EIGHTH EDITION

marketing

grewal·levy

Winter

2021

Dear Professor,

We are delighted to inform you that Marketing 8e 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!

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. 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**.

You can find a preview of Marketing e by clicking here**.** To request a sample, please contact your **McGraw-Hill Learning Technology Representative**.

Sincerely,

Dhruv Grewal

This newsletter summarizes article abstracts for the following topics:

Back to Top

Videos:

Le petit Chef

- The smallest chef in the world cooks your food right onto your plate through the use of 3D projection mapping technology!
- 3:04 min
- Use with Chapter 13, “Services the Intangible Product”
- **Video Link**

Why TikTok Has Become a Launchpad for Entrepreneurs

- TikTok is becoming a popular forum for Gen-Z and Millennials to learn about entrepreneurship and making money. To find out more, WSJ spoke with three TikTokers who are attracting large audiences that support their thriving online businesses.
- 6;39 min
- Use with Chapter 3, “Social and Mobile Marketing,”
- **Video Link**

Back to Top

Leveraging the Power of Scent in New Products Designed to Soothe and Comfort

Kathleen Beckett, "Perhaps a New Fragrance Will Make Things Festive," The New York Times, November 25, 2020; Nicole Einbender, "Some Members of Multilevel-Marketing Company Young Lives Are Making Questionable Claims About 'Essential Oils' Curing Cancer and Coronavirus," Business Insider, July 29, 2020

Use with Chapter 12, "Developing New Products"

Extensive neurological research shows that scents have powerful influences on people—something Shakespeare could have told them ("There's rosemary, that's for remembrance…. And there is pansies, that's for thoughts," Hamlet, Act 4, Scene 5, lines 199–201). But the combination of solid research evidence and prevalent societal trends, including heightened anxiety and shelter-at-home requirements, has prompted a newly expanded array of uses for scents. Today's marketers seek to leverage people's desire for comfort and reassurance by creating and selling various products that diffuse scents that promise to evoke various beneficial outcomes.

One of those markets pertains to essential oils. This industry has been subject to frequent controversy, because sellers repeatedly make unsupported and excessive health claims. But even if oils cannot cure disease, they can exert emotional influences. The industry thus continues to experience tremendous growth as people request bottles of lavender and bitter orange (also known as neroli) to diffuse these smells throughout their homes and offices. Both those scents have been demonstrated to reduce anxiety. Essential oils also can be applied directly onto people's bodies, promising benefits for clearing nasal congestion or simply allowing wearers to carry an appealing scent around with them at all times.

Traditionally, the job of making spaces smell good was performed by candles, and this industry also has enjoyed recent growth. Stressed out and worried in the COVID-19 era, people began snatching up candles that felt comforting and reassuring in the spring, such as sugar cookies scents that historically sold mostly during the holiday season. For people working from home for extended periods, ensuring a nice smell throughout their houses also is increasingly important, leading them to design expansive scent maps for each room, for example.

The role of making people smell good also has a more conventional predecessor, namely, the vast international perfume industry. Novel offerings in this long-standing industry include refillable bottles, sold by a French boutique firm called 100BON. The goal with this innovation is to reduce the costs for consumers, by allowing them to purchase a bottle of scent that they can refill at various stores across France.

Another potential innovation would cover all these bases: A new technology, currently in development, would embed smart scent dispensers in jewelry or accessories. At predesigned times, the dispenser would sent a cloud of good smells into the air around the wearer's head, creating a "scent bubble" that people could enjoy for themselves, wherever they may be.

Discussion Questions

1. Which consumer trends have prompted and supported the increase in new product innovations in scent-related industries?
2. Which of these new product versions seem most likely to succeed in the long term, and why?

Back to Top

Shopify: A Retail Platform and Service Provider that also Wants to Reform Retailing

Yiren Le, “Can Shopify Compete with Amazon without Becoming Amazon?” The New York Times, November 29, 2020; Tatiana Walk-Morris, “Shopify, TikTok Partner on Shoppable Video Ads,” Retail Dive, October 29, 2020

Use with Chapter 7, “Business-to-Business Marketing”

Even among those who might have heard of it, Shopify remains a sort of shadowy force in retailing. Millions of consumers have relied on it to facilitate their purchases from the growing contingent of direct-to-consumer retailers, but few of them were aware of this usage. For Shopify, which seeks to reinvent what retailing means—and to resist the overwhelming influence of Amazon—that anonymity is just fine. But as the platform continues to grow and expand its reach, anonymity might not be optimal for long.

Let’s start with what it does. Shopify is a digital retailing and business-to-business platform, founded in 2006 to help small companies host retail websites that would make it easy to sell their goods. Rather than trying to code and create websites on their own, these small businesses could plug in some business information, pictures of their products, and appealing marketing communications to the Shopify site and have a functioning website within minutes. It handles payment processing, gives retailers an easy means to confirm orders with customers, facilitates shipping, and even provides a dashboard that summarizes consumers’ interactions with the site. In return for these expansive services, Shopify charges just $29 per month, along with a credit card processing fee for each transaction.

These affordable rates are remarkably and notably different from the fees imposed by Amazon on the third-party sellers that appear on its site. If small retailers post their products on Amazon and also request its help with fulfillment and marketing, they can wind up handing over about 40 percent of the proceeds from each sale. For many small businesses, such rates simply are not sustainable or profitable.

Shopify also differs from Amazon in its underlying philosophy. Its founders explicitly sought to build a site that would provide a counterpoint to the retail giant and to be the “rebels” combatting the Amazon “empire.” In particular, Amazon requires small businesses that rely on it to standardize their practices to match its operations. When consumers order from a small, local retailer through Amazon, the delivery arrives at their doorstep in an Amazon-labeled package. The transaction seems, from consumers’ perspectives, to involve only them and Amazon, which limits the small retailers’ ability to develop a brand reputation or customer loyalty.

As it has grown and developed—in the third quarter of 2020, it facilitated $30.9 billion in sales—Shopify has added new services for its business customers to purchase. But it also allows external developers to sell their apps. That is, it does not limit the services available to its business clients to only those features that it sells for its own profit. Thus for example, a business client might obtain software from a different provider to add review capabilities to its Shopify-enabled site. Shopify earned about $1 billion in revenue last year, at the same time that the surrounding community of app developers together earned more than $7 billion.

Still, there are limits to what Shopify can provide. In particular, the direct-to-consumer business model requires retailers to find and appeal to shoppers largely on their own. Many of them pay to appear in advertising on Facebook and Instagram, and that method has worked well for companies such as Allbirds. Noting its satisfaction with Shopify, the founder of Allbirds explained that he appreciated being able to target specific consumers who would want high-quality, environmentally sustainable shoes. The company actively avoids joining Amazon, where it fears it would be presented alongside cheaper, poorer quality alternatives that might confuse consumers.

But Amazon also is where many consumers start their shopping journeys, so not appearing there can be risky. Another client, Brooklinen, prefers the transactions on Shopify, but it also added a page on Amazon when it realized that shoppers were searching for its sheets there and, when they did not find them, buying from other bedding retailers.

Back to Top

Arguably, due to its reach and reputation, Shopify could engage in more marketing and selling of the clients on its platforms, but the company (at this point) resists doing so. It does not want to become Amazon. Yet some indications suggest it is moving somewhat in that direction. A new business-to-business service, Shopify Capital, provides funding to promising ecommerce practitioners. It has established new fulfillment services, for additional fees, to help retailers get their products to customers faster, though the shipments come in packaging designed by each client, rather than a standard Shopify package (as Amazon would require).

In the meantime, Shopify claims its goal is to ensure the ability of small retailers to compete, experiment, and test out their ideas. In support of that effort, it launched a TikTok channel that lets individual merchants reach a vast audience and direct them to their own accounts to enable purchases. If enough small businesses can come together on a single platform, offering their diverse products and establishing their unique identities, perhaps the future will not be determined only by Amazon.

Discussion Questions

1. What else could Shopify do to help its small retail clients succeed in reaching end consumers?
2. What kinds of efforts should the small retailers that appear on Shopify undertake to make sure they can reach their customers?

Back to Top

Are Cute Kids on YouTube Really Exerting a Sneaky, Unhealthy Influence?

Anahad O'Connor, "Are 'Kidfluencers' Making our Kids Fat?" The New York Times, October 30, 2020; Amaal Alruwaily, Chelsea Mangold, Tenay Greene, Josh Arshonsky, Omni Cassidy, Jennifer L. Pomeranz, and Marie Bragg, "Child Social Media Influencers and Unhealthy Food Product Placement, Pediatrics 146, no. 5 (November 2020), doi: https://doi.org/10.1542/peds.2019-4057

Use with Chapter 4, "Conscious Marketing, Corporate Social Responsibility, and Ethics"

The spread of influencer marketing has reached the children. On YouTube, dedicated channels feature cute kids engaging with various products. Often they unbox and play with toys, detailing the fun of goofing around with the latest gadgets and collectibles. But in addition to marketing toys and games, many of these "kidfluencers" feature food-related product placements in their videos, an advertising tactic with potentially risky implications for their equally young audiences.

According to recent academic research, which surveyed 418 popular YouTube videos featuring young influencers, 271 of them included some branded food or beverages, the vast majority of which were unhealthy.

Ryan's World is one such popular kidfluencer. The channel attracts around 27 million subscribers who watch 9-year-old Ryan Kaji play and goof around on camera. In one video, he role plays as a McDonald's cashier, decked out in a branded shirt and hat. He pretends to sell plastic McNuggets and fries to other toys, then eats an actual Happy Meal on camera. In addition to McDonald's products, Ryan's World has featured food and drinks from Hardee's and Chuck E. Cheese, along with products made by Hasbro and sold by Walmart. Through these various endorsements, the channel earned $26 million in 2019.

Although marketing any products to children can be ethically problematic—and is restricted by various laws and regulations—experts assert that marketing unhealthy foods is a particular concern. Some of the most commonly promoted brands are known for their sugary and fatty foods, less than ideal for healthy eating, such as Oreo, Dairy Queen, and Skittles. One estimate suggests that videos featuring these junk foods have been seen by at least a billion young consumers.

That spread of influence raises serious concerns about the risk of childhood obesity, which has achieved terrifying rates. Approximately 20 percent of U.S. children are obese; only 5.5 percent were in the 1970s. And consistent evidence affirms that exposure to advertising for junk food is closely related to obesity. Add to these concerns the increasing screen time consumed by young consumers, and we have a potential recipe for a health disaster. A recent survey indicated that nearly all parents allow their children to watch YouTube, and 35 percent of them said their kids did so frequently.

Thus, we have a popular channel, featuring increasingly influential kid marketers, promoting products in subtle ways, including products that are clearly detrimental to the health of the billions of young viewers whose cognitive abilities have not developed enough for them to understand fully or resist the effects of marketing. The kidfluencers might look adorable, but they might be a grave danger, with cute dimples.

Discussion Questions:

1. What regulations should be imposed on kidfluencers to address these concerns?
2. Ultimately, is there an ethical way for YouTube videos, targeted at children, to promote products?

Back to Top

Prescient Analyses: How DoorDash Decided to Target the Suburbs, a Move that Proved Brilliant During the COVID-19 Era

Laura Forman, "DoorDash Loves the 'Burbs as Much as You Do," The Wall Street Journal, November 17, 2020; Luis Santiago and Preetika Rana, "How DoorDash Pulled Ahead in the Food-Delivery War," The Wall Street Journal, December 8, 2020

Use with Chapter 3, "Social and Mobile Marketing"

There are various food delivery services that rely on digital channels to connect hungry diners with local restaurants. But in the cutthroat competition for this market that arose during the COVID-19 pandemic, DoorDash stood out from the rest, accounting for about half of the expanded market. The explanation for this dominance and success in an unprecedented time may be its long-standing commitment to analyzing market trends, such that it was well-positioned to appeal to a broader mass of consumers, regardless of the radical changes in the market environment.

Specifically, whereas competitors like GrubHub and Uber Eats mainly focused on consumers and suppliers in urban settings, DoorDash recognized the potential of the suburbs. GrubHub had an early competitive lead in cities, but beyond trying to avoid this head-on competition, DoorDash also recognized that the suburbs were home to vast, underserved consumer segments who were just as hungry as city dwellers.

Its analyses also highlighted some unique benefits of suburban consumers. They tend to place larger, more expensive orders, which means DoorDash's percentage yield from each delivery is higher. Parking at suburban restaurants is much easier, and suburban homes also have driveways and single front doors that make the delivery easier and less prone to error. Small restaurants in suburban areas also are less likely to offer delivery services, whereas urban restaurants generally know to have a delivery person handy to run orders around the corner.

Because consumers in suburban areas likely expect to wait a little longer for their order to be driven from a relatively distant restaurant, DoorDash also decided to prioritize adding a broader array of restaurants to its roster, rather than focusing on those companies that provided the fastest output (as Uber Eats did).

Due to this foresight, DoorDash has seen remarkable growth. Monthly subscribers tripled. As noted, it now accounts for more than half of the food delivery service market. And as a result of its successes, DoorDash has decided to go public, with an initial public offering valued at more than $30 billion.

Many of these successes appear closely related to current events though. Once restaurants open fully, and people's coronavirus fears subside, will suburban families still order their food delivered, or will they head out to eat again? In the latter case, DoorDash risks losing many of its recent gains. It thus needs continued analyses, to predict what happens next.

Discussion Questions:

1. Perform a SWOT analysis for DoorDash, currently and for the future.
2. What types of market analyses should it focus on conducting now, to maintain its competitive position?

Back to Top

Pink Crème, Sprinkles, and a Photo: Sweetening the Appeal of Oreos with Personalized Options

Tom Ryan, “Oreo Lovers Gladly Pay a Higher Price to Customize Their Cookies,” Retail Wire, November 17, 2020; Lee Breslouer, “How (And Why) Oreo Keeps Coming Up with Crazy Limited-Edition Flavors,” HuffPost, March 5, 2019

Use with Chapter 12, “Developing New Products”

Conventional Oreos are delicious, of course, and the company also has introduced a range of creative flavors to keep people interested and excited. But while the flavor is the primary product element that consumers seek from their cookies, Oreo also wants to appeal to them with other hedonic and emotional features, establishing itself as playful, fun, and perfect for every consumer.

A recent innovation allows people to special order their own personalized cookies, to varying extents and equivalently varying price levels. One version simply alters the colors of the crème filling, such that snackers could have a rainbow of cookies in their pantries. This option imposes a price of about 83 per cookie (regular packages, purchased from the grocery store, average out to about 9 cents per cookie).

Another option goes even further. People can special order not just the crème color but also choose whether their versions feature sprinkles or fudge coating. In addition, they can upload a photo to the order page, which then gets printed on the face of the cookies. These versions cost around $2.20 per cookie.

Such personalization is not a totally new innovation; people already can order M&M’s candies with their own sayings, cartoons, and preferred colors. Coca-Cola allows consumers to special order bottles with their names emblazoned on the labels. But Oreo’s offerings align uniquely well with its other recent innovations, which similarly have sought to reinforce its playful brand identity.

That is, in addition to crazy flavors, some of which are clearly appealing (birthday cake) and other that seem perhaps somewhat less so (banana split), Oreo plays around with the ratios of its cookies, such as introducing a “Most Stuf Ever” version that had so much crème filling it was hard for people to fit it in their mouths. These limited edition releases are all sort of tongue-in-cheek, signaling that Oreo is in on the joke. But they also sell out nearly every time, as people laughingly make sure they have the latest and greatest (or worst) idea to come between two chocolate wafers.

The future personalization options thus seem endless. Imagine ordering a set of holiday Oreos with green crème and a candy cane flavor and a picture of Santa emblazoned on them—they would likely be huge favorites at holiday gatherings. But also imagine a personalized cookie depicting a birthday celebrant, new baby, or other individually meaningful picture. Is $2.20 per cookies even enough to charge?

Discussion Questions:

1. What kind of pricing strategy does Oreo appear to be using to introduce its new product options?
2. Some of these product variations do not alter the functionality of the cookies. What kind of new product innovations are they then?

Back to Top

Sustainable, Beautiful, and Essential: The Launch of a New Beauty Brand

Thessaly La Force, “A Sustainable Beauty Brand Inspired by the French Countryside,” The New York Times, December 2, 2020

Use with Chapter 11, “Product Branding and Packaging Decisions,” and Chapter 12, “Developing New Products”

Considering their work experience in the perfume industry and educational backgrounds in sustainable development, the married couple that recently founded the luxury Essenci beauty brand are uniquely well qualified to introduce a new approach to sustainability. With the recognition that “it can be easier to build from the ground up than turn the ship around,” they decided to introduce their product line independently, rather than rely on their existing industry connections, to ensure they could embrace and reflect their sustainable goals.

In particular, the inspiration for Essenci products came from the notion that products that people put on their skin should be totally organic, without unnecessary additives, and that the process for producing them should be completely transparent. Thus the L’Immortela elixir contains flowers sourced from a specific farm in France, then sent to a single, eco-certified laboratory for processing. The raspberry seeds that go into its face cream are grown organically too, and both products promise only nontoxic, natural ingredients.

Beyond the production, the packaging is consciously sustainable. Each cream and exlixir is bottled in a reusable Limoges porcelain vessel, which is made without any adulteration by glues or solvents.

The company’s targeting efforts are socially conscious too, such that Essenci is determined that its products will meet the skincare needs of people of various ethnicities, as well as appeal to both women and men, who traditionally have been excluded from luxury skincare markets. Even as it includes men in its target market, the company prioritizes hiring women into positions of authority, such that other than one of the founders, the management team consists only of female executives.

Discussion Questions:

1. How does Essenci exhibit social consciousness throughout its new product development, packaging, staffing, and marketing efforts?
2. Can a larger company achieve these sustainability standards, or is the small size of Essenci pertinent to its efforts? Why?

Back to Top

Delivery Apps Might Be Saving the Restaurant Industry. But Are They Killing Individual Restaurants?

Greg Bensinger, "Apps Are Helping Gut the Restaurant Industry," The New York Times, December 8, 2020

Use with Chapter 7, "Business-to-Business Marketing," and Chapter 13, "Services: The Intangible Product"

When the coronavirus hit and restaurants were forced to shut down or severely restrict their seating, the prospect of earning some revenues through takeout orders, many delivered by independent delivery services, seemed like a lifeline. Even if they could not maintain their pre-virus sales levels, at least they could keep afloat, and keep their loyal customers fed, until lockdown restrictions eased and people came back to their dining rooms.

But nearly a year into the pandemic, customers have not returned in the same numbers. Even in locales where stay-at-home restrictions have been lifted, many people continue to seek social distance and find the convenience of delivery apps too appealing to give up. Thus for many restaurants, deliveries through the prominent apps, including GrubHub, DoorDash, and Uber Eats, account for a dramatically larger percentage of sales.

That shift has had substantial cost implications for the restaurants, because each delivery requires the restaurant to pay a percentage of the revenue to the delivery service. As the amount of sales through delivery have increased, those delivery costs have mounted. Imagine, for example, a small, independent restaurant that used to earn about 10 percent of its revenues from delivery services. It kept consumers who didn't feel like venturing out happy, and it paid the delivery services a relatively small amount.

But today, if 90 percent of its sales are taking place only with the assistance of the delivery firm, the fees paid reach such levels that it simply might not be sustainable. Many of the delivery apps charge about 30 percent of the cost of the order, so for every $100 family dinner, the restaurant is handing over $30 to the app provider. With few other options, restaurants feel compelled to enter into the contracts with the apps though; they simply do not have the capacity to run efficient delivery operations on their own. They might seek to negotiate better terms, but the apps are national, popular, and standardized, which leaves little room for individual alterations in the contracts.

On top of the growing fees, delivery orders tend to be smaller on average than the tabs that diners would run up when they sat at tables in the restaurants to consume their meals. When they eat at home, the consumers tend to drink what they already have in the house, might ignore the appetizer menu altogether, and are less likely to be tempted to add dessert, because they are not lingering in the appealing dining atmosphere after they finish their main course. Thus, restaurants face diminished income, earned at higher costs—an unsustainable equation over the long term.

The contested cooperation between eateries and apps isn't just limited to fighting over fees either. Restaurants complain that the delivery apps, with their imbalanced dominance (the top four companies account for about 99 percent of the food delivery market), engage in unethical activities to ensure that customers keep clicking their apps, instead of placing direct orders with the restaurants themselves. Some allege that the apps promise to bring in new customers, to justify their high fees, but then refuse to share customer identifying information that would back up that assertion. That is, the restaurants have no way of knowing if an existing customer or a new one is placing the to-go order. Another alleged and ethically questionable practice by the delivery apps indicates that they have bought up domain names that mimic the restaurants', hoping to trick consumers into visiting that site, instead of the real one, so that they can ensure they accrue all the profits from the order.

In response, restaurant owners often encourage customers to order directly from them, then pick up their order from the location. But consumers appear happy to sit at home and let the food come to them, and their expanding uses of mobile apps makes the process incredibly convenient and painless. Still, if they are not careful, they might find that their favorite local restaurant cannot cook up their desired meal, in person or for delivery, because it cannot earn enough to stay open

Discussion Questions:

1. What are the pros and cons to restaurants of relying on food delivery apps?
2. How could restaurants balance out the power imbalance in their relationship to achieve more benefits from the delivery market?

Back to Top

Pets Make People’s Lives Better, and Walmart Is Ready to Make Pets’ Lives Better for Them

George Anderson, “Walmart Goes to the Dogs (and Cats Too),” Retail Wire, November 19, 2020; Emily DeCiccio, “The Pet Business Is Booming as Americans Spend More on Their Animals While They Work from Home,” CNBC, December 5, 2020

Use with Chapter 13, “Services: The Intangible Product” and Chapter 17, “Retailing and Multichannel Marketing”

In addition to dry and canned food, a leash, and some toys, pet owners can now meet more of their furry friends’ needs by visiting Walmart. The retailer has partnered with a pet insurance provider, as well as a pet sitting service platform, to give people access to a vast range of services related to their adored pets.

This service expansion reflects the combined impetus of several trends. In particular, pet ownership continues to increase, such that an estimated 90 million consumers live with dogs, cats, or other domesticated animals. They also are willing to spend pretty generously to keep them fed, healthy, entertained, and safe. One recent estimate indicates that U.S. consumers spent $99 billion on their pets in 2020 alone. This target market already was large and growing; the coronavirus bumped adoption rates even higher among people who found that their COVID-19 lives meant they were home more and better able to take care of an animal or two.

Retailers also are actively seeking new ways to differentiate themselves and become truly one-stop shops. Walmart already has added services, including health care and pharmacy options, for its human consumers. But ongoing competition from category specialists such as PetSmart or Petco (which earned an estimated $4 billion in sales in 2020) has remained a relevant threat that the retailer needs to address. If Walmart can get pet parents to regard Walmart stores as the primary place they can attain all the goods and services they need for their pets, it can keep them from even considering those competitive retail options.

The service offerings also are somewhat novel, in that they give shoppers access to insurance, provided in a collaboration with Petplan. Such services match up well with Walmart’s existing pet pharmacy services, which allow shoppers to get flea medication, cat-appropriate doses of painkillers, or insulin for their diabetic dogs at the stores’ pharmacy counters. In addition, its cooperation with the Rover service platform facilitates access to pet sitting and walking services. To encourage cross-platform integration, Walmart promises that if customers book at least six dog walking appointments with local service providers on the Rover platform, they will receive a $20 gift card to spend with the retailer.

Discussion Questions:

1. How might category specialists like Petco or PetSmart respond to this service expansion and competitive move by Walmart?
2. What other service expansions might Walmart consider, to complement its pet-oriented offerings?

Back to Top

Going to Where the Business Customers Are: A Bus Tour of Parking Lots Instead of a Booth at a Trade Show

Kait Shea, “Hussmann Steps Back from Trade Shows and Leans into an Educational Mobile Tour,” Event Marketer, December 21, 2020

Use with Chapter 7, “Business-to-Business Marketing”

The engineering firm Hussmann primarily sells commercial refrigeration systems to its retail food clients, including restaurants and grocery stores. It seeks to be on the cutting edge, coming up with innovative shelf tags, lighting options, and technological advances. To communicate about its innovations to potential buyers, it previously relied heavily on trade shows. By staffing their expansive display booths, company reps could meet with existing and potential clients, introducing the novel technology and outlining how it might benefit their operations.

But COVID-19 has meant most of these trade shows are cancelled. Even those that persisted have suffered from dwindling attendance. Hussmann representatives could still call and video chat with clients, but they could not introduce them in person to the exciting developments that the company engineers had crafted.

So it turned its innovative capabilities to a new goal: finding novel ways to reach buyers. A retrofitted, 53-foot trailer was equipped with nine innovative refrigeration devices, several of which were new to the world or the industry, such that they required extensive introductions for clients to understand their appeal. Then a team from Hussmann, including both sales reps and engineers, embarked on a 12-week tour, stopping in the parking lots of around 40 different customer locations to share what it called the “Shop the Future Mobile Experience.”

When clients ventured out to their parking lots, at their scheduled appointment times, they found the trailer, along with a massive video screens that played introductory videos featuring Hussmann’s CEO. After checking the visitors’ temperatures and confirming masks were in place, the sales rep invited groups of up to eight customers into the trailer. They could interact with the nine new product offerings, gathering in-person insights and information. After a predetermined amount of time, they exited the trailer. Another sales representative was immediately available via Zoom to answer any questions and provide any further information they needed.

The traveling experience covered lots of the bases required for a business-to-business sale. Hussmann showed its clients that it was willing to go out of its way to meet their needs. It gave them opportunities to discover latent needs and interact with its product offerings. Furthermore, it clarified that additional resources were available, even if remotely, to address any questions they might have. It’s personalized selling in a COVID-19 world, and it might just be the future of B2B mobile experiences.

Discussion Questions:

1. What sorts of industries are best suited for such an interactive experience? Which are not well suited to it?
2. Compare the benefits of conventional trade shows with this novel approach. How do they differ?

Back to Top

No Screen but More Meditation: Amazon's Halo Fitness Band Is Taking a Different Tack

Dieter Bohn, "Amazon Announces Halo, a Fitness Band and App that Scans Your Body and Voice," The Verge, August 27, 2020

Use with Chapter 6, "Consumer Behavior," and Chapter 12, "Developing New Products"

With its recent entry into the fitness app and wearable competition, Amazon is taking a different approach than the examples set by previous entrants into the field, such as the Apple Watch or Fitbit. Let's look at what the Halo does that other apps and bands don't, how they are similar, and what capabilities Halo lacks compared with those other options.

Unlike most fitness apps, the Halo explicitly aims to measure both body fat and emotional tone. It also requires a monthly subscription, on top of the cost to purchase the band itself. When they initiate their subscription accounts, Halo users are encouraged to take pictures of their bodies (front, both sides, and back views). The linked app then provides them with a measure of their body fat, which Amazon promises is more accurate than the gauges offered by smart scales. Users can keep track of any changes to their body fat levels, which may provide more helpful health insights than basic weight or body mass index information. Halo recommends users rerun the body fat analysis about every two weeks. A slider underneath the self-photo that informs the analysis also allows people to adjust the depiction, so they can see what their bodies would look like if their body fat level rose or fell.

The Halo band also takes intermittent recordings of users' voices, to determine what emotional state their speech is conveying, in terms of tone, speed, pitch, and so on. Thus users can determine whether they appear consistently anxious or calm, when they seem to become most emotional during the day, and so forth. Amazon promises that the data that support both the body fat and tone measures get immediately deleted from any servers, after the assessment is performed.

In terms of their similarities, all the apps in this market offer some common health insights, such as the extent to which a person is sedentary during the day, but they provide the information in different ways. For example, the Apple Watch pings users to "stand" if it appears they have been sitting still for about an hour. The Halo instead offers an aggregated score for the entire day, such that if the person has not moved much during waking hours, he or she earns a lower activity score. Similar to the Fitbit, it also tracks sleep activity and temperature, so that people can gauge the quality of their sleep.

But the Halo does not provide detailed exercise trackers, nor does it count steps or calories burned. It does not offer GPS or WiFi connectivity. In contrast with some recent additions to existing fitness devices, it has no means to detect falls or monitor heart fibrillation. And perhaps most evidently, it does not have a screen. The monitor is attached to users' wrists with a band, but there is no visible display or detailed information. To learn about the data being gathered, users have to check their connected phones. Amazon also notes explicitly that the Halo is not designed to be integrated with Alexa-enabled devices, so people cannot use voice commands to ask their Echo device to read out their activity score, for example.

With these designs, Amazon appears to be targeting people who want to get started with fitness, rather than dedicated exercisers or calorie counters. In particular, it measures weekly averages, rather than hour-by-hour or daily energy expenditures. Accordingly, its battery can last up to a week, much longer than those available with most other fitness bands, and it is safe to wear in water. In addition, rather than daily challenges, the Halo offers Labs, most of which involve four-week programs designed to encourage healthy lifestyle changes, such as adding daily meditation to the person's schedule or performing regular breathing exercises. A partnership with WW will enable dieters to participate in a weight loss lab as well, linked to WW's existing point-counting plans.

The Halo thus is distinctive and unlike other fitness bands. Is the differentiated value that it offers sufficient to make it competitive too?

Discussion Questions:

1. For whom is the Halo likely to be an appealing option? Would you purchase and subscribe to one?
2. Are there any privacy or other ethical concerns associated with the functionalities that the Halo offers?

Back to Top