Farmers," *The Wall Street Journal*, January 17, 2017

Use with Chapter 4, "Marketing Ethics," and Chapter 8, "Global Marketing"



The use of mobile phones and banking applications has grown substantially in the past decade in East African countries, and particularly in Kenya, allowing consumers living in rural farming communities to participate in the new digital economy. In turn, MasterCard is seeking to expand on the services it offers to this population by introducing 2Kuze, a new platform that digitizes transactions between the small farmers and their buyers.

Backed in part by funding from the Bill & Melinda Gates Foundation, this service allows farmers to reach new markets for distribution, build their credit history, and apply for small loans that these households can use to escape extreme poverty. Launched in 2015 with an \$11 million grant from the Gates Foundation, the technology was developed by developers and designers at MasterCard Labs for Financial Inclusion. The application is currently used by about 2,000 farmers in Kenya, and the company hopes to expand adoption of the application to at least 40 million small agricultural merchants in East Africa over the next five years.

Furthermore, 2Kuze also allows for certain organizations, such as the nonprofit Cafedirect Producers Foundation, to act as mediators and submit orders from wholesale suppliers directly to farmers. In turn, the small farmers can work together to fulfill larger orders, opening up a whole new market to individual growers who, in the past were severely limited in the size of orders that they could commit to filling. For example, most small farmers in the region own less than three acres of land, and growing space is limited.

Finally, 2Kuze offers another benefit for the small farmer: The digital platform pays farmers electronically as soon as goods are delivered to the buyer. Without this digital platform, many farmers were required to travel hours to small wholesale markets to sell their goods. Alternatively, a trader might visit the farm directly to collect the crop, but in that case, payment would not be delivered for several weeks, after the goods were sold. The automatic payment feature allows farmers to put the money from sold goods immediately to use. Reducing their need to travel also should open up additional work opportunities for busy farmers and women, who remain primarily responsible for housework in this society.

Buoyed by the success of the application, MasterCard and Cafedirect further hope to increase the number of farmers using the 2Kuze application and, eventually, to expand its use beyond Africa. Targeted markets include India and several underdeveloped economies in Latin America.

Discussion Question:

1. What segmentation method is appropriate for designing an expansion plan for 2Kuze?

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Coming Soon to an iPhone Near You: Original Programming from Apple, Inc.

Ben Fritz, Tripp Mickle, and Hannah Karp, “Apple Sets Its Sights on Hollywood with Plans for Original Content,” *The Wall Street Journal*, January 12, 2017

Use with Chapter 12, “Developing New Product” and Chapter 13, “Services: The Intangible Product”

Sales of the iPad and iPhone may be slowing, but do not count Apple, Inc., out of the entertainment game just yet. The technology giant is taking steps to expand the services available to subscribers of Apple’s media-streaming service. Apple hopes to begin offering new original content, some carefully selected scripted television programs, and a selection of films by the end of 2017.



Such a move would give Apple a leg up in the current battle for subscribers that is ongoing between Apple Music and Spotify. This foray into the media business also would represent a significant turn in strategy for Apple, which until now has only distributed other companies’ media. In particular, such a strategic move promises to add more value to the Apple Music component of its business, which has enjoyed a growing subscriber base, increasing by 22 percent, even as other areas of the Apple brand have lost market share amid rising competition in the technology world—especially in the valuable Chinese market.

As the company moves forward with its plan, observers expect Apple’s entrance into the media market to be well planned for success. The company has been meeting with experienced marketing executives to design a strategy to promote its new content. This business strategy clearly seeks to distinguish Apple’s offerings from Netflix. For example, it promises to share any data it collects about how many people watch its content and provide demographic data about its users. Netflix does not share such information with content creators, which has caused problems for Hollywood veterans who rely on such information to create appealing content and to gain funding for future projects. Furthermore, Apple has set its sights on offering a limited selection of quality programming; it does not intend to compete with Netflix by offering a wide selection of content (or spending a substantial amount of money for the rights to do so).

Although Apple has long flirted with various ideas about how to enter the entertainment media space—including a plan to offer a “skinny” cable bundle that never fully materialized and investigating a possible merger with Time Warner Inc.—it now seems poised to take a bold step and leverage a new opportunity in a new arena. Apple missed its own internal revenue targets for the first time in at least seven years when sales of the iPhone 6s fell short of projections. This fresh new idea may help Apple weather the fickle technology market and help create a broad-based media empire that can withstand a variety of changing market pressures.

Discussion Questions:

1. How does adding content add value?
2. Is content from Apple a new product or a new service introduction?

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Exposure Alone Won't Pay the Bills: The Revenue Concerns Affecting Instagram Stories

Mike Shields, "Publishers Aren't Seeing Revenue from Instagram's New Ads," *The Wall Street Journal*, January 11, 2017

Use with Chapter 7, "Business-to-Business Marketing" and Chapter 19, "Advertising, Public Relations, and Sales Promotions"



Instagram Stories are a hit for retailers and publishers seeking brand exposure. The advertisements, which run as either a 15-second video or a 5-second static photo, reportedly reach up to 150 million people a day. Perhaps even more notably, one-third of the most viewed stories to date have come from businesses.

Despite the great excitement about these viewership trends, especially considering that the fledgling service launched only in the summer of 2016, there is some concern about the current ad revenue rules imposed by Instagram. Unlike the platform's main

competitor, Snapchat Discovery, publishers do not earn a share of revenue from the Instagram Stories. Some publishers are content to wait and see how Instagram's policy may evolve, predicting that eventually it will share such revenue, or else have turned to alternative forms of compensation. But others are starting to complain that they expect to earn returns on the time and resources they devote to creating appealing, high-quality, professional content for the social media platform.

Thus far, Instagram's representatives have not commented on how the Instagram Stories business model may evolve. Historically though, Instagram has followed the lead of its parent company Facebook. Facebook recently started to test a new method for placing advertising, such that the ad revenue scheme developed for this new advertising model might inform the policies of Instagram Stories in the future.

Furthermore, even as the issues surrounding ways to monetize the new service continue to swirl, many companies seem content with the greater brand exposure they have achieved as a result of the Instagram Stories platform. For example, Bustle, a digital outlet aimed at women, saw its Instagram audience increase from 200,000 to 1.4 million viewers in a single year. In addition, because publishers can charge marketers for sponsored content and keep the revenues, creating a valuable brand on Instagram Stories may produce revenue in the long run, even without a revenue-sharing program.

Discussion Questions:

1. Should publishers demand a share of ad revenue from Instagram Stories?
2. Should Instagram share these revenues with publishers?

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More than Just Ratings: Nielsen Tries to Breaks Free of Its Outdated Image

Jack Neff, "Nielsen Breaks Ad Campaign to Show It's More Than You Think," *Advertising Age*, January 17, 2017

Use with Chapter 10, "Marketing Research"

The Nielsen Company is one of the best known companies in the United States, and while most companies would consider that status a good thing, Nielsen may disagree. Because of its long and powerful association with services that provide television ratings and other measurement currencies that media entities use to do their business, Nielsen senses that its other offerings are getting overlooked. Furthermore, a public perception that it is old-fashioned and sorely out of date hinders the company's efforts to burnish its image.

In response, Nielsen has launched a new multimillion dollar, multiyear advertising campaign to update its image and replace its out-of-date ratings persona with one as a cutting-edge data science company that produces more than \$6 billion in global revenue annually. With a tag line that cites "The science behind what's next," the company's new campaign seeks to educate the public on some of its more recent, successful efforts, such as analyzing retail sales and measuring online audiences.



As likely comes as no surprise, Nielsen's own data will be used to help measure the success of the campaign and resulting market performance. The company will rely on many of the key performance indicators it has developed and perfect to measure its own success and adjust the campaign to ensure that it meets of the company's goals are met.

After years of frustration, Nielsen thus is excited to reintroduce itself to the world. With offices in 106 countries, the company hopes to shine a new light on the true scope of the company, its services, and its people.

Discussion Question:

1. How does a market research firm perform its own market research?

Rivals Cook Up New Business with Fresh Ad Campaigns

Jessica Wohl, “Rivals Whip Up New Pitches as Meal Delivery Kits Gain Ground,” *Advertising Age*, January 16, 2017

Use with Chapter 9, “Segmentation, Targeting, and Positioning,” and Chapter 19, “Advertising, Public Relations, and Sales Promotions”



The competitive landscape for meal delivery kits is heating up! Both Blue Apron and Hello Fresh are planning new advertising campaigns to help drive sales and differentiate themselves from their competition.

Initially, marketing efforts for the home delivery meal kits focused on educating consumers about what the product was, the convenience it offered, and the need that the company hoped to fill. In particular, they promised to eliminate consumers’ need to shop at a grocery store or visit a restaurant. Rather, they would make people’s lives easier, by delivering tasty, fresh ingredients and easy-to-follow instructions for home cooked meals.

Today though, both of these key players in the market are seeking to expand on this narrative and create advertising campaigns that differentiate their specific brands from competitive options. But they still need to keep wooing new customers who might be seeking the convenience of home delivery meal services. Accordingly, Blue Apron

has adopted a new “Better Food, From Scratch” campaign that highlights the company’s close relationship with its suppliers and family farms. In response, Hello Fresh has developed its own new “Get Cooking” campaign, which highlights how its meal kits can make cooking fun for busy families.

Even in their short product lifecycles, historical trends in the meal delivery kit industry suggest that companies enjoy a boom each year shortly after the holidays, as families settle back into their normal routines and face the busy pace of modern life. Although together, Blue Apron and Hello Fresh currently deliver more than 11 million meals each month, increased consumer awareness of the meal delivery kit products are pushing these competitors to take steps forward. Their advertising goals are shifting; not only do they seek to inform consumers about what they offer, but they also attempt to establish who they are as a brand.

Discussion Questions:

1. **Is it too early for Blue Apron and Hello Fresh to change their marketing strategy to emphasize brand awareness?**
2. **How might each company judge if its strategic transition is a success?**
3. **Cooking dinner is typically seen as a chore. How can these companies persuade people to cook at home instead of visiting a restaurant?**

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The Caped Crusader Joins Chevy's Newest Focus Group

E.J. Schultz, "Holy Movie Integration! Lego Batman Stars in Chevy Ad," *Advertising Age*, January 14, 2017

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

Chevrolet first introduced its "Real People, Not Actors" advertising campaign several years ago. The spots feature a polite moderator, shepherding unsuspecting focus group through a showroom to experience a lineup of Chevy vehicles that are presented in exciting and unexpected ways. Panel members gasp in amazement as Chevy vehicles rise from underground platforms or appear from behind false walls. The long-running, successful campaign has created a promising cumulative impact: Viewers immediately identify each new spot in the campaign with the Chevy brand.



To capitalize on the success of this advertising campaign, Chevy also has entered into an amusing new partnership with the Warner Bros. animated feature, *The Lego Batman Movie*. Although the new advertisement still introduced the familiar moderator and focus group, instead of a conventional Chevy vehicle, animated Lego minifigures review Chevy's all new Lego Batmobile. Lego Batman, as voiced by Will Arnett and still displaying the egotistical personality that made him a breakout star of the original *The Lego Movie*, joins a six-"person" focus group. The other five panel members muse about the type of person who would buy Chevy's newest offering, leading Batman to grow quickly offended and insert amusing quips throughout the light-hearted spot.

The conclusion of the advertisement contains a call to action, directing viewers to Chevrolet's website, where they can configure their own personalized Lego Batmobile, or else view Chevy's award-winning lineup of new cars, trucks, SUVs, crossovers, and vans. Not content to limit the partnership to television or online channels, the company also extended its partnership with Warner Bros. and the Lego brand in the real world. At a recent North American International Auto Show in Detroit, the curtains fell away to reveal a life-sized Chevy Lego Batmobile, built out of 344,187 Lego bricks, which took 1,833 hours of labor to build.

The success of Chevy's long-running campaign has allowed the company to take license with its message and translate a traditional advertising opportunity into an amusing spot that showcases the Chevy brand—without ever showing an actual car. And the company could not be happier with the opportunity to partner with the Warner Bros. and Lego brands. As Paul Edwards, Vice President of Chevrolet's marketing, explains, "Many of the themes in 'The Lego Batman Movie,' like imagination, family, and community, align perfectly with the Chevy brand values and adds to the value of the partnership."

Discussion Questions:

1. The "Real People, Not Actors" advertising campaign is entering into its third year. What are some of the benefits and drawbacks that can occur when a large retailer commits to such a lengthy campaign?
2. What types of consumer is Chevrolet seeking to reach in this new partnership with Warner Bros. and Lego?

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Taco Bell Breaks into the Chinese Market—for the Second Time

Angela Donald, “5 Things That Will Surprise You about Taco Bell’s Relaunch in China,” *Advertising Age*, January 12, 2017

Use with Chapter 8, “Global Marketing”



The name of the chic, cantina-style Mexican restaurant that recently opened in Shanghai’s Pudong district might surprise you: Taco Bell. After a difficult—and ultimately unsuccessful—first attempt to crack the Chinese market in 2008, the familiar fast food brand is ready to give it another go.

Spun off from the parent company Yum Brands, the new Yum China Holdings is moving forward quickly, opening both an upscale Taco Bell and a new Pizza Hut concept restaurant within a stone’s throw of each other in Shanghai.

The company hopes to lure members of the upwardly

mobile Chinese middle class to embrace foreign flavors as this group begins to travel more frequently than ever before and fulfill their hunger for something exotic and new.

Although the brand’s name may be familiar already, Yum China Holdings has researched and fine-tuned the Taco Bell experience to ensure that it will appeal to more than just business travelers and expatriates. The menu has been adjusted for local tastes, capitalizing on the rising popularity of avocados in Chinese culture (or butterfruit, as it is locally known) and familiar sources of protein such as shrimp. Local beverage offerings, including oolong milk tea, green tea with calamansi citrus fruit, the Japanese brand Asahi beer, and frozen alcoholic beverages, have also been added. Food comes in plastic, reusable baskets (not wrappers), and the restaurant’s kitchen is designed to be open and stocked with baskets of fresh fruit. The experience is decidedly upscale, especially in comparison with the usual Taco Bell restaurant experience in the United States.

Although the company’s long-term success in the Chinese market remains to be seen, the Taco Bell brand has bold plans for an aggressive international expansion. In particular, the company hopes to increase the number of restaurants outside of the United States from 300 to 1,000 by 2022. China is a prominent feature in those plans, and if it can achieve a successful rollout of the Shanghai location, Yum China Holdings is confident that it can plot a road map to make further inroads throughout the country in the future.

Discussion Questions:

1. What challenges do retailers face when they try to expand a well-known brand into a foreign market?
2. What unique features of the Chinese market represent opportunities or threats to Taco Bell’s expansion there?

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Promotional Offers Are Off the Menu as Chipotle Rebuilds Its Brand

Jessica Wohl, “Chipotle’s Marketing Menu for 2017: Biggest Campaign Ever, Fewer Promos,” *Advertising Age*, January 10, 2017

Use with Chapter 4, “Marketing Ethics,” and Chapter 19, “Advertising, Public Relations, and Sales Promotions”

More than a year after food safety concerns plunged the fast-casual chain into crisis, Chipotle Mexican Grill still has a ways to go if it hopes same-store sales to return to “normal” levels. Despite increasing its marketing and promotions, Chipotle reported a 4.8 percent drop in same-store sales in the most recent fourth quarter.

To woo new and bring back lapsed customers, the chain plans a revised marketing strategy that focuses more on advertising and less on promotional offers. By planning its advertising according to a year-round schedule, instead of just pulsing spending on spring and fall commercials, as well as by launching a new scripted television series for children, Chipotle hopes to rebuild its damaged brand.

The chain will kick off its largest advertising campaign in its history in April, focused primarily on the taste and ingredients of its menu offerings. It plans to allocate 3 percent of any sales it earns on marketing and promotions going forward.



However, its recent free entrée and buy-one-get-one promotions failed to translate into success, leading Chipotle to determine that heavy spending on promotions will not be a key part of its ongoing strategy to drive customers into stores. Instead the company will expand its efforts to television, through a mix of commercials and a new scripted television series for children (building off of the past success of the company’s four-part webisode series, “Farmed and Dangerous”).

Finally, Chipotle indicates that it will increase the number of fundraisers that it supports each year. According to company data, 40 percent of participants in fundraisers had not eaten at Chipotle in the previous six months, but after such events, 20 percent of them return for a second visit within a month’s time.

Although a new dessert item is in the works, the company is committed to retooling the other areas of its business first, before it expands on its purposefully simplified menu. The company hopes to save money by revisiting its complex job interviewing process and replacing napkin dispensers that reportedly caused millions of dollars in waste. With improved digital ordering processes and catering capabilities, Chipotle promises to offer an attractive fast food option again, to both new and lapsed customers with whom it hopes to rebuild brand affinity.

Discussion Questions:

1. What challenges does Chipotle face as it struggles to rebuild faith in its brand?
2. What are the benefits and drawbacks of promotional campaigns?

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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 difficulties 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.

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 Salesforce.com, and an Ethical & Societal Dilemma box analyzing the implications of realtors becoming reality TV stars.