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Dhruv Grewal & Michael Levy

May/June  
2019



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## Videos:

### HUD charges Facebook with housing discrimination

- × A brief explanation of the housing discrimination issue on Facebook's advertising platform and how HUD is approaching the situation.
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- × Use with Chapters:
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### The Impossible Taste Test- Impossible Whopper

- × Burger King is the first national U.S. fast food chain to introduce a vegetarian burger option. They created an advertisement to show just how accurate the flavor was to the original Whopper.
- × 1:00 min
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# Finding the Hearables Market by Visiting Coachella

Robert Williams, "Bose Brings Audio AR Shades and Festival Content to Coachella," Retail Dive, April 9, 2019

Use with Chapter 12, "Developing New Products"



The Coachella music festival is renowned for its diverse slate of artists, fashion-forward trends among audience members, and success in prompting massive ticket sales. Its popularity makes it a viable site to access an appealing target market of consumers, namely, young, trendy music fans with disposable income who actively seek to take some risks in their purchase decisions. Noting this promising option, Bose introduced its latest product, sunglass frames with miniature speakers built into them, at the most recent Coachella, to spread the word and test the appeal of these new products.

Expanding the notion of wearables—that is, technological devices that consumers can wear, such as smart watches—the sunglasses represent hearables: technological devices that consumers can listen to without the need for separate earphones. The sunglass frames, in addition to the tiny speakers, contain Bluetooth devices so the audio function can link to Coachella's app and broadcast music and other content, including updates about when an act is about to start and on which stage. They also support calls from a linked smartphone.

Bose refers to this capability as audio augmented reality (AR). Rather than using a visual depiction, audio AR allows users to feel connected to a different context through sound. Such an alternative approach to AR explicitly seeks to appeal to consumers who want to take a break from their screens or enjoy music even while interacting with actual surroundings or natural settings. For about \$200, consumers could obtain the frames either online (where they remain available for sale) or from a tent set up at the festival.

Although Bose is a pioneer in the market, with a strong quality reputation to back up its offerings, it is not the only actor considering entry into the hearables market. Amazon reportedly is working to develop Alexa-linked earbuds. Apple's AirPods already have achieved a strong position, though whether they represent true audio AR is debatable.

## Discussion Questions:

1. Who (i.e., which consumer segments) are the early adopters of hearables? Who might constitute the majority? Laggards?
2. Beyond music festivals, what channels might Bose use to introduce its smart sunglass frames to a wider audience?

# When Your Brand Is Popular Among a Non-Target Market: Patagonia's Decision to Limit Sales to Maintain Its Value-Based Image

Akane Otani, "Patagonia Triggers a Market Panic over New Rules on its Power Vests," The Wall Street Journal, April 8, 2019; Spencer Jakab, "Wall Street Bankers No Longer Fully Vested," The Wall Street Journal, April 4, 2019

## Use with Chapter 9, "Segmentation, Targeting, and Positioning"

Patagonia is a company devoted to sustainability and environmental causes. Those values are central to its brand, its image, and its positioning, as a company that outdoor enthusiasts can trust to be ethical as well as functional. But its products also appeal to other target markets, whose own values might not resonate as closely with the company's. In response, it is taking steps to limit access and sales to certain wearers.

In particular, Patagonia vests have become a popular fashion trend among male bankers and financiers working on Wall Street and in Silicon Valley, who get the vests embroidered with their corporate logos and wear them over button-down shirts. One story about how this usage got started cites the famously low temperatures on stock trading floors, which are kept cold to protect the massive computing infrastructure that allows the markets to run smoothly. Another anecdote suggests that tech startup founders, not known for their attentiveness to high fashion, used the combination of a vest and button-down shirt as relatively more formal attire in pitch meetings with venture capitalists.

Regardless of its origin, the fashion trend has gained widespread recognition, such that wearing a vest, embroidered with both Patagonia's logo and a corporate name, signals to others that the wearer works in finance or tech, rather than being "just some office drone." The personalization also gives people wearing the vests a sense of identity and uniqueness, even if nearly everyone in their business network is wearing something similar. Notably, women in these industries have not adopted the trend as widely, so an image of "bros" working in profit-oriented industries has become closely linked to the vests. Such images—a hierarchical status ranking, a gender-linked form of identity, and a profit-oriented value system—strongly conflict with Patagonia's general corporate attitude and brand values. For example, rather than solely pursuing profits, Patagonia commits to donating 1 percent of all annual sales to environmental causes. It prefers its environmental values and image and does not necessarily want its brand logo and one of its signature products to be featured alongside the logos of firms that reject such values. Therefore, it announced recently that it would no longer support bulk orders by firms that do not "prioritize the planet."

The new limit immediately excluded oil and mining companies, but for financial or tech firms, the restrictions will be applied on a case-by-case basis. In addition, firms that already have placed orders with Patagonia can continue to do so. But if a venture capital firm recently has decided to offer the vests to all its employees, it might find itself locked out, unless it can demonstrate that it is a socially responsible firm that actively supports and ensures sustainable, environmentally friendly activities.

For legacy purchasers, the rule might make the vests into even more of a status symbol; if not every company can get them, well-qualified job seekers might be more interested in those firms that still are able to dole out the vests as employee perks. Alternatively, some firms might turn to other vest brands, like LL Bean or North Face, though the reputational benefits of those other brands might not be as powerful. Those responses are not particularly a concern of Patagonia, which is seeking to avoid becoming too closely associated with Wall Street and its popular reputation for being devoted to money and profits. The "bros" who frequently seek out and wear the vests—as depicted in popular media such as the television series *Silicon Valley* or films like *The Wolf of Wall Street*—are not the market that the company traditionally has targeted, nor is it one that it wants to start marketing to anytime soon.

### Discussion Questions:

1. How should companies respond when a non-target market adopts their products? Is Patagonia's response reasonable?
2. What are the likely short- and long-term implications of Patagonia's decision to limit sales of its vests to firms that do not prioritize environmental issues?



# Success and the Challenges It Creates: How Growing Diaper and Pad Consumption Has Left Personal Goods Firms with a Growing Problem Too

Saabira Chaudhuri, "P&G Faces Backlash over Diaper, Sanitary Waste," The Wall Street Journal, April 3, 2019

Use with Chapter 8, "Global Marketing"



For consumer goods firms like Procter & Gamble or Johnson & Johnson, the massive expansion of the Indian market offers nearly irresistible promise. In particular, as consumer education expands, the middle class gets larger, and even poorer consumers find ways to purchase single-use items, the markets for their personal care products have grown exponentially. One of the most positive areas of growth involves diaper and sanitary pad sales; Indian consumers are learning about the convenience, sanitation, and safety benefits of disposable products.

But these benefits come with costs too, including the environmental cost of the quickly growing waste associated with these disposable items. Soiled disposable diapers and pads are substantial in volume and number, taking up substantial space in dumps and landfills. When consumers have informal garbage practices, such as burying their household waste in a yard or dumping trash in a nearby river, the products also create ecological and environmental hazards.

Furthermore, India hosts a substantial job market for waste pickers, who visit landfills to pull potentially valuable tidbits from the collected trash. For these workers, the presence of used sanitary pads and diapers creates new hazards, including potential exposure to unhealthy substances. A cooperative labor union for waste pickers accordingly has called on the companies that produce these products to find a solution to limit the risks.

One option was to sell the products together with specially marked wrappers. After use, consumers would wrap the items in these wrappers, so that waste pickers would know to avoid touching them. Another solution would rely on increased recycling facilities so that either consumers or the waste pickers could bring the used products in, to be sanitized and recycled into alternative uses such as cardboard or containers.

Despite some efforts along both these paths, neither has been completely successful thus far. The worker cooperative notes that despite an Indian regulation requiring the provision of wrappers, many products continue to be sold without them. In addition, the available wrappers are often of poor quality, such that they break open, thus undermining their very purpose.

The recycling facilities also have been developing slowly, if at all. Few consumers appear willing to separate their trash and bring just their diapers and sanitary pads to a separate facility. One enterprise offered waste pickers 1 rupee (equivalent to about 1 U.S. cent) for every kilogram of waste they brought in to be recycled, but the volume and weight of this type of trash made that offering inefficient and unappealing for workers, who could make more money collecting other kinds of waste.

Thus the consumer goods companies face a difficult dilemma. They continue to seek to expand their reach in India, where the markets for both sanitary pads and diapers are projected to more than double in size in the next few years. Comparatively, these growth rates are less than 2 percent in the United States. Thus, they cannot ignore India as a vastly attractive consumer market. But as they pursue this growth, they also are likely to face increasing pressures to find a solution to deal with the waste inherently produced by the use of their products.

## Discussion Questions:

1. What would be the best response for consumer product goods companies to address this dilemma between growth and demands for effective waste strategies?
2. Are these companies responsible for dealing with waste, or is that effort the responsibility of local governments and consumers?

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# Are Algorithms Discriminatory? Questions About How Facebook Targets Advertising

John D. McKinnon and Jeff Horwitz, "HUD Action Against Facebook Signals Trouble for Other Platforms," The Wall Street Journal, March 28, 2019; Paresh Dave, "Facebook's Ad System Leans on Stereotypes for Housing, Job Ads: Study," Reuters, April 3, 2019

**Use with Chapter 3, "Digital Marketing: Online, Social, and Mobile," and Chapter 9, "Segmentation, Targeting, and Positioning"**

The sophisticated algorithms that Facebook and other digital platforms use to segment consumers are widely touted as benefits for advertisers and users of their platforms. By identifying and specifying consumers who are interested in particular ideas, products, or services, companies can ensure that their marketing goes to an interested audience of likely buyers. But the flipside of this capability is less rosy: If the algorithms can specify a target market, they also can enable discriminatory practices by advertisers that seek to exclude certain populations from accessing their products.



According to a warning issued by the U.S. Department of Housing and Urban Development (HUD), Facebook's segmentation capabilities enable unethical housing providers to prevent their ads from being seen by people whose prior activities on the social media platform suggest they are disabled or members of protected racial or religious minorities. For example, if a user has liked posts by service animal organizations or searched for disability service providers, some rental housing companies might exclude them, to avoid having to provide appropriate access to potential renters with disabilities. Realtors and renters also might exclude people who signal their racial or religious identity through their searches.

Such modern versions of redlining—the historical practice by which housing providers have prevented certain protected classes of citizens from moving into an area, using subtle and difficult-to-prove methods of discrimination—raise serious concerns. According to HUD, these forms of discrimination are the responsibility of the digital platforms to address.

But the government warning and its related demands create several problems for Facebook and other platforms. First, they work hard to keep their proprietary algorithms private and protected from the risk of being stolen by competitors. If the government agency ultimately demands that they disclose those practices, to determine if they are discriminatory, the platforms would have to make some key intellectual property and sources of competitive advantage public and available to anyone. Second, they note that providing information about how their targeting works also would expose consumers' data, creating an array of ethical and privacy issues.

In some cases, the discrimination appears less intentional and more a function of how the targeting tactics have developed over time. For example, a study of Facebook advertising showed that advertisements for jobs in the logging industry were relayed overwhelmingly to white men, whereas other calls for secretarial jobs were routed mostly toward black women. When the test ads featured pictures of people of other races and genders, the automated algorithms continued to display the stereotypical targeting. Yet the simple addition of a picture of a football versus a flower led to increased gender-biased targeting of advertising, even if they had nothing to do with the actual product being advertised. Thus, even if a company is not actively attempting to discriminate against some class of consumers, the digital platforms might be leading them into discriminatory behaviors—and limiting any good-faith efforts to seek out and pursue more diverse pools of potential employees or purchasers.

## Discussion Questions:

1. How should digital platforms respond to the HUD caution at this point, before being required to open their algorithms to review?
2. What options do digital platform users have to avoid biased targeting that limits their access to marketing offers?

# New Advertising Information about Prescription Drugs: Their Prices!

Peter Loftus, "Johnson & Johnson to Air First TV Ad for Drug that Discloses its Price," The Wall Street Journal, March 28, 2019

**Use with Chapter 15, "Strategic Pricing Methods and Tactics," and Chapter 19, "Advertising, Public Relations, and Sales Promotions"**

Televised advertisements for prescription drugs provide a lot of information: the conditions they are designed to treat, the methods for taking them, and the vast list of side effects they might induce. Their informational character is part of why drug companies receive tax deductions for the cost of airing these advertisements. But a key piece of information has been missing from virtually every ad ever broadcast, namely, the price that consumers must pay to obtain and continue taking these drugs.



That lack of information appears likely to change, as U.S. government officials increasingly signal their intentions to do more to address prescription drug costs. One option for doing so is to ensure that consumers know the prices of the prescription drugs being advertised.

In a proactive move, Johnson & Johnson has started identifying the cost for its drug Xarelto, a market leading blood thinner. In new advertisements, the monthly list price of \$448 will appear in the last few moments, along with a message that insurance and financial assistance reduce these charges to between \$0 and \$47 monthly for approximately 75 percent of the people who take the popular drug. A displayed web address also directs viewers to a Xarelto website with more detailed price information. After starting with this prescription, Johnson & Johnson plans similar communications for other drugs, such as Tremfya, which treats plaque psoriasis, and Stelara, a treatment for Crohn's disease.

Whereas Johnson & Johnson has taken the lead, other pharmaceutical industry actors balk at the prospect of providing cost information, for several reasons. In particular, they note that consumers rarely pay list prices. If they have insurance coverage, the amount they actually pay tends to be much lower. In addition, many pharmaceutical firms offer financial assistance to help low income consumers afford necessary medications. Thus, providing the list price could have negative effects on consumer welfare, if people who need the drugs mistakenly assume they will be too expensive and thus never seek out a prescription.

Such arguments do little to convince consumer advocates and members of Congress who believe that failing to disclose prices hinders consumers' ability to make informed decisions. Furthermore, because they do not reveal the relatively higher prices charged for branded drugs, compared with generic alternatives, these advertisements might discourage consumers from considering the cheaper generics.

Another potential benefit of requiring advertisements to disclose prices would be the possible impetus it might give drug companies to lower their prices. That is, if consumers are clearly aware of the prices being charged, they might do more to demand lower costs, whereas today, they suffer from a lack of information and thus cannot coordinate their price-related demands of the pharmaceutical firms.

## Discussion Questions:

1. Which argument to you find more convincing: Adding prices to drug ads increases or lowers consumer welfare? Defend your answer.
2. Why have drug companies been able to keep their prices hidden for so long? What traits of this industry allow them to do so?

# Is Amazon Undercutting Brands on Its Site with Price Promotions for Its Own Products? A Test of Pop-Up Ads

Jay Green, "Amazon Tests Pop-Up Feature Touting Its Lower-Priced Products," The Wall Street Journal, March 15, 2019

## Use with Chapter 17, "Retailing and Omnichannel Marketing"

Imagine you need batteries. You're a modern consumer, so of course, you turn to Amazon to order them and have them delivered to you. When enter your search criteria, the site returns several options, and you click on 24-pack option offered by your preferred name brand, say, Energizer. But before you can put it in your cart, a pop-up message appears on screen, promising a lower price on a similar product—namely, private-label Amazon batteries. You can click to ignore that offer, or you can switch to it. What do you do?

Amazon is betting that, at the very least, you consider the cheaper option. It tested this prediction recently, in a limited experiment that imposed such pop-up ads on several product pages. Some of the affected products were national brands, like Energizer batteries and Glad trash bags. Others were offerings from smaller companies, like a sleep aid sold by a Canadian supplement company called Nested Naturals.

Asserting that the experiment was not a form of advertising, but rather an effort to determine the best way to help consumers find lower-priced offerings, Amazon carefully limited the span of the test to selected products and only some consumers. That is, some customers shopping for Energizer batteries might not have seen the pop-up window, while others did. In line with its reputation for closely guarding its strategic choices though, Amazon would not confirm how many brands were subjected to the experiment, how it chose which consumers would see the pop-up offerings, or whether touting the alternative had any effects on sales of the targeted products. It also claimed that not all the lower-priced options were Amazon-branded products, though without clarifying which other brands were featured in the pop-up windows.

For sellers on Amazon, the experiment likely appears somewhat threatening. Several national brand manufacturers declined to comment, but the CEO of Nested Naturals acknowledged concerns. The experiment implies that it will need to find a way to compete directly with Amazon, as both a retailing giant and its primary channel to reach customers. Noting that approximately 85 percent of its sales came through Amazon, the executive cited the company's "stomach of steel" when it came to working with Amazon. It has little choice but to continue selling through the site, so it must put up with such "sneaky" tactics.

Other tactics and tests have raised similar concerns. For example, Amazon ran a short-lived test of some sponsored advertisements on registries that appeared as if consumers had selected certain items to request for their baby or wedding shower. The settings made it nearly impossible to determine if expectant parents were actually requesting that their friends purchase large diaper packages or if the promotion was sponsored by Kimberly Clark.

Overall, these tests and experiments reinforce Amazon's existing reputation: It is an innovative retailer, willing to try lots of different things to meet its customers' needs more effectively. It also is an aggressive competitor, willing to leverage the power it wields over the suppliers that appear on its site to ensure it dominates them, even as they continue to need it.



### Discussion Questions:

1. What is Amazon doing to compete with branded manufacturers that also sell their products on its site?
2. Is this strategy ethically defensible?
3. What should these name brand manufacturers and sellers do about it?

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# Microplastics in the Pool: The Unique Environmental Harms of Swimwear and Efforts to Address Them

Elizabeth Segran, "Your Swimsuit Is Terrible for the Environment," Fast Company, April 10, 2019

Use with Chapter 5, "Analyzing the Marketing Environment," and Chapter 16, "Supply Chain and Channel Management"



Summer is coming, which means swim season is here. When swimmers and sunbathers go to purchase this year's gear, they face a new choice criterion: whether the synthetic materials that go into the suits are made with virgin or recyclable plastics. Their choices and the future developments of this market in turn have meaningful implications for swimwear companies and their supply chain operations.

Swimsuits are unique pieces of clothing, with different requirements than apply to most apparel. They need to wick away moisture from the outside, but they also have to stretch and fit closely to the body. They also need to be slick in texture, so that swimmers can move easily through water. For all these requirements, synthetic fabrics such as nylon and spandex are well suited, unlike natural single-ingredient fabrics like cotton.

But synthetic products by definition include plastics and other materials that do not biodegrade or decompose. Thus, they have negative impacts on the environment, and these considerations are especially relevant for swimwear because of its uses. That is, people already wear the products in the water. Then when they wash them, the clothing releases microparticles of plastic, which get washed down drains. Scientists have found increasing levels of microplastics in wild fish; in addition to the broader environmental concerns associated with this contamination, this evidence means that the plastics have entered the food chain, and people are ingesting the microparticles, with negative effects for their liver and kidney functions.

In response to these concerns, some companies are searching for alternatives and ways to reduce the amount of plastic being used. One option is to integrate more recycled plastic material into the synthetic fabric. In so doing, the producers avoid adding more virgin (i.e., previously unused) plastic into the supply chain. For example, Athleta notes that approximately 85 percent of its swimwear now contains recycled plastic, and it aims to get to 100 percent soon. Its efforts have been hindered by supply chain limitations though, in that the internationally diverse factories that produce its products do not all have access to supplies or the capabilities to work with recycled plastics.

Nor does the use of recycled plastic fully solve the problem; the suits still contain plastic, which gets released as microparticles through washing. Some companies encourage consumers to handwash their swimsuits, which releases fewer microparticles. A small, environmentally oriented swimwear company called Reformation sells a wash bag that collects the microparticles when consumers put their suits in the washing machine (though consumers still have to figure out how to dispose of the collected material).

Another sustainability-focused firm called Summersalt took the seemingly counterintuitive decision to add more of a Lycra blend that contains virgin plastic to their suits, because the added material lengthens the usable life of the suits. If consumers can keep wearing the suits for multiple seasons, they are not throwing the suits away, into landfills, where the contained plastics either leech into the soil or get incinerated, with negative implications for air quality.

Instead of tossing used and unwanted suits into the trash, recycling them offers another possible solution. However, this option creates still other challenges. At the moment, synthetic products are difficult to recycle; a method would need to be developed to separate out their various ingredients, so that each element could be recycled separately. In addition, taking swimwear back from consumers would demand reverse supply chain operational capabilities from companies, which can be expensive and particularly difficult for the small start-up firms trying to bring sustainability into the swimwear market. If these challenges could be resolved, the outlook would be more positive. Plastics can be recycled an infinite number of times, so if each swimsuit were returned for recycling, arguably, the production chain would not need any more virgin plastic. But it still would not address those tiny microparticles that get released in the wash, suggesting that the ultimate solution to this environmental issue requires a multifaceted approach.

## Discussion Questions:

1. How many swimsuits do you own, and how often do you wash them?
2. Can you think of any other potential solutions to this environmental concern, beyond those mentioned in this abstract?

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# If Viewers Just Keep Queuing Up Reruns, Do Streaming Services Even Need to Produce Content?

Melissa Locker, "Maybe Netflix Original Shows Really Aren't that Popular," Fast Company, April 10, 2019

**Use with Chapter 6, "Consumer Behavior"**

The massive trend of cord cutting, such that many consumers no longer subscribe to cable television services and instead get all their entertainment content from streaming services, was a key motivation for the streaming companies to start producing original content. Hulu, Netflix, and Amazon all host and promote their content, and some of the shows have prompted notable popular and critical attention as excellent options for viewers. But a recent study shows that those viewers instead remain loyal to the shows they have known for years. If all consumers want are Friends reruns, is there really sufficient cause to develop and broadcast Stranger Things?



The answer might depend on the reason for these consumer behaviors, and those reasons are not completely clear. Perhaps viewers are subject to social desirability biases: They know they "should" prefer a challenging, socially relevant, probing series like *The Handmaid's Tale*, but what they really want to watch is the comforting procedural storytelling provided by *NCIS*. Or perhaps they are not at all embarrassed about their love of *This Is Us* but cannot afford a subscription to cable networks and thus are willing to wait a few days for new episodes to show up on Hulu.

Although these reasons are not totally clear, a few other details about consumer behaviors emerged from the study, which surveyed more than 2000 U.S. streaming customers. That information could inform the streaming services' efforts at developing new content going forward. For example, 21 percent of those surveyed admitted that they watched entertaining content while at work, so perhaps they would be attracted by shorter storylines that they could consume in between job tasks.

In addition, nearly one-third of the respondents explicitly stated that screen size did not influence their viewing habits, which represents a stark contrast from previous trends that suggested consumers wanted large televisions with stellar picture quality. For some consumers, it thus appears that production values and graphic quality might not be as important, implying a means by which content providers could cut their costs.

Finally, among these streaming users, a whopping 86 percent rely on Netflix, though mainly to gain access to movies. This statistic provides insights for both Netflix and its competitors; perhaps Netflix should shift its content production efforts to more feature-length film content. Hulu and Amazon instead might see a promising niche for their offerings, such that they might attract more fans of television series and leave the movie market to Netflix.

## **Discussion Questions:**

1. Using the limited insights about streaming consumer behaviors presented by the study described in this abstract, what strategic moves would you recommend for each of the streaming services?
2. What implications do these behavioral trends have for other companies, such as television manufacturers or smart device makers?

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# But Can the Duck Belt Out a Hit? Aflac's Country Music Marketing Communications to Clarify What Its Products Do

Kyle O'Brien, "Behind Aflac's Partnership with Country Music and Its Famous Duck," The Drum, April 8, 2019

Use with Chapter 18, "Integrated Marketing Communications"



Aflac had a problem: Consumers did not seem to know what exactly its product was. They knew its famous quacking duck mascot, but they didn't know why or when they might need the company. Such confusion made it difficult to sell its insurance offerings, which give payouts to members if they are injured and unable to work. Thus Aflac undertook a two-pronged effort to resolve the confusion and better establish its offering and appeal.

First, a comprehensive ad campaign, "Aflac Isn't," tackles the confusion head on. The televised advertisements feature people confronted with various challenges, such as storm damage to their home or the aftermath of a fender bender. The people ask if Aflac provides help in those situation, such as "Is it a car insurance company?" By rejecting these descriptions and answering "no" to each question, the ads define the offering by highlighting what it does not do.

Second, it pursued a collaboration and sponsorship opportunities with the Academy of Country Music. The link might not appear immediately obvious, but it has several convincing justifications for entering into this partnership. In particular, Aflac's insurance product mainly benefits hourly workers, who would not earn wages if they could not work. It is less pertinent to salaried employees, who usually can take temporary sick leave and still get paid. In general, U.S. hourly workers earn lower incomes, and a common segmentation suggests that country music fans also tend to be blue collar workers. Thus, by appearing prominently during country music award shows and events, Aflac likely is communicating its message to its target market.

In addition, part of the collaboration involves an Aflac-sponsored award, given to a country music artist who has used music to contribute meaningfully to society. This year's award winner Brandon Ray was cited for his ongoing efforts to visit hospitals and cheer up patients by singing at their bedsides. He visits children most of the time, but he also made special visits to victims of the Las Vegas mass shooting, which took place during a country music concert. With this pick, Aflac further solidified its connection with the country music community, in that both the award winner and Aflac are there for people who have been injured, helping them in their time of need.

## Discussion Questions:

1. Is the collaboration between Aflac and the Academy of Country Music an appropriate one? Why or why not?
2. What other marketing communication tactics could Aflac use to help consumers understand its offering better?

# From Where's the Beef to There's No Beef: Burger King Starts Selling a Meatless Impossible Burger

Nathaniel Popper, "Behold the Beefless 'Impossible Whopper'," The New York Times, April 1, 2019

## Use with Chapter 12, "Developing New Products"

Impossible Burger is a well-named company: It has pursued, and recently achieved, the seemingly impossible task of developing a meatless burger that could satisfy beef lovers. After years of experimentation, it believes it has perfected its plant-based Impossible Burger—and Burger King agrees. The fast-food chain thus is adding Impossible Burgers to its menu, initiating a nationwide rollout that will allow vegetarians to enjoy a Whopper just as much as their meat-eating counterparts do.



The new product is vegetarian but not vegan; the sandwich still features the mayonnaise that is slathered on traditional Whoppers. Indeed, it is designed to be nearly identical to the 100 percent beef Whoppers, and before expanding its product offerings, Burger King conducted extensive blind taste tests, in which people regularly were unable to identify which burger was meat and which was vegetarian.

The recipe for Impossible Burgers is unique, distinguished from competitive meatless offerings by its use of heme, which is a protein that appears naturally in beef. Through extensive testing, Impossible Burger found a way to cultivate and reproduce the heme with a combination of soybean plants and yeast. Then it combined the protein with various vegetarian ingredients, with the goal of reproducing the texture of ground beef. Another market option, produced by a company called Beyond Meat, instead used pea proteins and beet juice (to make the burgers look "bloody") to develop burgers that currently are available at Carl's Jr. restaurants.

To earn a position on Burger King's menu boards, Impossible also had to reformulate its burger design, so that their appearance matched the square shape and relatively flat height of conventional Whoppers. It also had to prove that the burgers could withstand the flame broiling that Burger King famously uses to cook menu items in its stores. Once it had reached these goals, Burger King was ready to add the burgers to its approximately 7200 restaurants nationwide. The introduction created new challenges for Impossible Burger, which had to add another production shift to keep up with demand, as well as expand its facilities with a second production line, devoted only to supplying Burger King.

But these challenges also are elements of the broader goal that sparked the idea for Impossible Burger in the first place. The company founder has spent years trying to find an alternative to beef, citing mainly environmental justifications. Meat production is a primary contributor to environmental pollution, and the production of Impossible Burgers reduces these effects substantially. Furthermore, the meatless burgers provide consumers with equivalent levels of protein but an approximately 15 percent reduction in fat content and 90 percent less cholesterol. Finally, the product fulfills the demands of both vegetarian consumers who might like a fast food option and meat eaters who might want to reduce their meat consumption, such as by limiting it to once or twice a week.

Considering these benefits, the companies plan to charge more for Impossible Whoppers, about \$1 more than a conventional Whopper. The packaging will be similar, with a plain paper wrapper, but the logo on the Impossible Whopper will tout, rather than "100% beef," that it contains "100% Whopper, 0% beef."

### Discussion Questions:

1. Will consumers embrace meatless burgers like the Impossible Whopper? What trends encourage this adoption, and which ones might limit it?
2. Would you try an Impossible Whopper, even at a higher price? Why or why not?

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# Service Innovations for Seniors: Finding Ways to Enable Older Consumers to Experience Safe, Satisfactory Travel

Julie Weed, "More Benches, Special Goggles: Taking Steps to Assist Older Travelers," The New York Times, April 22, 2019  
**Use with Chapter 5, "Analyzing the Marketing Environment," and Chapter 12, "Services: The Intangible Product"**

As consumer age, their needs change. In hospitality and travel sectors for example, studies show that older tourists need benches located more conveniently, to allow them to take breaks; signage at eye level, because they tend to pay attention to where they are walking rather than looking up to see directional signs attached to the ceiling; wider doorframes to accommodate walkers; and auditory surroundings and communications that work well with hearing aids instead of producing an uncomfortable frequency. As global populations grow increasingly older—people older than 60 years are predicted to account for 22 percent of the world's population by 2020—such needs and demands are becoming more central to service providers' strategies and designs.



In airports for example, designers are adding more directional signs to floors, to meet older travelers' tendency to be looking at the floor as they walk. They also are moving away from highly polished, shiny floors, which can appear wet and raise concerns about slipping risks. Because many older customers prefer to go straight to their gate when flying, to avoid any worries about having to hurry through the airport to catch their flight, some destinations also are increasing the number of food and concessions stands located next to gates, rather than keeping them all in the central terminal.

Technology innovations also are changing the service offering for tourism companies. A novel system being tested in a few airports links to hearing aids and sends updated information directly to the devices, like having a guide right in their ears. Aira glasses available in the Seattle-Tacoma Airport establish a wifi link, such that remote guides can see what wearers see and help vision-impaired travelers navigate the often confusing and crowded terminals. At Tampa International Airport—where people 55 years and older account for approximately 40 percent of traffic—a recent redesign created more open spaces, reduced walking distances to gates, and included plans for where human service personnel could stand, so travelers could easily find help when they need it.

Redesigned servicescapes also are appearing in hotels, with innovations such as Marriott's Studio Commons concept. These suites feature four bedrooms arranged around a common area, so multigenerational families can all stay together but still maintain some privacy. Other room features designed to appeal to older tourists encourage step-in showers instead of bathtubs, extra bright lighting, and power outlets at table level instead of floor level.

Even independent travel service providers are getting in on this trend. A snorkeling company offers a small submersible vehicle, staffed by a pilot, so that grandparents can ride along, participate, and observe the fun their grandchildren are having while snorkeling. An ice cream shop in Ireland that attracts many older tourists ordered new tables with heavier bases, so people could lean on the tabletop to help them stand, without worrying about the table tipping over. Thus the concessions and redesigns are varied, but they all seek a similar goal: Making travel services safe, appealing, and facilitative for seniors.

## Discussion Questions:

1. How might tourism industry service providers uncover other needs of older travelers to inspire further developments to their design strategies?
2. What other industries might need to make similar modifications to appeal to and serve older consumers effectively?