**Solomon Chapter 2**

**VI. ADDITIONAL PROJECTS, ASSIGNMENTS, AND EXAMPLES**

These assignments can be used in many ways: homework assignments, critical thinking assignments, web-based research assignments, individual assignments, and/or group assignments.

**►Student Projects**

1. Pick a company or brand that you purchase on a regular basis. Visit their Web site and find the portfolio of products/services they sell. Pretend you are the company CEO and categorize the products into logical groupings that will become your strategic business units (SBUs). Using your best judgment, allocate resources, using percentages, not dollar amounts, to each SBU (make sure the total comes to 100 percent). (Objective 2)
2. Visit the Web site for Food Television’s Rachel Ray (<http://www.rachaelray.com/>). Consider the market for television cooking programs. Prepare a brief report and discuss the market that you believe Rachel Ray targets. What market mix strategy do you believe she uses to target that market? What is her mission statement? (Objective 2)
3. Get the current issue of *Fortune* magazine; most college libraries carry it. Read the cover story and discuss the product strategies of one of the company’s products mentioned. Then discuss how the company could enhance their product strategies. What is the product characteristics associated with the product? Are they effective? Explain your answer. (Objective 2)
4. Make up a company that you would like to start as a business. Next, describe the type of company and the products and services that you want to sell. List the steps in the strategic-planning process. Next, define a mission statement for the company and establish at least five corporate level objectives and goals. Discuss how you would like to design the business portfolio. How will these strategies correlate to selling the products and services? Explain your answer. (Objective 1)

**ASSIGNMENTS**

**►Small Group Assignments**

1. Form students into groups of three to five. Each group should design a marketing plan for a shampoo sold in a retail store and a different brand of shampoo sold in a retail salon. Each group should then answer the following questions and present their plans to the class. (Objective 3)
   1. How do the marketing plans differ?
   2. What marketing objectives did you establish before you wrote the plan?
   3. Describe the similarities and differences in the target market.
   4. How was the positioning strategy determined?
2. Form students into groups of three to five. Each group should then draw the product-market growth matrix. Pick an existing product and an existing target market. Based on your selection, answer the following questions and share their findings with the class. (Objective 3)
   1. Modify elements and indicate the appropriate growth category.
   2. Which growth strategy seems the most practical for your product and or target market?
   3. Can you create more than one reasonable alternative for each quadrant?
   4. What factors would help you decide which quadrant has the most potential?
   5. What market penetration strategies can you develop to increase the product sales?
   6. What product development strategies can you develop to sell new or improved products?
   7. What diversification strategies can you develop to improve new products and markets?
3. Form students into groups of three to five. Ask each group to perform a SWOT analysis for a professional sports team. Next, ask students to conclude their SWOT analysis with informed recommendations for marketing strategy for that team. (Objective 2)
   1. In evaluating the SWOT analyses, the “SW” ideas should be associated with controllable elements of the team (internal environment factors), and the “OT” ideas should be outside the direct control of the team (external environment factors).
   2. Extensive, objective, and valid marketing research should be conducted to form SWOT component insights.
   3. Each marketing recommendation should take into account a variety of SWOT insights (e.g., matching a given strength with an opportunity in the external environment).

**►INDIVIDUAL ASSIGNMENTS**

1. Select a company that you would like to work at now or in the foreseeable future. Conduct research and evaluate the company’s mission statement. Prepare a brief report that includes a situational analysis. Next, identify what you believe are the organizational objectives, based on your research and include an analysis of the company’s business portfolio (products and services). Conclude your report with an analysis with insights about whether or not the key external factors (i.e., opportunities and threats) would affect your company’s corporate culture in the future. (Objective 2)
2. Review Figure 2.3 on page 50. This figure illustrates the Boston Consulting Group’s (BCG) growth-market share matrix. Prepare a brief report that provides an example of a SBU for the star, cash cow, question mark, and dog. Next, develop at least two strategies for each of the development strategies listed below for the four SBUs that you identified. You should have a total of eight strategies for each business that you identified in your report. (Objective 2)
   1. Market penetration strategy
   2. Market development strategy
   3. Product development strategy
   4. Diversification strategy
3. You learned that the return on marketing investment (ROMI) is a quantification of the overall return a marketing investment has on the business. How does a company assess a ROMI? How do companies assemble those measures? What are the pitfalls to a company that fails to implement effective and efficient methods to measure their ROI? (Objective 3)

**►THINK—PAIR--SHARE**

Consider the following questions, formulate and answer, pair with the student on your right, share your thoughts with one another, and respond to questions from the instructor.

1. Compare the Boston Consulting Group’s portfolio analysis method to the product/market expansion grid. Which method would you rather use in your own business? Why? (Objective 2)
2. Why would a focus on the 4 Cs be more important than the 4 Ps? What is a value-delivery network? How does this concept differ from that of the value chain? (Objective 3)
3. Explain the concept of return on marketing. Why is this important? (Objective 3)
4. Discuss the marketing mix and explain how the tools are used in a contemporary work environment. (Objective 2)

**►OUTSIDE EXAMPLES**

1. The marketing mix is the set of controllable, tactical marketing tools the firm blends to product the responses it wants from the target market. These marketing tools can all be collected into four sets of variables known as the “four Ps.” Consider Southwest Airlines ([www.southwest.com](http://www.southwest.com)). Briefly describe the “four Ps” employed by Southwest. (Objective 4)

**Possible Solution.** The product being offered, in the case of Southwest Airlines, is transportation. Just because it is not a physical entity does not mean it is not a product. Price is the amount of money customers pay in order to receive the product. In the case of airlines, this price is very volatile and changes frequently based on availability, time from departure, and myriad other variables. Place involves everything that Southwest does to make its product available to the consumer. Not only the airports, but also the ticket counters and self-service kiosks. Finally, promotion is everything involved in communicating Southwest to the customer. This includes traditional television and billboard advertising. This also includes their easy to navigate website and their enthusiastic employees.

1. The marketing mix is composed of the “four Ps.” Take a look at Continental Airlines ([www.continental.com](http://www.continental.com)). Let’s concentrate on the P of Pricing. Over a two-week period, track the fares charged for a roundtrip ticket between two of your favorite locations (such as Las Vegas and Houston). Be certain to keep your departure and return dates constant so that you can observe how fares change over time. How can you explain the constant variation in fares? (Objective 4)

**Possible Solution.** Students will observe that there are wildly varying and constantly changing fares over time. Students may come up with a variety of reasons for fare differences: time of day; first versus coach class; popularity of the route; or time until departure are all possibilities. In essence, students will realize that there are a multitude of possibilities to consider when setting price.

1. A group of college students decide they want to go into business and earn some pocket change. Because this is their first business, they decided to work with what they know. They know that their target market will be their peers or college students. They just took a marketing class and studied purchasing trends and fads. Popular on campus are ankle bracelets. One of the students has a resource for buying material for the bracelets at a greatly reduced price. Another group member insists that the bracelets be personalized. Buying the material for personalizing the bracelets nearly doubles the cost of the bracelets sold at the nearby mall. The group decided that the personalized bracelets were a novel idea and worth the extra cost. They felt confident that college students would pay the higher cost to have the bracelet tailored to their individual personality. The group has decided to go ahead with the business.

You have just studied Chapter 2 and have learned about strategic planning. What advice do you have for your friends? What information would you encourage them to consider before investing in this business? Write a brief marketing plan for the product. (Objective 3)

**Possible Solution.** The student answers will vary. Students will provide logical advice and they will develop a brief marketing plan for the product.

1. In this chapter, you learned that marketing planning begins with the study of both the internal and external environments. Review and observe some of the products listed at the L’Oréal web site at [www.Loreal.com](http://www.Loreal.com). Pick two of those products and write a one-to two paragraph report that illustrates how the company markets its products and services. What is their market strategy? Is it effective? Who is the target market for the two products that you chose from the web site. (Objectives 1 and 2)

**Possible Solution.** Student answers will vary. The students will observe a variety of products at the L’Oréal web site. The students will choose two products and write a report that describes how the company markets those products. The students will discuss a market strategy, discuss whether or not they think that it is effective, and evaluate the target market.