

grewal levy marketing

SEVENTH EDITION



Dear Professor,

We are delighted to inform you that Marketing 7e has published. This exciting new edition provides the power of Connect with **SmartBook 2.0**, which continually adapts to individual students' needs, creating a personalized and productive learning experience. This helps students come to class better prepared and ready to learn, allowing you to transform your classroom experience. The 7th edition will feature 8 **new Video Cases**, assignable Marketing Analytics exercises, assignable Marketing Mini Sims and much more, all within Connect. In addition, McGraw-Hill has recently introduced a new Marketing Insights Podcast series as well as a new Marketing Video Library, both updated monthly!

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Sincerely,

Dhruv Grewal & Michael Levy

July/August
2019



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SEVENTH
EDITION





Videos:

It's Not Discount Furniture

- × Bob's Discount Furniture is taking a new approach to a "discounted" strategy, starting with their customers. The company is working to change the perception of the word in advertisements.
- × 30 seconds
- × Use with Chapters: 2, 5, 9, 11, 14, 19
- × [Video Link](#)

The Story Continues

- × In a hope to modernize their marketing strategy, Wimbledon took a unique approach to advertising for the last tournament.
- × 1:00 min
- × Use with Chapters: 5, 8, 11, 19
- × [Video Link](#)



Using Advertising, AR, and IMC to Get the Word Out:

Bob's Discount Furniture Is Not a Discounter

Marianne Wilson, "Bob's Discount Furniture Puts New Spin on 'Discount,'" Chain Store Age, July 1, 2019; Adrienne Pasquarelli, "Bob's Discount Furniture Debuts Its First Work from Barton F. Graf," Advertising Age, June 27, 2019; Nic Ledoux, "Bob's Discount Furniture Launches Augmented Reality App," Furniture World News, December 3, 2018

Use with Chapter 1, "Overview of Marketing," and Chapter 18, "Integrated Marketing Communications"



When Bob's Discount Furniture determined that what it really needed to do was reinvent its image, to prevent consumers from thinking that it offered discount or cheap products, as opposed to quality furniture at a discount, it mounted a multipronged approach. In addition to communicating about its preferred image, it sought to introduce new offerings and channels to support the claims it was making.

Notably, it released a new augmented reality (AR) app that allows users to virtually place couches, tables, chairs, and other furniture available through Bob's in representations of their rooms at home. This functionality facilitates their decision making, offers a fun way to shop, and limits the chances of disappointment when an ordered piece does not fit well in a room. In this sense, Bob's Discount Furniture established that it could provide added value to shoppers first, before initiating its marketing campaign along those lines.

The resulting campaign explicitly deals with the idea that, because of the retailer's name, it must be sell cheap, poor quality furniture. An animated character, Lil Bob, appears in the advertisements, describing the company's philosophy that the discount is what shoppers get from Bob, not a description of the furniture. Rather than emphasizing "discount furniture," the spots try to convince shoppers that the key terms in the retailer's name are "Bob's discount."

Spokespeople for the chain also have granted interviews to the business press, describing how the company's sophisticated supply chain management practices enable it to offer deeper discounts than its competitors. Thus it covers both industry observers and consumers by spreading messages in various channels and publications.

The chain's growth likely sparked this recognition of the need to clarify the meaning of the brand. In business for nearly 30 years, it now counts 119 stores, with further expansions planned for the near future. These stores already have sought to provide an appealing consumer experience, offering ice cream treats and coffee in on-site cafes.

Discussion Questions:

1. What kind of value does Bob's Discount Furniture aim to provide consumers?
2. Is the form of value you noted in response to the first question sufficiently represented by the chain's name? Should it consider changing its name, and what considerations would it need to address if it chose to do so?

How Much Is Your Search History Worth? Would \$10 Cover It? Amazon's Latest Prime Day Offer and Strategy

George P. Slefo, "Amazon Wants to Give Users \$10 in Exchange for Tracking Them All Over the Web," *Advertising Age*, July 16, 2019; Jeffrey Dastin, "Amazon Offers \$10 to Prime Day Shoppers Who Hand Over Their Data," *Reuters*, July 16, 2019

Use with Chapter 10, "Marketing Research"

On Prime Day, Amazon issues up some of the best deals of the year, looking to get more and more customers signed up for its added-value membership. From radical price drops on Echo devices to free digital subscriptions, shoppers have come to expect and look for remarkable deals on and around the retailer's annual Prime Day. This year, they also encountered a different kind of promotion: a direct \$10 credit to their account if they signed up to receive the extra services of the comparison shopping tool called Amazon Assistant.

What could be wrong with that? An approximated 7 million people already have signed up for Assistant, which surveys various websites to determine which one has the best prices for various products customers seek. By installing the add-on service, browsers feel confident that they are getting the best deal on various items they want; they also might receive alerts when a particular item is on sale somewhere on the web.

Yet there's a catch to the great deal and helpful service: To sign up and receive the credit, people also must give Amazon permission to access their web search behavior, including what websites they peruse, when, and in what order. Such information is required to support the price

comparison service; for example, Assistant needs to know if a shopper visited walmart.com to look for a table lamp, so that it can determine the prices for the same décor on Amazon, Overstock, and so forth. That is, the information is required for the service to function as promised and provide the comparison that users seek.

But it also gives Amazon a vast treasure trove of data about consumers. In addition to competitive retailers, the Assistant tracks what content the users look at on Hulu, Rotten Tomatoes, and IMDB. Thus it learns not just what somebody plans to purchase but also what kinds of movies they like and which actors appear to be of most interest to them. Such insights become virtually invaluable when it then comes to marketing to shoppers. If Amazon knows that a browser keeps checking on the release dates for the next Avengers installment for example, it also learns that it is likely to prompt a sale if it promotes Iron Man toys, a Scarlet Witch costume, or digital access to the new Thor movie to that consumer.

It is not as if Amazon is the only company to collect such information. Google has far more of it, from far more users, because the inherent search function it provides to millions of people gives it a constant source of data about what consumers want and which sites they click to when they receive a long list of results. Technology called tracking pixels, installed on a vast majority of web pages, also means that Google can determine where its users go, even if they don't start a browsing session on its search site.

The difference is that Amazon is, ostensibly, a retailer, not an information aggregator. That role seemingly is changing though. Amazon will always be a place people can go to purchase virtually any product they need, but it also is increasingly a data and advertising services provider to other firms. Because so many people willingly give Amazon so much information, it possesses valuable information that other firms will pay to access, such that the revenue that it ultimately earns from consumer sales actually involve multiple sources.

In another difference, Amazon Assistant is explicitly tracking precisely where users go for the entire browsing session. Unlike the tracking pixels, which are more broad based, the Assistant detection system follows a specific segment of consumers in greater detail, providing more in-depth insights into how particular consumers shop. Again, such insights are critical to the businesses that rely on Amazon to provide them with necessary data.

We might bet though that Amazon is charging those business clients a lot more than \$10 to give up its data. Should consumers be doing the same?

Discussion Questions:

1. How much is data worth? How might individual consumers come up with a reasonable estimation of what a
2. If they gain access to these data from Amazon Assistant, what kinds of market research can other firms achieve?

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Exchanging a Bottle of Pepsi for a Can of Water? Finding Packaging Solutions to Environmental Commitments

Chris Wack, "PepsiCo to Make Packaging Changes for Beverages," The Wall Street Journal, June 27, 2019; Ewan Palmer, "PepsiCo to Sell Water in Aluminum Cans Under Plans to Reduce 8,000 Tons of Virgin Plastic Use," Newsweek, July 1, 2019; Jonathan Shieber, "Pepsi Is Going to Start Putting Its Aquafina Water in Aluminum Cans," TechCrunch, June 27, 2019
Use with Chapter 11, "Product, Branding, and Packaging Decisions"

When PepsiCo announced its ambitious plans to ensure all of its packaging material would be recyclable, compostable, or biodegradable by 2025, it was clear that a lot of changes would be coming. Its product lines, especially its familiar beverage and snack options, rely heavily and nearly universally on packaging that features substantial amounts of plastic. How could consumers get their bottled water, if not in a bottle?



At the moment, the answer involves several options. One of them will be pretty familiar to Pepsi's existing consumers: Put more things in cans. That is, consumers have long been accustomed to drinking carbonated soft drinks out of cans. Similarly, Pepsi is putting its carbonated, flavored water bubly into cans, with the promise that it will never appear in plastic bottles. It also is moving Aquafina toward aluminum can containers, rather than the familiar clear plastic bottles that have been the most common packaging.

For its LIFEWTR brand, Pepsi instead is experimenting with a completely recycled and recyclable type of plastic, called polyethylene terephthalate. While still officially a plastic container, this version avoids releasing the microplastics that research now indicates may be responsible for much of the environmental and oceanic degradation associated with our vast use of plastics.

The different solutions also reflect the varied branding methods that Pepsi applies to each brand. For example, bubly aims to be something different and distinct, by "shaking up" the sparkling water category. Packaging the fizzy, fun beverage in cans gives a nearly unavoidable link in customers' minds with the idea of being shaken up, in a different context but with a clear cognitive link. For LIFEWTR, the brand image seeks to be inspirational, so using recycled plastics in the packaging gives a nod to the ways in which consumers can be inspired to do the right thing for the environment.

Whether these moves are sufficient remains a debate. Some scientists note the issues involved in the production and disposal of aluminum cans too, for example. They assert that the best option is still to drink tap water from a container that the consumer reuses over and over. But that option isn't the best one for a company determined to sell beverages. Accordingly, Pepsi is betting that by vastly reducing the amount of virgin plastic it uses, it can help consumers feel better about its drinks and thus encourage them to keep buying.

Discussion Questions:

1. Can you think of any other packaging options that might be effective for Pepsi's beverages? How would you assign them, based on various brand images?
2. Is Pepsi likely to reach its ambitious packaging goals by 2025? Why or why not?

How Retailers and Tech Companies Collaborate to Create Beacons that Track Shoppers—And What Shoppers Can Do About It (or Not)

Michael Kwet, "In Stores, Secret Surveillance Tracks Your Every Move," The New York Times, June 14, 2019

Use with Chapter 17, "Retailing and Omnichannel Marketing"

Let's say you need a few things—a new belt, some laundry detergent, and a birthday present for your nephew—so you head to your favorite one-stop-shop, Target. When you get there, you pop open the Target app on your phone, to see if you have any coupons installed or which detergent is on sale this week. When you do that, not only are you gathering information from the store, but the store is gathering information from you, using tiny beacons installed throughout its aisles, as well as on your phone.

Beacon technology has been around for a few years, but it continues to expand in both reach and sophistication. Relying on Bluetooth connections, it is able to locate a user within a few feet or meters. Unlike GPS options that do not work well inside buildings, or cell tower tracking that is not very accurate in specifying people's exact locations, beacons are both more functional in various places and more precise. They can even determine within a few inches where a person is in the store. Thus Target might ping you with an exciting ad to get you to make an unplanned purchase of the latest version of a video game if you pause by the display for a moment, or it might update your promotional offers to suggest a better price on a bundle of a book and stuffed animal, even though you'd only planned on getting your nephew one gift.



But let's say you're pretty smart about privacy protections, so you expressly choose not to download any retailer apps, to avoid this kind of tracking. Even if you head out to your local Target, you avoid opening the app, such that you do not allow the store to link its beacons with your phone. That's fine—but it isn't a guarantee of privacy. Instead, beacons have been added to a far more extensive list of apps that have little to do with retailing. For example, the millions of users of weather apps usually grant them permission to track their locations, so that they can have accurate information about the rain chances for their exact location. But many weather apps have agreed to include third-party beacon technology, usually for a fee, within their digital functions.

Thus, when you visit a mall—or a museum, airport, gym, hospital, or movie theater—the beacons in these popular gathering places learn where you are, without you ever being aware of it. Other beacons know how you managed to get there, because they are installed on public busses and subway systems.

With these extensive and varied installations of beacons, companies collect data about literally millions of people, often without their conscious knowledge. One location data firm thus claims that it can provide insights into the movements of about 50 million consumers each month—including an estimated 38 percent of the vastly appealing target segment that it defines as "millennial moms." With these data, retailers can benefit not only from nudging consumers to buy at the moment they are ready but also by avoiding sending annoying marketing communications to those who have decided not to buy. If you dashed past the candy aisle for example, the beacons might perceive that you're really trying to cut back on sugar, so Target could avoid making you feel sabotaged in your efforts by realizing it should not send you a coupon for half off a package of Sour Patch Kids.

Some of these benefits also might help consumers, who arguably will receive more appealing, better targeted, and less annoying marketing communications. The question is what happens for consumers for whom those benefits are not sufficient to outweigh the loss of privacy associated with a data provider or retailer knowing exactly where they are at virtually all times. For them, the inexorable spread of beacons ultimately may prove unavoidable and unwelcome, despite their best efforts.

Discussion Questions:

1. Do you use retailer-specific apps in physical stores? Do you recall agreeing to install beacon technology on your phone, if so?
2. What kinds of limits should retailers and other beacon users be subjected to legally, when it comes to collecting people's location information?

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Volleying Between Past Heritage and Future Achievement: Wimbledon's Image Makeover

Erin Lyons, "Wimbledon on its Marketing Strategy: We Are Going Beyond Just Releasing a Pretty Trailer," Marketing Week, July 1, 2019; Imogen Watson, "Ads We Like: Wimbledon Serves Up Historical Moments When Sport and Society Intertwined," The Drum, June 11, 2019; Libby Marco, "How Wimbledon Continues to Win the Marketing Game," AutopilotHQ, July 18, 2019

Use with Chapter 18, "Integrated Marketing Communications"



A global, storied, popular event like the annual Wimbledon Championship already has a lot of marketing tools at its disposal. In addition to in-person communications on and around the courts and venue, it gets vast televised coverage, features a constantly updated roster of extremely popular spokespeople in the form of its athletes, and has more than a century-long history to leverage as its heritage. In a sense then, the toughest challenge for Wimbledon might be figuring out how to combine all these valuable tools to achieve the most consistent and effective message to spread.

In particular, today's Wimbledon aims to be far more inclusive and diverse than its long history might demonstrate. Tennis, and the Wimbledon courts in particular, historically has had a reputation as a sport for wealthy elites, played in country clubs and according to stringent, formal rules of decorum and dress. It also has a difficult history of racism and gender discrimination that the current organization actively seeks to disavow.

Its current marketing campaigns thus explicitly address this history by showing how it is leading into the future of the tournament. For example, a television spot highlights how history has progressed in parallel with Wimbledon. It links Amelia Earhart, the first woman to fly across the Atlantic Ocean solo, with Althea Gibson, who in the same year became the first black woman to win Wimbledon. It connects Roger Federer, whose play redefined the game, with the mapping of the human genome at the same time, which redefined understanding of the human condition. By putting historical victories in their progressive context, the marketing anticipates further advancements, at both societal and sport levels.

The integrated campaign also acknowledges how the venue has changed though. Moving past the traditional limitations of weather, the club installed retractable roofs several years ago, signaling its desire to enhance the customer experience of visitors coming to see the matches. But clearly not everyone can get to Center Court during the tournament, so Wimbledon also rebranded several elements of the event to appeal better to television viewers, including the notable change of its traditionally white balls to brighter, yellow tennis balls that are easier to see during broadcasts.

Noting its wider and more diverse audience, Wimbledon also tries to appeal to fans at whatever level they prefer. For dedicated, true fanatics, it commits to live broadcasts, so they can know what is happening at the moment a point scores. For more casual observers, it offers replays and commissions podcasts, so they can keep up without having to stay up all night to watch. For those who tune in mostly to see their favorite celebrity athletes, like Serena Williams, it provides detailed reports on the players' conditions and conditioning routines.

Even the tone of voice in its marketing has shifted. Rather than formal intonations, both announcers and written communications are taking a chattier tone, welcoming those new to tennis or to Wimbledon to get a feel for the fun of the global event. With an estimated 300 million people watching every year, it is determined to appeal to all of them, whatever their interest level.

Discussion Questions:

1. What metrics could Wimbledon use to measure the success of its current campaign to appeal to a wider audience?
2. If you watch Wimbledon, which matches do you make sure to see, and why?

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Selling Directly to Consumers Is a Growing Option, for Firms in Virtually Every Product Industry

Nat Ives, "The Ad Industry Has High Hopes for Direct-to-Consumer Businesses," The Wall Street Journal, June 17, 2019; Christopher Mims, "Walmart's Semi-Secret Effort to Become Internet Cool," The Wall Street Journal, July 27, 2019

Use with and Chapter 7, "Business-to-Business Marketing," and Chapter 16, "Supply Chain and Channel Management"

This abstract talks about how some groundbreaking companies are finding new ways to market their products directly to consumers, mainly starting in social and digital channels. By definition then, this discussion might seem unconnected to business-to-business marketing, but stick with us for a moment.

Companies like Allbirds, Casper, Allswell, ThirdLove, and Bombas are nearly unavoidable for social media users these days. The firms promise a different kind of product, one better aligned with customers' needs. Although the focal products range from shoes to mattresses to bras to socks and so forth, their marketing claims tend to be similar, working to get consumers to shift from buying in their traditional channels and toward buying direct from the company. Thus, rather than actively seeking to get their products into conventional retailer channels, these firms are cutting out this retail step and redefining the supply chain.

In this sense, they are pursuing direct-to-consumer (DTC) sales, with relatively little help from other businesses in the supply chain (except maybe logistics firms that ship the products). But this view ignores another key marketing actor: the agencies that help the producers get their advertising in front of customers.

In the business relationship between product companies and advertising agencies, the growth in DTC selling has initiated a new era. Agencies are seeking out these DTC companies to attract more of their advertising budgets, both initially when they start appear on social media feeds and then later, when their growth enables them to adopt more conventional advertising methods too. That is, the growth in DTC selling has been so great that it is affecting not just digital marketing realms but also traditional advertising markets.

According to one analysis of the 13 largest DTC players, advertising spending grew by 35 percent between 2018 and 2019. The approximately \$378 million they spent on advertising included \$137 million on television advertising. In expanding their marketing, these firms also are replacing more familiar advertisers, such as personal care companies, whose overall advertising spending decreased in this same period.

In response, advertising providers such as NBCUniversal and Google are revising their offers to help small firms get going through direct advertising to consumers, then ensure that they remain an appealing option as these firms grow and expand their advertising and marketing efforts. In addition to hiring dedicated salespeople to seek out and pitch their services to DTC firms, NBCUniversal developed an algorithm to enable the firms to identify particular locations and channels where their advertising might be most appropriate. If for example Rebecca Pearson (Mandy Moore) complains about her feet being sore on an episode of *This Is Us*, Allbirds might want one of its spots to follow immediately thereafter, whether it is being aired on NBC, streamed several weeks later through Hulu, or discussed on a dedicated social media podcast.

Nor are companies and advertising agencies the only ones taking note of these developments. In one of its latest experiments, Walmart created the DTC firm Allswell to sell mattress toppers through social media and quirky in-person interactions (e.g., a tiny house tour with Allswell products dominating the minimalist décor). Walmart's name does not appear anywhere on Allswell's branding, products, or marketing communication. Nor are the mattresses stocked in Walmart stores. In this business-to-business relationship then, the two parties are actually part of the same company, even if their marketing and supply chain operations remain totally separate.

Discussion Questions:

1. How can advertising agencies improve their offers to convince DTC sellers to rely on their services?
2. Removing a step in the supply chain means that someone else has to perform the function. Who is performing the functions traditionally served by retailers in DTC sales channels?

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Creating a New Transportation Market: The Lime Line of Rental Scooters

Nat Ives, "Lime Ads Evoke a Mission Beyond Renting Out Scooters," The Wall Street Journal, May 10, 2019

Use with Chapter 2, "Developing Marketing Strategies and a Marketing Plan"

Even as scooters appear in more and more cities, the market has not been clearly defined. Consumers and potential riders are largely unfamiliar with the product, the companies providing the rental services, and how the whole thing works. For Lime, which is hoping to become the dominant provider in the rental scooter market, these concerns require a novel approach to developing a marketing strategy that ensure people come to embrace the entire product and service idea.

Fundamentally, Lime and its competitors provide scooters, the app to use them, and maintenance services to ensure the customer has a positive experience. Located at various places throughout a city, the scooters are not locked or attached to any sort of rack, as most rental bicycles are. Rather, to "unlock" them, potential users must log on to the app to turn on the electric-power scooters. Then they can leave them pretty much anywhere they want, ready for the next user to find and turn on.



One nationwide survey indicated that people used scooters to get around on 38.5 million rides last year, while in the same period, they used bike sharing services for 45.5 million rides. Thus the offer clearly is growing, and for many enthusiasts, scooters are way more fun, flexible, and maneuverable than bicycles or other modes of transportation, like cars.

But nonadopters have complaints, especially when it comes to safety. Some riders, especially those with little experience with the scooters, have run into pedestrians or broken traffic laws, creating a risk of injury for themselves and those around them. In addition, while the rental companies ask users to leave the scooters in tucked-away places, some inconsiderate riders simply drop them in the middle of the sidewalk, cluttering traffic and creating a tripping hazard.

To address these issues and potential limits on its growth, Lime hires "juicers"—employees who track down unused scooters, ensure they are in good working condition, and place them in convenient and safe locations. These juicers feature prominently in Lime's marketing communication, reflecting its attempt to position itself as a job creator and community facilitator. From this perspective, the service it offers is more than moving people from one location to another; by renting scooters, people can see parts of the city they normally would not or get close to locations that would be hard to reach by car.

To further encourage this sense of community, while also addressing safety concerns, Lime plans to host "Lime Academy" sessions, teaching new riders about safety precautions, getting them familiar with the physical movement involved, and encouraging them to share their experiences through social media.

Discussion Questions:

1. What sort of advantages does a scooter rental company like Lime enjoy as it develops its marketing strategy?
2. What opportunities does Lime have at this point in its development?
3. What threats does Lime face, and how can it better address them?

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The Gems and Skins Might Be Virtual, But the Money Is Real: In-Game Purchases, Kids, and Content

Julie Jargon, "You Spent \$1,500 on Virtual Bazookas? Kids Are Splurging on Digital Goods," The Wall Street Journal, July 16, 2019

Use with Chapter 6, "Consumer Behavior"

For a player of Fortnite, engaged in a "Clash Royale," clicking to get a new skin might seem like a life-or-death choice, the difference between success and the praise of fellow players or defeat and derision from friends for days. And the click might not seem like much; it costs just a few dollars. But those clicks can add up quickly, and parents who find thousands of dollars of charges racked up on their accounts wind up confronting children who have little to show for their spending—other than another status level on a game.

The trend is both a parenting crisis and a game marketer's boon. It also represents an ethical question related to the appropriate ways to market to children. The sense of engagement and compulsion created by many modern role-playing and interactive games can be particularly strong among young players, who likely have not developed the maturity to recognize the inducements that the game is applying or to make complex buying decisions.

Purchases become particularly hard to resist when they are presented like play money. Bright colors and gemstones make it seem as if in-game purchases are pretend, but even if the item obtained is virtual, they are still linked to an actual account. Usually games, even those with a free, basic version, require a credit card to start play. Those cards usually belong to the parents, because children are not eligible for most credit accounts. The resulting sense of unreality—not only does the game make it look like pretend money, but the children might never have to pay anything if their parents don't notice the charges—makes it virtually irresistible for kids to buy stuff, especially if their friends already have the latest upgrades. In turn, in-game purchases amounted to approximately \$93 billion last year, though not all of those purchases were by children of course.

Still, the game developers love these microtransactions. The small amounts add up for them as well, such that most of Fortnite's estimated \$3.9 billion in revenue was earned from in-game purchases by players. They also note that most games have settings that enable parents to limit the amounts spent or that alert them anytime a player makes a purchase while playing the game.

For parents, the challenge goes beyond a big credit card bill or two (though those can be shocking as well). They seek to teach their kids how to understand and use money, and if children are determined to spend their allowance on in-game virtual weaponry or skills, seemingly they should be allowed to do so. Some parents even have gone to handing their children iTunes gift cards instead of cash for their allowance, so they can more readily spend their money how they want.

Such options might help parents keep their household budgets balanced in the short term, but they do not address the wider societal question about whether gamers can learn about real money and responsible spending from virtual environments that literally sell the depiction, rather than any actual item.

Discussion Questions:

1. How involved are young consumers in games? How involved are they in making decisions to engage in purchases within those games?
2. Should there be more restrictions on whether and what in-game options children can buy? Why or why not?

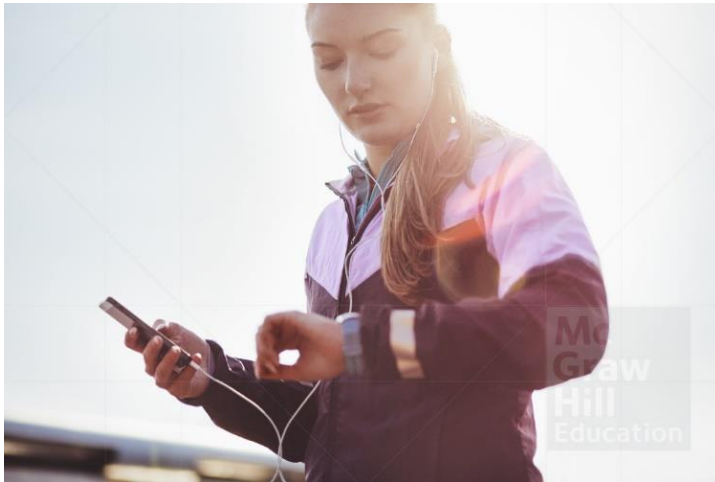
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Using Our Outdoor Voices, Literally and Figuratively

Barry Levine, "Outdoor Voices Issues Magazine as Part of New Storytelling Platform," Retail Dive, July 25, 2019; see also <https://www.therecreationalist.com>

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



With its product lines of athletic and outdoor gear, Outdoor Voices seemingly competes with companies like Nike and Lululemon. But the company would reject that assessment, pointing primarily to its mission statement and overall goal. Rather than selling clothing and apparel, it asserts that its purpose is to "get the world moving" and "doing things," as foundational goals for a happy, healthy life. It simply sells some gear for people to wear while they do those things.

In accordance with this view of itself as the meeting place for a lifestyle community of recreationalists, Outdoor Voices also emphasizes enjoyment rather than achievement when it comes to exercising. Nike might promote its performance gear for example, detailing how a particular running tight can help people go faster and farther. Outdoor Voices instead is going to market the ways that its comfortable attire enable people to do fun things outside with their friends, protected from such irritations as chafing or ill-fitting garments.

Matching this view of its offering, Outdoor Voices has started publishing a lifestyle magazine, called The Recreationalist, that is available both online and in print. Although there are plenty of pictures of attractive people wearing Outdoor Voices gear while engaging in exercise-related activities, it also hosts playlists, profiles of interesting people, yoga videos, and articles about community movement events. A printed copy will accompany each order, to encourage buyers to recognize the community that they become a part of once they start wearing Outdoor Voices gear.

If they also visit the publication online, they can of course contribute further to the community, by posting their own pictures, inspirations, or thoughts. Moving on from there, they might link back to the retailer's main site, to leave a product review or perhaps pick up another pair of leggings with the latest pattern.

Discussion Questions:

1. Is a promise of "doing things" more appealing than a promise of improved performance when it comes to athletic gear?
2. Your answer to the previous question might depend on the target market. How would you define the target market for Outdoor Voices, based on its positioning, as described in this abstract?

Recovery Efforts by Facebook, Determined to Revamp Its Image

Alexandra Bruell, "Facebook to Boost Ad Spending as It Tries to Restore Reputation," The Wall Street Journal, April 22, 2019

Use with Chapter 19, "Advertising, Public Relations, and Sales Promotions"

Criticisms of Facebook for some widely reported data handling issues and privacy breaches—allowing Cambridge Analytica access to unauthorized user data, evidence of election tampering by foreign agents through its platform, and allegations of social experiments on users, among others—have led the social media giant to reconsider various elements of its operations. Not least among those reconsiderations is a rethinking of how it communicates about and presents itself to the public.



That is, in addition to revising its policies and procedures, Facebook is undergoing a shift in its marketing communication, including a choice to more than double the amount it spends on advertising. Noting that the company had virtually no experience with advertising itself directly to consumers, it hired several advertising agencies to design and coordinate the campaigns. Although some recently completed advertisements offered apologies for the spread of fake news on its platform, the current iteration mostly revolves around how Facebook (and its properties, such as Instagram) enables people to come together, share experiences, and make meaningful connections.

A company representative still called the effort an "apology campaign," yet today's advertisements do not issue direct apologies for any of the recent scandals, nor do they take direct responsibility for any gaps in Facebook's policies that might have led to the scandals. Such a choice likely is strategic, considering that Facebook still faces the threat of sanctions from the Federal Trade Commission for failing to protect users' privacy sufficiently. Instead, this effort to communicate directly with consumers is focused on what Facebook promises to do in the future, to ensure it remains a valuable resource for these users.

Discussion Questions:

1. Is Facebook's service recovery attempt sufficient?
2. What other, perhaps unconventional advertising tactics could Facebook undertake to get its message out to users?

Reading, Writing, and Arithmetic that Adds Up to Frustration for Retailers

Adrianne Pasquarelli, "It's Never Too Early, Apparently, for Back-to-School Campaigns," Advertising Age, July 15, 2019

Use with Chapter 17, "Retailing and Omnichannel Marketing"

Pretty soon after millions of kids finally got used to the idea of several weeks away from classrooms and teachers, they might have started seeing advertising that challenged their embrace of the lazy days of summer. Announcements of the start of "back-to-school" season began appearing around mid-July, likely to the dismay of not just the kids but their parents as well.



But the reason for the early announcements is not to create panic—or at least not solely. Retail predictions for the year suggest little growth in the back-to-school market, which means that retailers that rely on purchases of pens, pencils, paper, backpacks, calculators, and so forth have to find alternative means to bump up their earnings. In their efforts to get consumers primed and ready to spend, they started advertising school-related specials and promotions earlier than in most prior years. Office Depot

started highlighting school supplies, in advertising and in stores, by mid-July. If parents can grab a case of crayons, enough to cover any needs their children might have, at a deep discount because they buy it so early, that might be sufficient inducement to make the sale.

The efforts are not limited to paper and pencil suppliers though. American Eagle also relies on the back-to-school season for a big chunk of its sales, designed to outfit kids with new gear to last them throughout the year. Therefore, it launched a new design collaboration with Lil Wayne, introducing a streetwear line called AE · Young Money, by late July that aimed to get kids excited and outfitted in the rapper's inspired line of hoodies, jeans, and shorts.

The timing also likely reflects some other factors too. In general, retailers have begun promoting traditional shopping occasions and seasons (e.g., Halloween, Christmas) earlier and earlier, in the recognition that customers enjoy these offerings. A pumpkin spice lover is happy to see the flavor on store shelves in August, even as others might complain about retail efforts to hurry autumn along.

Furthermore, the announcements of these deals are notably close in timing to Amazon's Prime Day. By offering deep markdowns on staple schools supplies and essential basic clothing, retailers might be able to retain or gain more of shoppers' wallets, even when competing with the amazing deals Amazon offers each year. In this sense, the timing is preemptive, though parents and kids might see it more as panic-inducing.

Discussion Questions:

1. List some key reasons that shopping seasons, such as back-to-school, seem to move earlier every year.
2. How can a retailer set itself apart if nearly all its competitors are starting to push schools specials earlier? Should it go even earlier or take a different tact?

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