

marketing

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Newsletter for Instructors

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Pivoting While Everyone Is Watching: How Meta's Strategy Continues to Evolve

Use with Chapter 2, "Developing Marketing Strategies"



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When Mark Zuckerberg announced, in 2021, that Facebook would be reinvented and renamed as Meta, the move was interpreted as more than a marketing ploy (see our abstract, "The Meta Future: What Moves Is Facebook Making Now, and Why?" from November 2021). It represented a shift in the company's fundamental strategy, focused on what Zuckerberg believed would occur in the digital future, in which people's lives would be dominated by and largely take place within an augmented reality that revolved around the metaverse. He wanted Meta to be designed and positioned explicitly to meet the needs of consumers functioning within the metaverse.

In support of this vision, Meta invested massively in its Reality Labs division, pouring funding into the teams tasked with conducting research and development into virtual and augmented reality solutions and platforms. But while Zuckerberg may have been remarkably prescient in anticipating and exploiting social media, his predictions about people's desire for and interest in such augmented technology appear to have been off the mark.

Since the rebranding took place, Meta has lost more than \$70 billion. Even for a company as massive and powerful as Meta, such losses are unsustainable, and the executive team appears to be throwing in the towel—or at least scaling back the vision. For example, at the end of 2025, Meta indicated that the budgets it allocated to extended reality development efforts would decrease by about one-third.

Instead, it is redirecting more attention and resources to more consumer-friendly offerings, including hardware that also provides augmented capabilities. In particular, in its partnership with Ray-Ban to market smart glasses, Meta gives consumers a familiar product, in the form of sunglasses they can wear in their regular lives. Through this pathway, it helps users gain familiarity and comfort with AI tools integrated into the smart glasses. In turn, it can continue to advance and roll out new generations of the devices.

In support of such expansions, as well as in response to moves by competitors functioning in related tech fields, Meta also is investing heavily in expanding its AI capabilities, developing data centers, training large language models (LLM), and strengthening its infrastructure. Funneling more than \$70 billion to such efforts means that Meta can match investments reportedly made by top competitors such as Apple, Alphabet, Microsoft, and Amazon.

For example, it recently announced its acquisition of Manus AI, for a reported \$2.5 billion investment, to gain access to that startup's advanced LLM. The model reportedly can perform a wide range of agentic tasks with substantial dexterity and speed, including data analytics, market research, and coding. But even this strategic acquisition implies a pivot away from its own "Large Language Model Meta AI," or Llama. Meta might have believed it could develop its own LLM, but the in-house version prompted mostly negative reviews, and tests suggested that its capabilities paled in comparison with what competitors like Open AI were offering. Thus, rather than internal capability development, Meta found itself forced to pivot toward acquisition efforts to compete effectively.

Still, the company has been able to salvage some of its strategic efforts and at least parts of its existing software. The Meta chatbot has been subjected to targeted improvements, designed to expand its capabilities in the hope of attracting new customers. In support of this drive, the tech giant signed licensing deals with many of the largest news outlets in the world, including CNN, Fox News, USA Today, and Le Monde. Beyond conventional news reports, it also seeks to appeal to consumers by expanding access to human interest pieces, such as through a content deal with People Magazine as well. These contracts allow Meta to integrate third-party news briefs from trusted, well-researched sources into its chatbot, which then can cite these publications when questioned on a relevant topic. It also helps add a stamp of legitimacy to the answers the company generates, seemingly as a way to address criticisms of Meta's data practices in the past and avoid such critiques in the future.

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In this sense, Meta may have learned a valuable lesson. It's not easy to undertake a strategic pivot when you are one of the largest, most closely watched companies in the world. But if any part of your strategy isn't working, it's also not possible to stay the same course and survive.

Discussion Questions

1. What kinds of analyses do firms need to undertake to determine when it is time to alter their marketing, product, or brand strategy?
2. Why, in your view, has the metaverse not emerged and succeeded the way that its promoters, including Mark Zuckerberg, predicted it would?

Sources: Eva Roytburg, "Mark Zuckerberg Rebranded Facebook for the Metaverse. Four Years and \$70 Billion in Losses Later, He's Moving On," Yahoo! Finance, December 5, 2025; Dan Primack and Megan Morrone, "Meta's Deal for Manus AI Could Be Worth \$2.5 Billion," Axios, December 5, 2025; Zaheer Kachwala, "Meta Strikes Multiple AI Deals with News Publishers," Reuters, December 5, 2025.

See the World, Through the “Eyes” of AI

Use with Chapter 3, “Social and Mobile Marketing”



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Promoting travel has been a primary, and lucrative, target for social media influencers. Aesthetically gorgeous destinations provide a compelling setting for any content, though they also demand a lot of money, first to reach and then to stage the sort of large-scale, impressive photoshoots that garner attention. For influencers to make careers out of their travels, they need to leverage

key insights to craft compelling content, give followers unique insights into how they too could experience diverse cultures, and, in most cases, convince local tourism operators to sponsor their trips. When they combined these elements, successful travel influencers with large followings were earning more than six figures for a single post, and famous celebrities could make ten times that amount for posting sponsored content.

But even savvy, experienced influencers are struggling to maintain their previous levels of success, and the culprit, as may come as no surprise, appears to be AI. Near the end of 2024, traditional travel content creators started reporting sudden declines in the range and number of sponsorship deals available. The deals they could find also promised lower pay-per-post rates, even for influencers who could point to their past success and vast number of followers.

In their place, travel companies and locations turn to AI-generated avatars that appear in realistic-looking posts, the costs for which can be as low as just \$500, though a fully functional, custom avatar might cost more like \$5000. Still, these rates are exponentially smaller than the cost of paying human influencers. Furthermore, the brands gain a valuable level of control, in the sense that they can mandate precisely what a digital persona says, whereas human influencers might be expected to adjust the script to reflect their own goals and brand objectives.

This growing presence of AI spokespeople also spans multiple tourism-related sectors. Qatar Airways’s avatar Sama posts sponsored travel content across all the airline’s media channels. The German Tourist Board employs a digital stand-in named Emma that virtually visits and promotes the country’s most popular destinations. Accordingly, a new market has arisen, populated by management firms that create their own digital influencers and solicit sponsorships for them. For example, the travel blogger Radhika, created by a creative management agency based in India, quickly attracted a sizable following that led to contracts for her content from various tourism operators throughout India, and thus a lucrative, stable source of income for the management firm.

Although Radhika has attracted a substantial audience of followers, who appear perfectly willing to overlook the somewhat artificial quality of her appearance and contrived tone of her branded content, traditional human creators might take heart in recent reports. Specifically, most consumers continue to express some wariness toward AI, unwilling to trust it completely. In one survey conducted in Australia for example, more than three-quarters of respondents indicated their sense of hopefulness about the possibilities of AI, together with a parallel sense of skepticism about its ability to function as the sole source of information and inspiration. Such reactions imply that AI content creators and traditional human influencers might coexist, in which case competition for the budget and perks available to travel bloggers could intensify even further.

Discussion Questions

1. Tourism content created by human influencers involves high innate costs, which might drive brands’ rapid adoption of AI influencers. What other economic sectors similarly might benefit from the relative cost savings provided by AI influencers?
2. As AI-generated content becomes more lifelike and harder to differentiate from human-generated content, will it be possible for traditional influencers to compete? What would have to happen for these creators to maintain their jobs? That is, what unique value can or should human influencers make sure they offer?

Sources: Julie Weed, “These Travel Influencers Don’t Want Freebies. They’re A.I.,” *The New York Times*, December 9, 2025; “AI Travel Influencers Begin Reshaping Digital Storytelling,” *Digital Watch Observatory*, January 21, 2026; “AI vs Influencers: Which Is More Trusted for Travel Recommendations?,” *Karryon*, July 31, 2025.

Melt Down: Jerry Leaves Ben & Jerry's

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



istockphoto / EnchantedFairy

There is a reason that Ben & Jerry's can charge something like \$8 for a pint of ice cream—or perhaps more precisely, there are several reasons. For one thing, the quality is good, offering inventive, unique flavor combinations, made of high-quality ingredients. The brand story, of two old friends who make ice cream together, is deeply appealing too. When many products seem faceless or bland, the likeable vision of Ben Cohen and Jerry Greenfield goofing around in their ubiquitous tie-dyed shirts to build a massively successful company creates a notable and appealing distinction. But perhaps the strongest motivation driving Ben & Jerry's loyal consumer base is its insistent, persistent, overriding commitment to fair trade, environmentally friendly practices, and social activism.

From the moment they founded the company, Ben and Jerry have insisted that their business would advocate for

such ethical purposes, and they have held firm to that ideal even as the brand has grown and changed its structure. In particular, when Unilever acquired Ben & Jerry's in 2000, they agreed to the takeover only if the international conglomerate agreed that they retained the “independence to pursue [the founders'] values.” It was guaranteed in their contracts, which also permitted the subbrand to elect a board that functioned independently of its parent company. The founders retained control of public messaging and social activism.

The agreement held for several decades. But in 2024, the two founders initiated legal action against Unilever, alleging that it had adopted policy measures designed to circumvent its independent board. Then in 2025, they alleged that the Ben & Jerry's CEO had been fired for his political speech.

But when Unilever decided to reorganize and consolidate all its ice cream holdings under a new subsidiary, Magnum Ice Cream, the ongoing tensions evidently grew too great to bear for Jerry Greenfield, who announced his decision to resign in protest. In a statement, Greenfield addressed the rumors head on and issued the clear assertion that “Ben & Jerry's has been silenced, sidelined for fear of upsetting those in power.” Ben Cohen shared the resignation statement on social media, backing his partner's stance, but thus far, he has decided to stay on at the company, from which position he continues to voice his social values. He also recently called on Unilever to allow the Ben & Jerry's to regain their independence, by having the conglomerate divest.

Discussion Questions

1. Why might Cohen and Greenfield have chosen different paths in reaction to Unilever's actions, despite their continued support of one another?
2. Weighing the current negative press that this issue has generated, especially amongst Ben & Jerry's core customer base, against the overall profitability of the brand, does it make sense for Unilever to allow the company to divest? What external factors might further tip the decision in one direction or the other?

Sources: Yan Zhuang, “Jerry of Ben & Jerry's Resigns, Saying Company Has Been ‘Silenced’,” The New York Times, September 17, 2025; Rabia Iclal Turan, “Ben & Jerry's Co-Founder Jerry Greenfield Resigns, Citing Unilever's ‘Silencing’ of Brand's Activism,” Anadolu Agency, September 17, 2025; WCAX News Team, Amanda Alvarado, “Jerry Quits Ben and Jerry's Ice Cream Over His Political Views,” WOWT, September 17, 2025.

It's Not You, It's Me: Food Conglomerates Break Up

Use with Chapter 5, “Analyzing the Marketing Environment” and Chapter 16, “Supply Chain Management”



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Cola and coffee have some notable parallels: They both tend to be used for a caffeine jolt. They're similar in color, and they appear as regular staples in the pantries or refrigerators of a vast majority of households. They also constitute the backbone of the beverage industry. Yet the ways that the dominant actors in these two beverage markets tend to develop, test, market, and sell their products differ vastly, due to the distinctive characteristics and demographics that define each offering's most enthusiastic consumers.

Such distinctions arguably represent the rationale for the decision by Keurig Dr Pepper to split up its corporate organization into separate divisions, each of which will take responsibility for different subsidiary brands. At the same time as it is reorganizing its existing structure, the corporation is expanding, such as through its acquisition of JDE

Peet's. That company maintains multiple coffee-related brands, the most famous of which is the store franchise Peet's Coffee. Accordingly, JDE will merge with Keurig's existing coffee-oriented business division, which currently centers mainly around at-home brewing tools. Meanwhile, the Dr Pepper side will retain all soft drink subsidiaries, including 7UP, Sunkist, and Snapple. It anticipates being the source for most of the parent company's growth in the near future.

But strategically targeting coffee versus cola drinkers separately cannot justify another, similar corporate breakup happening around the same time. That is, shortly after the first reports about Keurig Dr Pepper's plans were made public, Kraft Heinz announced its own plans to divvy up its operations, in a direct reversal of the merger of these two food and beverage companies—some of the largest in the world—that occurred back in 2015. Originally conceived of to boost the overall value of one unified company, which would gain unparalleled, combined market share, the merger seemingly has not quite worked out as planned.

Instead, for many of the brands within the combined Kraft Heinz portfolio, market share and revenues have declined, a trend that some industry experts blame on the conglomerate's spending cuts. To stem such effects, the company's current leadership has chosen to reverse course, split up the divisions, and, ideally, ensure that both companies can retain more value for the future.

Here again, the organizational restructuring into separate divisions is not the only strategic move being made. But unlike Keurig Dr Pepper's acquisitional approach, Kraft Heinz has been selling off some of its food divisions to competitors. In so doing, it demonstrates its strategic decision to prioritize its condiment business, relying on the continued success it achieves through sales of Heinz ketchup and Grey Poupon, current bestsellers in their respective markets.

Discussion Questions

1. Compare the strategic restructurings of these two global conglomerates. What approach is each company taking, and which seems more likely to succeed?
2. What are the implications of changes at the corporate level for consumers' experiences with these products? Are they likely to alter the quality or price of the items people buy, for example?

Sources: Lauren Hirsch and Julie Creswell, “Keurig Dr Pepper to Acquire Peet's in \$18 Billion Deal,” The New York Times, August 25, 2025; Lauren Hirsch and Julie Creswell, “Kraft Heinz to Break Up Its Food Businesses,” The New York Times, September 2, 2025; Sarah Zimmerman, “The Biggest Food and Beverage M&A Deals in 2025,” Food Dive, December 23, 2025

The Pizza Index? Exploring Unconventional Recession Indicators

Use with Chapter 6, “Consumer Behavior”



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economic disruptions (including tariff inconsistencies, prominent inflation rates, poor job growth, and rising consumer prices) have not prompted these predicted trends, to many economists' surprise. For example, consumers actually made fewer impulse purchases of small luxuries, including self-care products like cosmetics, which instead exhibited declining overall sales. Faced with such a discrepancy, some economists suggest the need for a different kind of index, pinned to a different type of product that is more universally popular.

Thus, consider the pizza index.

In reporting on a novel analysis of changing purchase behaviors that they conducted in collaboration with a popular, independently owned pizza shop, researchers noted that pizza sales remained steady, but consumers had stopped adding on their usual accompaniments, like chicken wings or drinks. Because the consumers keep coming though, the restaurant needed to stay open, even as its own operating costs continued to rise. For example, the cost of bulk pepperoni had been \$110 for a 25-pound package just a short time ago, but today, that same amount of product costs the restaurant \$140.

Even large franchises are feeling this strain. Domino's appears determined to keep its locations afloat by slashing prices and aggressively marketing its affordability. Papa John's stores have reported a steady trend toward purchases of smaller, less expensive orders, though the company also can point to increasing valuation of its corporate shares.

Pizza Hut took a different tact, revising its pricing to allow its largest pizza to cost around \$30, a price that would have been unheard of just a few years ago. This response appears to have been misguided though. Pizza Hut suffered two years of declining sales, leading its parent company, Yum! Brands, to begin exploring options to sell the struggling chain. In the meantime, Pizza Hut has shuttered almost one-fifth of its stores, with plans to close another 250 restaurants by the middle of 2026. Despite these bleak indicators, the CEO of Yum! Brands suggested that Pizza Hut had an opportunity to take over leadership of the pizza market, through a restructuring or sale.

Beyond the pizza index, but with a similar foundation, other restaurant companies signal the relevance of what might be called an appetizer economy: Pressed by economic insecurity, diners avoid not only expensive add-ons like dessert but also full entrees. They instead turn to relatively less expensive appetizers, which offer a lower cost per plate. For people who enjoy the experience of eating out, buying appetizers instead of a full meal represents a responsible budgetary choice, especially if they can find restaurants that offer price deals on certain items, at particular times (e.g., happy hours), or on specific days (e.g., buy one, get one on Mondays).

Each of these indicators has emerged because, at some point, economists identified correlations between purchasing trends and the shifts in the economy at large. Still, the key term to recall is correlation, which is not the same as causation. Consumer habits are important to notice and report, but purchasing behaviors surrounding any one product at any particular time cannot

During times of uncertainty, economists note that consumers exhibit some predictable behaviors to deal with the situation. For example, even if people cannot afford to change out their entire wardrobe each season, they might achieve a pleasurable sense of novelty by buying a new lipstick. The concept of the lipstick index suggests that when markets enter a downturn, shoppers purchase fewer hedonic, unnecessary items, like new clothes, but as the downturn continues, they grow tired of being frugal all the time and turn to relatively inexpensive luxuries to boost their morale.

Although the concept of the lipstick index is well-established and widely accepted, recent

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fully capture the state of larger, more complex systems. At best, it's a tool, and like any other, it must be used in the right ways and trusted in the right amounts to be effective.

Discussion Questions

1. How would you gauge the validity of each of the indexes described in this abstract? Which one seems most accurate to you, and why?
2. Does the decline in lipstick purchases during today's challenging economic times mean that the logic for this index no longer applies? Or could there be other economic forces at play that affect this particular product?

Sources: Julie Creswell, "Pizza Hut's Parent Says Struggling Chain May Go Up for Sale," The New York Times, November 4, 2025; Julie Creswell, "People Are Ordering Smaller Pizzas and Fewer Toppings. What Does That Tell Us?," The New York Times, December 1, 2025; Sam Klebanov, "Appetizers Boom in Worrying Sign for the Economy," Morning Brew, December 13, 2025; Naheed Rajwani-Dharsi, Tasha Tsiaperas, "Pizza Hut in a Rut," Axios, November 6, 2025; "Yum! Brands to Close 250 Pizza Hut Locations Across US in 2026," WDRB, February 4, 2026.

Here Comes the Sun: Chinese Solar Companies Expand Energy Access in Africa

Use with Chapter 8, “Global Marketing”



istockphoto / mariammontoyart

Power outages can be frustrating for anyone, and they can occur in even the most well-established infrastructures, such as due to storms or damage to power lines. But when the infrastructure is less developed, and users need electricity to ensure their safety, income, and sanitation, outages can literally be deadly.

In South Africa for example, provision of power to remote locations has continued to be somewhat erratic, inconsistent, and worrisome, due to gaps in the infrastructure needed to support reliable electricity grids. Even in metropolises like Cape Town, residents cannot always count on the power staying on, as noted by a dentist who reported the difficulties created by being unable to fill cavities or perform root canals each time the lights went out.

For these consumers, the promise and appeal of solar technology are incalculable. Today’s solar panels can provide electricity across widespread and remote areas. Unlike the small, single panels of the past, which could power individual lanterns or light single rooms, current products have the capacity to electrify entire buildings, apartment complexes, and shopping malls.

China is at the forefront of such recent developments in solar technologies and capabilities, and it accounts for a sizeable majority of global production. Seeking to move beyond domestic markets for panels and batteries, Chinese manufacturers have actively sought out customers in global markets. When shifting tariff policies made it difficult to sell their products in the United States and Europe, these producers strategically turned their attention to expanding opportunities in South Africa, where within the past five years, 10 percent of residents already have adopted solar technology. Beyond just South Africa, more than half a billion people living throughout the African continent currently lack reliable electricity access, such that the potential for a vastly expanded market is clear. Solar use seems likely to spread quickly; Chinese solar exports already have risen exponentially.

Currently, only Nigeria rivals South Africa in its demand for solar, but Algeria is close behind. In countries with smaller populations, like Chad and Sierra Leone, active government efforts have expanded solar access to substantial percentages of their residents. For example, nearly half of Chad’s population has adopted solar technology, and more than 50 percent of Sierra Leoneans use solar power. In addition to encouraging consumer adoption, governments have expressed interest in building plants to manufacture solar equipment, whether those plants are run by domestic firms or rely on partnerships with Chinese providers.

In response, traditional energy companies in various countries are chasing solar opportunities, shifting resources away from coal production and toward more renewable sources. In South Africa for example, an energy company called Eskom has begun outfitting its mining sites with solar panels. It also announced a goal of shifting its overall focus to provide mainly green energy options within in the next 15 years.

This rapid expansion arguably cannot come fast enough. The poorest regions of Africa still lack sufficient resources and access to solar. Manufacturers need loans to finance new factories to produce solar materials; consumers need support to be able to purchase and install panels that can increase their access to steady electricity. As China expands and strengthens its partnerships across the continent though, the chances of such positive outcomes look more and more sunny.

Discussion Questions

1. What are some long-term implications of China’s dominance in providing solar materials throughout Africa?
2. What are some incentives that African governments might use to expand both production and consumer purchases of solar capabilities?

Sources: Somini Sengupta, “China Finds Buyers for Surplus Solar: Africa’s Energy-Hungry Countries,” The New York Times, August 26, 2025; Edith Mutethya, “China Earns Expert Praise for Support in Africa’s Energy Shift,” China Daily, February 15, 2026; Somini Sengupta, “Cheap Solar Is Transforming Lives and Economies Across Africa,” The New York Times, December 30, 2025.

Going Belly Up? How Beli Is Challenging Yelp

Use with Chapter 9, “Segmentation, Targeting, and Positioning” and Chapter 13, “Services: The Intangible Product”



istockphoto / napping rattanarakitiya

When the social media site Beli first hit screens, it was designed to give frequent restaurant-goers a centralized platform, where they could review and share meals. It represented a food-centric version of conventional travel or hospitality review sites like Yelp. To differentiate this offering from existing, established review platforms, the company’s founders promised that users could leverage its site to conduct more narrow, focused searches, because it would prompt reviewers to provide extremely detailed information, primarily about the quality of the food. Ambiance and service take on less importance but still inform the reviews.

It quickly attracted a unique community. The vast majority of its visitors and users are younger than 35 years of age, and

Gen Z consumers represent the largest segment of consumers who have downloaded the app. To appeal to these users, the app explicitly is designed to encourage community and connections among people who share the deeply personal experience of enjoying food. Beli accounts provide the option of limiting views to friends, which means that reviewers tend to express more open and vulnerable opinions when leaving their comments.

As these communal elements increasingly became inherent to interactions on the Beli platform, some users began exploiting it as a sort of digital journal, in which they willingly share intimate, daily features of their lives. In parallel, other niche reviewing sites seem to be experiencing greater popularity, as in the examples of Letterboxd for movies, StoryGraph for books, or Strava for running. To participate in these dedicated, digital platforms, people need to engage in a specific activity of shared interest, whether by dining out on a meal, watching a movie, reading a book, or running a particular route.

Many such platforms have experienced astronomical growth, but Beli represents a particularly successful case. In less than five years, it has accumulated 75 million ratings—outpacing Yelp, with its 52 million restaurant reviews after more than two decades in existence.

Discussion Questions

1. Perform a SWOT analysis of the Beli review platform’s strategic decision to target a specific, niche segment of users.
2. What other niche activities or hobbies might benefit from a focused review platform?

Sources: Luke Fortney, “How Beli Ate Yelp,” The New York Times, September 15, 2025; Gia Orsino, Emily Schario, “These Apps Might Fix Your Brain Rot,” Boston.com, November 11, 2025, <https://www.boston.com/community/the-b-side/these-apps-might-fix-your-brain-rot-strava-beli/>; Kat Schuster, “Young Bay Area Diners Are Trading Yelp for This New Foodie App: Report,” Patch, August 5, 2025, <https://patch.com/california/san-francisco/young-bay-area-diners-are-trading-yelp-new-foodie-app-report>.

Stepping into the Future: Puma Invents the Fastest Marathon Shoe

Use with Chapter 10, “Marketing Research,” and Chapter 12, “Developing New Products”



istockphoto / Unmine

Try this product announcement on for size: Puma has released the third generation of its Fast-R shoes, allowing the shoe company to stake a claim for offering the fastest marathoning shoe in the world. This development in the competitive sneaker market is particularly notable considering that Puma has not conventionally been known for its distance technology.

To ground its claims, Puma has released both its own data and third-party reviews, offered by early adopters. The company provided its Fast-R 3 shoes to a select number of top runners, and more than one-third of them reported improved times. Furthermore, for those elite athletes setting

new personal bests, about half of them identified significant improvements, of 3 minutes or more.

Then Puma asked some independent researchers from University of Massachusetts to test the shoe. The resulting experiments showed that athletes who laced up Fast-R 3 models improved their oxygen conservation by about 3 percent on average. The comparison involved multiple baselines, including popular offerings available from competitors like Nike and adidas but also Puma’s own previous offerings, like the second generation Fast-R shoe. The improvement was so dramatic that researchers reportedly assumed that there had to have been some error in their study methodology. But repeat testing, with new machinery and following a thorough checking of their approach, revealed consistent, impressive results.

The promising innovation prompted comparisons to the last big stride in distance running products, which arose about a decade ago with the introduction of Nike’s Vaporfly. But even if the impact of the Fast-R 3 on the sport of distance running might be comparable, the mechanics of the two shoes are notably different. Whereas the Vaporfly sought to add bounce and energy return to runners, the new Fast-R 3 model does not impose any changes on runners’ physical mechanics. Rather, it appears that the greater oxygen efficiency that wearers attain can be attributed to the reduced demands that the shoes place on their muscles and joints, due to its unique construction.

Puma’s research and development team reportedly gathered biomechanic insights, then applied these detailed considerations to the initial assembly of the sneaker. The key data include information about pressure points and the amount of force exerted during different segments of a person’s run cycle. Mock-ups of the iterative designs were tested methodically, such that designers learned that they should remove extraneous foam padding to make the shoe lighter. In addition, they strengthened the carbon plate within the shoe, having observed that runners used this feature to propel themselves forward.

Even if Puma’s victory lap in the distance running market appears somewhat unexpected, careful observers might have noticed hints that the brand had been seeking to build its reputation among elite athletes over the past decade. For example, the company did not sponsor any U.S. athletes during the 2016 Summer Olympic games, but in the most recent games, two of the top female U.S. marathoners sported Puma gear.

Discussion Questions

1. Considering the ongoing advances in sneaker technology, should runners expect to encounter new innovations regularly, or will it become increasingly difficult for shoe companies to find improvements beyond what is available now?
2. Describe Puma’s approach to introducing its new sneaker to the market. Can it leverage this strategy to achieve more widespread adoption of the Fast-R 3?

Sources: Liam Tharme, “Welcome to the ‘Next Big Thing’ for Super Shoes and Marathon Running: Puma’s Fast-R Shoe,” *The Athletic*, October 31, 2025; Ashley Mateo, “Puma Fast-R Nitro Elite 3: The Best Inventions of 2025,” *TIME*, October 9, 2025; Jeff Denegate and Aly Ellis, “Puma Says the Fast-R Nitro Elite 3 Is the Fastest Marathon Racing Shoe. But Is It Right for You?,” *Runner’s World*, June 23, 2025.

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Brownie Points: Brazilian Chocolate Is Saving the Rainforest

Use with Chapter 11, “Product, Branding, and Packaging Decisions”



istockphoto / WS Studio

The global popularity of chocolate means that producers sell it to customers in every corner of the world. But when it comes to production locations, one region of the world arguably reigns supreme: the Amazon Rainforest. It is where cacao pods were first discovered, and for marketers determined to confirm its importance, the best quality chocolate comes only from this part of the world. Brazilian chocolate also is distinguished by its generous use of cocoa and distinctive flavor profiles.

Some global firms agree, such that familiar brands like Amazon produce chocolate with ingredients from the region. But the real branding appeal comes from local Brazilian confectioners that use only regional ingredients, such as native fruits and nuts, to create a chocolate profile that can be achieved nowhere else. These independent chocolatiers, though focused mainly on producing high-quality, craft products, embrace a localized production

process that also creates viable job opportunities for local workers, including both indigenous tribes and regional farmers.

In their branding efforts, brands like Filha do Combu and Dengo Chocolates carefully integrate such a regional identity, emphasizing the Brazilian ingredients used and the small-batch manufacturing processes they adopt. They also highlight their sustainable farming practices, as a parallel brand promise, and verify such claims by working with conservation groups that in turn amplify the activities of the dedicated chocolatiers. Their ongoing efforts have been so meaningful that the UN Climate Change Conference decided to hold its 30th session in Brazil.

During the conference, Filha do Combu’s sales output doubled, and other independent shops far outsold their predicted demand. Dengo Chocolates has experienced such rapid and continued success that the company moved to open a concept store in Sao Paulo. It represents the first structure in modern Brazil to be built completely from wood, and its design purposefully aims to reflect the chocolatier’s symbiotic relationship with nature, including its dedication to protect local cacao crops and farmland for generations to come.

Discussion Questions

1. Are these sustainable farming efforts an example of greenwashing? Why or why not?
2. Are independent chocolatiers in the area at risk for global corporations taking over the local market, or is the product such that only a true local would be able to make it? Does the answer matter to a customer from abroad?

Sources: Somini Sengupta, “Chocolate Grows Up in the Land of Its Birth: The Amazon,” *The New York Times*, November 21, 2025; Dengo Chocolates, “A World with More Dengo,” <https://dengo.com>; Jessie Dowd, “Dengo Chocolates,” *Retail TouchPoints*, June 11, 2021.

The Happiest Place on Earth, and Perhaps the Most Expensive Too

Use with Chapter 14, “Pricing Concepts for Establishing Value”



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Across multiple decades and multiple parks—including the original outpost in Anaheim, Calif. (opened in 1955), the sprawling complex in Orlando, Fla. (1971), and international locations in Tokyo (1983), Paris (1992), Hong Kong (2005), and Shanghai (2016)—Disney has long worked to establish its compelling appeal as “the happiest place on Earth.” In attempting to give families places where they can experience magic, Disney staked a claim as distinctive and unlike anywhere else but also inherently accessible. It targeted families of all socioeconomic backgrounds, such that historically, the theme parks sought to eliminate hidden costs or status markers. Every visitor (or guest, in Disney’s carefully crafted lingo) could gain the exact same access to rides, shows, and food.

But more recently, Disney has introduced premium add-ons to its base package price. For lucky children, whose parents agree to pay

the fees, it is possible to enjoy an intimate character meet-and-greet over lunch or undergo a princess makeover, complete with cosmetics, hair styling, and costumes. In addition to booking these sorts of special encounters, Disney allows guests to pay extra to reserve ride times, such that consumers willing to spend more can spend less time waiting. They also have a dedicated line, marking them as special and differentiated from regular guests who continue to wait in longer, “regular” lines.

Another pricing shift reflects a dynamic approach, such that visitors can expect to pay more if they attend at certain times of the year, including major school holidays (e.g., spring break season), over Thanksgiving week, during the end-of-year holidays, and on New Year’s Eve. To some extent, these higher prices reflect expanded offerings. During December for example, guests get to experience added decorations and holiday-themed entertainment. But for the most part, the higher prices stem from the increased consumer demand that the parks experience during these times.

The rationale for such changes seemingly reflects a basic pricing rule: Disney can charge more and still attract sufficient purchases, so it should do so. The revisions also stem from a recent and relatively novel input though. With its vastly expanded data-gathering capabilities, attained through the digital channels that most guests use to book park tickets, hotels, and other offerings, Disney has learned far more about what visitors really value and prefer for their trips. Once visitors could manage their bookings virtually, they readily and willingly shared information about which features appealed most to them. Whether they responded to hotel promotions that promised them they could gain early entry to the park if they stayed on-site, or they searched for suggestions of how to ride the most rides in a single day, they provided Disney with valuable insights into what guests truly wanted.

Notably, along with the various ways that Disney strategically seeks to earn more revenues through higher prices, it also promotes discounted rates for certain segments of consumers. For example, local residents of California, Florida, and the international locations can purchase annual passes for lower rates, as well as discounted single-day tickets for specific dates when the parks are likely to be relatively less busy. In this sense, its dynamic pricing approach can provide benefits too, as long as guests are nearby and willing to commit to visit on dates that might be less convenient in general.

Even with such promotions though, the average price for a park ticket rose 5 percent each year in the decade between 2014 and 2024, such that in that period, prices rose 56 percent overall. As a result, park attendance has decreased. But even with fewer guests, Disney is able to earn higher revenues, from the higher prices those remaining visitors pay.

Discussion Questions

1. Is Disney right to adjust its pricing in the ways described herein? What benefits does it obtain, and what risks does it create with this approach?
2. Can other theme parks adopt similar dynamic pricing strategies, or does such a tactic require the unique strength associated with Disney’s well-known brand?

Sources: Daniel Currell, “Disney Is the Happiest Place on Earth, if You Can Afford It,” *The New York Times*, August 28, 2025; Morgan Flaherty, “Walt Disney World Ticket Prices 2026: A Complete Guide,” *WDW Magazine*, January 16, 2026; “Disney Raises Admission Prices for Its Theme Parks During Key Holidays,” *Reuters*, October 8, 2025; Devan Burris, “Why a Disney Vacation May Have Gotten Too Pricey for the Average American Family,” *CNBC*, September 10, 2024; Jaime Biesiada, “Attendance Dips at Disney’s U.S. Theme Parks,” *Travel Weekly*, May 6, 2026.

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The Volkswagen subscription plan: Innovative or Risky?

Use with Chapter 15, “Strategic Pricing Concepts”



istockphoto / supergenijalac

Although consumers have grown very accustomed to purchasing subscriptions for many offerings, such as streaming entertainment content or computer programs, those pricing models mainly involve services. What happens when a product firm seeks to establish a subscription model?

If we go by Volkswagen’s recent experience, what happens is that the firm gets blasted by consumers. In the course of introducing its ID.3 electric series, the German automaker announced that its Pro and Pro S models would come with an optional subscription, meant to unlock added features that could add to the cars’ performance. That is, rather than hedonic, comfort-based add-ons like seat warmers, the subscription would allow drivers to access more engine power and sportier handling.

The announcement drew immediate ire from customers, who decried the “Netflixication” of their vehicles. The backlash on social media featured both angry and humorous takes; one user predicted satirically that if carmakers really want to make money, they might want to consider using subscription plans to allow owners to start or stop their cars.

But Volkswagen doubled down in response, offering a fuller justification for its new payment model. In a public statement, it provided a positive cost comparison, noting that the features might be available without a subscription in other carmakers’ vehicles, but those models were substantially more expensive than the ID.3 line. The company also suggested a different frame for viewing the subscription innovation: Rather than a limitation on the car’s existing features, it represented optional upgrades to people who wanted to pay more to drive faster or with better handling.

The pricing plans started at around \$22 per month, though buyers who purchased an annual plan received a slight discount. For those buyers uninterested in thinking about regular renewals, Volkswagen also provided the option of a one-time upgrade: For about \$900, they could permanently unlock the full range of features available in their current cars. This purchase would not transfer to any future vehicles.

Even as Volkswagen devised a range of pricing plans in its apparent attempt to appeal to drivers’ diverse preferences though, it may have missed the bigger picture, which seems to depict a consumer market that is tired of encountering additional fees or subscription requirements that keep bumping up their monthly expenses. The presence of subscription demands currently might evoke buyers’ growing suspicion that even more fees are on the horizon. These broader attitudes could introduce yet another set of challenges to the widespread adoption of electric vehicles, such that Volkswagen’s decision to introduce this feature on its new line of electric offerings might have been detrimental.

Discussion Questions

1. What are some other long-term implications, positive or negative, of implementing a subscription model for automotive features?
2. Could Volkswagen have communicated about this pricing model change more effectively? How would you design a communication strategy that might mitigate consumers’ negative reactions?

Sources: Mandela Namaste, “Volkswagen Sparks Backlash with Unheard-of ‘Subscription’ Plan for New Cars: ‘Isn’t That Illegal?’,” Yahoo! Finance, September 12, 2025; James Paul, “Volkswagen Draws Flak for Introducing Subscription on Top Speed,” Mashable India, August 19, 2025; “Volkswagen Wants You to Pay a Monthly Fee ... for More Horsepower,” 104.5 WOKV, August 18, 2025.

Is “Fastvertising” the Marketing Trend of the Moment?

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



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Speed, agility, and dexterity define great athletic ability. They also appear equally important for advertising ability. When brands can react promptly and flexibly to constantly changing consumption trends and culturally relevant opportunities, they can achieve remarkable success and outperform their competitors, just as athletes attempt to do each time they play.

The need for such marketing dexterity has always existed, but as a result of modern technological developments, brands have remarkable new opportunities to display such nimbleness. In noting this development, a group of advertising experts has proposed the notion of fastvertising, a marketing strategy that involves the rapid development and distribution of clever responses to cultural events in real-time. By releasing a creative reaction to a pertinent event almost immediately, brands can garner

additional impressions, earned by exploiting the chatter that surrounds the event itself but also by demonstrating their own cleverness and ability to join in on the fun.

An early example of fastvertising gave Oreo cookies a remarkable brand boost. The Super Bowl is consistently one of the most watched sporting events in the world, and advertisers spend millions to have their brands featured for mere seconds during the broadcast. But during Super Bowl XLVII, just after Beyoncé had finished her thrilling halftime show, the New Orleans Superdome went dark, having suffered a massive power outage. For 34 minutes, players wandered the field, spectators sat in the dark, viewers at home wondered what was happening—and Oreo’s social media team took to Twitter to promise that the sandwich cookies could be enjoyed regardless, with the line, “Power out? No problem. You can still dunk in the dark.” For the millions of curious viewers, who likely had turned to their mobile devices searching for an explanation for the outage, the rapid, humorous response represented a novel appeal. The tweet reached more than half a billion people within minutes.

Even if responsiveness and dexterity have long been advertising goals, and even if this example of fastvertising is more than a decade old, brands still struggle to achieve such success. Corporations are notoriously slow to approve new ideas, as well as particularly loath to spark any sort of controversy. To embrace fastvertising, they cannot simply update their advertising strategy; they must challenge the logic that underlies typical marketing recommendations to design and release advertising content only when it appears guaranteed to improve, or at least not undermine, the brand’s current position. In this view, doing nothing is better than doing something wrong. But a fastvertising approach takes the view that any reaction is better than none, as long as it is driven by a particular sort of intelligence that combines emotional appeals and humor with a clear understanding of current cultural moments.

Notably, among the authors of the team credited with coining the term, we find an unexpected name. Rather than another scholar, the team includes the actor-turned-entrepreneur Ryan Reynolds (aka Deadpool), who is widely known for his quick wit and edgy, borderline inappropriate humor. When promoting brands in which he has investment stakes, Reynolds consistently deploys those characteristics, and because he has substantial ownership shares, he can undertake such deployments rapidly, without having to wait for permission, approval, or sign-offs from large corporate structures.

For example, when Peloton released a holiday commercial in which a man gifted his female partner an exercise bike—and viewers responded in horror, calling out the brand for sexist views and identifying the protagonist as a hostage to a red-flag relationship—Reynolds seized on the moment. He hired the female actor who received the terrible gift in the Peloton advertisement to maintain her characterization and play the same role in an advertisement for his gin brand. Seen sitting in

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apparent shock, surrounded by friends animatedly trying to talk her out of the relationship and “exercise cult,” the actor took a sip from a drink. Peloton was never mentioned by name, but the reference was clear, and the cheeky voiceover at the end, voiced by Reynolds himself, promised that an “exercise bike is not included.”

But as we noted, flexibility and responsiveness remain key, and Peloton clearly learned that lesson when dealing with the blowback to its advertisement. Therefore, when it confronted another public relations disaster, due to an unfortunate product placement event, it was better prepared to exhibit its own fastvertising. Peloton had agreed that its products could feature in the *Sex and the City* spinoff show, *And Just Like That*.... But unbeknownst to the brand, the product would be featured as implicitly responsible for the death of Mr. Big, a popular character whose heart attack appeared brought on by his workout on a Peloton bike. Rather than accept such a problematic narrative link, Peloton took a page from Reynolds’s playbook and hired the actor who played Mr. Big to appear in brand advertising, in a loose continuation of his star role. As the character reemerges, a rapid voiceover by (of course!) Ryan Reynolds outlines the health benefits of cycling and insists that Mr. Big actually is alive and thriving, because he remained dedicated to his heart-healthy workouts.

Again, the quick-witted response was lauded, as was the timeliness of the punchline. In this particular iteration of fastvertising, the campaign acknowledged the importance of the character to the series, and the shock expressed by fans of the show when he died; the serious harm that the original feature could cause the Peloton brand, by creating an implicit connection between product usage and mortal danger; and also the slightly ridiculous quality of the whole situation, in which no one actually died.

As these collected examples show though, sometimes effective advertising, or fastvertising, can contribute to the life or death of a brand. Like players who have reached the Super Bowl or regular people trying to complete a difficult Peloton routine, being fast and nimble can be the winning formula for brands.

Discussion Questions

1. Can you think of other examples of fastvertising that you’ve seen? What made them successful, or not?
2. Why would Peloton choose to work with Reynolds, after he had run a campaign that mocked its marketing in the past?

Sources: Ayelet Israeli, Leonard A. Schlesinger, Matt Higgins, and Ryan Reynolds, “Marketing at the Speed of Culture,” *Harvard Business Review*, January 2026; Li Cohen, “Star of Viral Peloton Commercial Appears in New Ad—This Time for Gin,” *CBS News*, December 17, 2019; Nick Turner, “Peloton Fires Back with Chris Noth Ad After ‘Sex and the City’ Damage—Spoiler, He’s Alive,” *Financial Post*, December 13, 2021.

Tidbits

A Roadblock to Roblox? Platform Introduces Age Verification

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

Laws governing the use of social media, designed to limit access by minors, have been enacted in several countries recently (see the abstract “Australia Bans Social Media for Children Younger than 16 Years,” from June 2025). Although gaming platforms technically are not subject to this legislation, Roblox has decided to introduce age verification for all users in the region, seeking to reduce the risk that children enter into interactions with unfamiliar adults. The rollout will include not just Australia and New Zealand but also the Netherlands, whose Authority for Consumers and Markets has raised concerns about Roblox’s compliance with the EU Digital Services Act. The verification system requires copies of official identification cards, along with a selfie of the user to confirm their identity. The technology then sorts confirmed participants into age-specific categories and limits certain features and interactions for younger participants. Although Roblox already had established parental controls, filtered chat requests, and conducted automated monitoring of messages, it also has come in for consistent criticism, along with several lawsuits, for its failure to enforce age verification requirements. Allegations of child endangerment are serious concerns for a platform on which an estimated one-third of accounts, or about 40 million users worldwide, belong to consumers younger than 13 years of age. In announcing the new system, Roblox described it as a “signal of trust” and called on potential development partners to take similar steps. But the platform’s choice to introduce the verification initiative only in regions that already have imposed new age-based regulations raises some skepticism of the trustworthiness of its own intentions.

Sources: Jenny Gross, “Roblox, Where Kids Game and Chat, Will Analyze Their Faces to Verify Age,” The New York Times, November 21, 2025; Charlotte Van Campenhout, “Dutch Regulator to Probe Roblox Over Risks to Minors,” Reuters, January 30, 2026.

Perk Up: Denmark Eliminates Taxes on Coffee and Chocolate

Use with Chapter 16, “Supply Chain Management”

Faced with supply chain challenges that led to rising prices on many consumer goods, Denmark has committed to reducing or removing taxes on many discretionary products, including coffee, chocolate (and other cacao-based products), sweetened breakfast cereals, baked goods, and candy. Prices of chocolate had risen more than one-quarter over the past year, due to supply chain issues in West Africa; coffee prices had surpassed one and one-third times their original price, due to changing weather patterns. According to the Danish government, revising its taxation policy provided the fastest, most effective way to help relieve its residents’ financial burdens. Removing the taxes reduced the average cost of a packet of coffee beans by around 5 kroner, or slightly less than \$1, but it will cost the government more than 2 billion kroner annually. Despite such costs, the policy change has bolstered the approval ratings of the Prime Minister and her party, serving as a gesture of goodwill and a signal of her image as a caring, responsive leader. Offering a relatively small tax incentive might also placate those calling for more comprehensive reform. Regardless of the underlying motives though, it means good news for coffee-lovers and chocoholics hoping to watch their budgets while still enjoying their daily treats.

Sources: Jenny Gross, “Inflation Sweetener? Denmark Plans Tax Cut on Chocolate and Coffee,” The New York Times, August 25, 2025; “Denmark Scraps Taxes on Coffee, Chocolate as Inflation Bites,” Jamaica Observer, August 22, 2025; Kathryn Lewis, “Denmark to Scrap Coffee Tax,” Global Coffee Report, August 26, 2025.