

SOLUTIONS MANUAL

Principles of

Marketing



It's good and good for you.

KOTLER | ARMSTRONG

14E

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Introduction

Welcome to the Fourteenth Edition of *Principles of Marketing*. This textbook and the accompanying Instructor's Manual provide you with a comprehensive set of teaching and learning tools to help organize your daily classroom activities.

As marketing educators, we appreciate the complex, real-time demands that you face each day in class. Your time is a valuable and limited commodity. That's why this manual has been designed to enable you to plan lectures, discussions, visual presentations, online exercises, and written assignments in a coordinated and efficient manner, without having to re-invent them all for yourself.

The Fourteenth Edition textbook and Instructor's Manual have been completely updated with fresh perspectives, lessons and activities that reflect the best new knowledge from industry professionals and academic experts. Inside, you'll find many real-life examples that we believe will be practical and relevant to you and your students.

We hope that you enjoy using this Instructor's Manual as much as we enjoyed writing it.

I. How to Prepare For the Course

You can make your introductory marketing course much more relevant and exciting by integrating a generous supply of “real world” examples of companies, events, people, and places. This textbook also provides you with up-to-date discussion on current marketing issues, trends, and challenges. Additionally, the Instructor's Manual encourages you and your students to research many current companies and their cutting-edge and effective marketing strategies in the form of very diverse sources of preparation and information (activities, discussion, projects, videos, Web sites, end-of-chapter review and questions).

In conjunction with learning about and researching up-to-date marketing examples, your students should be inspired to think intensely about, and creatively design and revise, marketing strategy. As you prepare for and get through your introductory marketing course, the textbook and the instructor's manual challenge your students to analyze and recommend various elements that influence and define marketing strategy.

Marketing is all around us—it's exciting, pervasive, inspiring, fresh, intense, creative, cutting-edge, challenging—and it profoundly affects our lives. This textbook treats it as such, and we encourage you to make your course equally exciting and inspirational!

II. "Who is Your Audience?"

Depending on your institution's curriculum requirements for business/marketing, you could be teaching a combination of freshmen, sophomores, juniors, and seniors in your classes. Some may be of traditional college student age, while others may be non-traditional students. Regardless of their age or academic year, what is typical of the first-time student in an introduction to marketing course is the naïve association of marketing with selling and advertising or commercials. This uninformed perspective provides an exciting platform of discovery and inspiration for you as the instructor. By the end of the course, your students should recognize how incredibly challenging it is for companies to successfully market their products. Marketing is fun and exciting to study in the classroom, but it is also arguably the biggest challenge that companies face.

III. New Features of the Textbook and Instructor's Manual

We've thoroughly revised the fourteenth edition of *Principles of Marketing* to reflect the major trends and forces impacting marketing in this era of customer value and relationships. Here are just some of the major and continuing changes you'll find in this edition.

- New coverage in every chapter of the fourteenth edition shows how companies and consumers are dealing with **marketing and the uncertain economy** in the aftermath of the recent Great Recession. Starting with a major new section in Chapter 1 and continuing with new sections, discussions, and examples integrated throughout the text, the fourteenth edition shows how, now more than ever, marketers must focus on creating customer value and sharpening their value propositions to serve the needs of today's more frugal consumers. At the end of each chapter, a new feature—*Marketing and the Economy*—provides real examples for discussion and learning.
- Throughout the fourteenth edition, you will find revised coverage of the rapidly **changing nature of customer relationships** with companies and brands. Today's marketers aim to create deep consumer involvement and a sense community surrounding a brand—to make the brand a meaningful part of consumers' conversations and their lives. Today's new relationship-building tools include everything from Web sites, blogs, in-person events, and video sharing to online communities and social networks such as Facebook, YouTube, Twitter, or a company's own social networking sites.
- The fourteenth edition contains new material on the continuing trend toward two-way interactions between customers and brands, including such topics as **customer-managed relationships, crowdsourcing, and consumer-generated marketing**. Today's customers are giving as much as they get in the form of two-way relationships (Chapter 1), a more active role in providing customer insights (Chapter 4), crowdsourcing and shaping new products (Chapter 9), consumer-generated marketing content (Chapters 1, 14, and 15), developing or passing along brand messages (Chapters 1 and 15), interacting in customer communities (Chapters 5, 15, and 17), and other developments.
- This edition provides revised and expanded discussions of new **marketing technologies**, from "Web 3.0" in Chapter 1 to "Webnography" research tools in Chapter 4 to neuromarketing in Chapter 5 and the dazzling new digital marketing and online technologies in Chapters 1, 15, and 17.

- New material throughout the fourteenth edition highlights the increasing importance of **sustainable marketing**. The discussion begins in Chapter 1 and ends in Chapter 20, which pulls marketing together under a sustainable marketing framework. In between, frequent discussions and examples show how sustainable marketing calls for socially and environmentally responsible actions that meet both the immediate and the future needs of customers, companies, and society as a whole.
- The fourteenth edition continues its emphasis on **measuring and managing return on marketing**, including many new end-of-chapter financial and quantitative marketing exercises that let students apply analytical thinking to relevant concepts in each chapter and link chapter concepts to the text's innovative and comprehensive *Appendix 2: Marketing by the Numbers*.
- The fourteenth edition provides revised and expanded coverage of the developments in the fast-changing areas of **integrated marketing communications** and **direct and online marketing**. It tells how marketers are blending the new digital and direct technologies with traditional media to create more targeted, personal, and interactive customer relationships. No other text provides more current or encompassing coverage of these exciting developments.
- Restructured **pricing** chapters (Chapters 10 and 11) provide improved coverage of pricing strategies and tactics in an uncertain economy. And a reorganized products, services, and brands chapter (Chapter 8) helps to promote the text's coverage of **services marketing** and better applies the branding strategy discussions that follow to both products and services.
- The fourteenth edition continues to improve on its **innovative learning design**. The text's active and integrative presentation includes learning enhancements such as annotated chapter-opening stories, a chapter-opening objective outline, and explanatory author comments on major chapter sections and figures. The chapter-opening layout helps to preview and position the chapter and its key concepts. Figures annotated with author comments help students to simplify and organize chapter material. End-of-chapter features help to summarize important chapter concepts and highlight important themes, such as marketing and the economy, marketing technology, ethics, and financial marketing analysis. In all, the innovative learning design facilitates student understanding and eases learning.

IV. Content Overview: Description of Instructor Manual Components

The Instructor's Manual includes the following features:

- **Resource Map:** This is a "cheat sheet" for instructors, correlating all resources by use type and chapter/section.
- **Chapter Overview:** The Chapter Overview summarizes each chapter of the textbook and is consistent with the chapter summary in the book.
- **Chapter Objectives:** Each chapter's objectives are listed as they appear in the textbook

- Chapter Outline: This teaching outline is mapped to the textbook topics and provides a snapshot of the chapter and its resources.
- The outline integrates references to exhibits and key terms (and respective page numbers) in the book, as well as *Real Marketing* activities, discussion questions, Web sites, troubleshooting tips, videos, PowerPoint slide references, and more.
- End-of-Chapter Answer Guide: This section includes answers to all End-of-Chapter Questions in the book.
- This will include discussion questions, objective-based questions, application questions, as well as case studies.
- The answers should be taken as suggestions, discussion motivators, or instructional in nature.
- Additional Projects, Assignments, and Examples: This section offers suggestions for student projects and assignments (individual and group assigned), as well as outside examples.
- Student Projects: This section includes a number of additional projects of various length and complexity that instructors may use in their courses.
- Assignments: This section is broken into three parts: *Small Group Assignments*, *Individual Assignments*, and *Think-Pair-Share*. The assignments are designed to help students put to thought and practice the material covered in the text.
- Outside Examples: This section provides additional information about companies and their business practices.
- Web Resources: This is a list of useful web links and resources the student can use for additional research, support, and career information.
- Video Guide: This separate section of the Instructor's Manual includes a summary, discussion questions (with suggested answers) and other useful information for each segment included in the video library that accompanies the textbook.

V. Learning Resources

Apart from everything mentioned above, the textbook provides you and your students with the following additional learning resources:

- *Chapter Preview*. As part of a new, more active and integrative chapter-opening design, a brief section at the beginning of each chapter previews chapter concepts, links them with previous chapter concepts, and introduces the chapter-opening story.
- *Chapter-opening marketing stories*. Each chapter begins with an engaging, deeply developed, illustrated, and annotated marketing story that introduces the chapter material and sparks student interest.
- *Objective outline*. This chapter-opening feature provides a helpful preview outline of chapter contents and learning objectives.
- *Author comments and figure annotations*. Throughout the chapter, author comments ease and enhance student learning by introducing and explaining major chapter sections and organizing figures,

- *Real Marketing highlights.* Each chapter contains two highlight features that provide an in-depth look at real marketing practices of large and small companies.
- *Reviewing the Objectives and Key Terms.* A summary at the end of each chapter reviews major chapter concepts, chapter objectives, and key terms.
- *Discussing and Applying the Concepts.* Each chapter contains a set of discussion questions and application exercises covering major chapter concepts.
- *Focus on Technology.* Application exercises at the end of each chapter provide discussion of important and emerging marketing technologies in this digital age.
- *Focus on Ethics.* Situation descriptions and questions highlight important issues in marketing ethics at the end of each chapter.
- *Marketing by the Numbers.* An exercise at the end of each chapter lets students apply analytical and financial thinking to relevant chapter concepts and links the chapter to Appendix 2: Marketing by the Numbers.
- *Company Cases.* All new or revised company cases for class or written discussion are provided at the end of each chapter. These cases challenge students to apply marketing principles to real companies in real situations.
- *Video Cases.* Short cases and discussion questions appear at the end of every chapter, to be used with the set of 4-6-minute videos that accompany this edition.
- *Marketing Plan Appendix.* Appendix 1 contains a sample marketing plan that helps students to apply important marketing planning concepts.
- *Marketing by the Numbers Appendix.* And innovative Appendix 2 provides students with a comprehensive introduction to the marketing financial analysis that helps to guide, assess, and support marketing decisions.
- Test Item File: Brand New for You
 - The Test Item File offers 3,000 questions: each chapter consists of multiple choice, true/false, short answer, and essay questions, organized by major chapter headings
 - Page references, learning objective, and difficulty level are provided for each question
- TestGen Software
 - Prentice Hall’s test generating software is all new for this edition. This supplement is available in two places: as a download from the IRC On-line (www.pearsonhighered.com/kotler) or from the IRC on CD-ROM
 - PC/Mac compatible and preloaded with all of the Test Item File questions
 - Manually or randomly view test bank questions and drag-and-drop to create a test

- Add or modify test bank questions using the built-in Question Editor
 - Print up to 25 variations of a single test and deliver the test on a local area network using the built-in QuizMaster feature
 - Free customer support is available at <http://247.prenhall.com> or 1-800-6-PROFESSOR between 8:00 AM and 5:00 PM CST
- PowerPoints
 - When it comes to PowerPoints, Pearson Prentice Hall knows one size does not fit all. The *14th Edition* offers instructors more than one option
 - Student PowerPoint: this simple presentation includes only basic outlines and key points from each chapter...no animation or forms of rich media are integrated, which makes the total file size manageable and easier to share on-line or via e-mail...instructors can easily share these smaller files with students
 - Instructor PowerPoint: this version of PowerPoint includes basic outlines and key points from each chapter, plus advertisements and art from the text, discussion questions, Web links, and embedded video snippets from the accompanying video library...new to this edition is the notes feature that will be included in this set of slides...here the instructor will find additional notes that can be used to further enhance the lecture without cluttering the slides...instructors can further customize this presentation using the image library featured on the IRC online and on CD-ROM
 - Instructor PowerPoint with CRS: this set of slides offers the same content as the "Instructor PowerPoint," but with the added feature of 10-20 CRS question/answer slides offered throughout each chapter...these text-specific Q&A-style slides are designed for classrooms using "clickers" or classroom response systems...instructors who are interested in making CRS a part of their course should contact their Prentice Hall representative for details and a demonstration...CRS is a fun and easy way to make your classroom more interactive
- Custom Videos
 - The video library features 20 exciting segments for this edition. All segments are on DVD (ISBN: 0-13-608017-0) and in mymarketinglab.
- Instructor's Resource Center (IRC)
 - IRC—on CD-ROM:
 - One source for all of your supplement needs...new interface and searchable database makes sorting through and locating specific

resources easier than ever before...includes all the same supplements hosted at our IRC On-line

- IRC—ON-LINE:
 - One destination for all of your supplement needs...the Pearson Prentice Hall catalog at www.pearsonhighered.com/marketing is where instructors can access our complete array of teaching materials...simply go to the catalog page for this text and click on the Instructor link to download the Instructor's Manual, Video Guide, Test Item File, TestGen, PowerPoint slides, and more
 - NOTE: Pearson Prentice Hall manually checks every password request and verifies each individual's instructor status before issuing a password

VI. Additional Study Learning Resources

- Study Guide
- The study guide is a one-of-a-kind companion for students...it includes detailed chapter outlines and student exercises, as well as solutions...this guide serves as a great review tool in preparing for exams
- Mymarketinglab (www.mypearsonmarketinglab.com)
 - mymarketinglab helps students clearly identify what they know and learn what they don't know with the following:
 - Personalized study plans: Pre and Post Tests with remediation activities directed to help you understand and apply the concepts where you need the most help
 - Self-assessments: prebuilt self-assessments allow you to test yourself
 - Interactive Elements: a wealth of hands-on activities and exercises let you experience and learn firsthand...whether it is with the on-line ebook where you can search for specific keywords or page numbers, highlight specific sections, enter notes right on the ebook page, and print reading assignments with notes for later review or with other materials including Video Cases, online End of Chapter activities, Active Flashcards and much more
 - iQuizzes - Study anytime, anywhere iQuizzes work on any color-screen iPod and are comprised of a sequence of quiz questions, specifically created for the iPod screen
- VangoNotes
 - Study on-the-go with VangoNotes...students can download chapter reviews from this text and listen to them on any MP3 player...now wherever they are—whatever they're doing—students can study by listening to the following for each chapter of the textbook:
 - Big Ideas: the “need to know” for each chapter

- Practice Test: a gut check for the Big Ideas—tells students if they need to keep studying
- Key Terms: audio “flashcards” to help students review key concepts and terms
- Rapid Review: a quick drill session—use it right before the test
- VangoNotes are flexible...students can download all the material directly to their player or only the chapters they need...and they're efficient...students can listen in the car, at the gym, walking to class, wherever...so get yours today and get studying: www.VangoNotes.com

Case-Oriented Syllabus

PRINCIPLES OF MARKETING

FALL SEMESTER

INSTRUCTOR:

Email:

Web Site:

Campus:

OFFICE HOURS

Or by Appointment at Either Location

Course Credits: 3 (Three)

Class:

REQUIRED MATERIALS

Principles of Marketing, 14th Edition, by Kotler/Armstrong, Prentice-Hall 2012, ISBN 0132167123.

COURSE PREREQUISITES:

COURSE DESCRIPTION

The course is an introduction to the language and issues of marketing with an emphasis on learning to develop responsive marketing strategies that meet customer needs. The course focuses on basic marketing concepts, the role of marketing in the organization, and the role of marketing in society. Topics include market segmentation, product development, promotion, distribution, and pricing. Other topics, which will be incorporated into the course, are external environment (which will focus on integrative topics with marketing, such as economics, politics, government, and nature), marketing research, international/global marketing with relevance to cultural diversity, ethics, the impact of technology on marketing, and careers in marketing.

COURSE PERSPECTIVE

We all have many experiences with marketing from the viewpoint of the consumer. In this course, we will take the perspective of the marketing decision maker. I hope you will learn that there is much more to marketing than you might have expected. From the textbook, participation assignments/homework, and our class discussions, you will learn about the decisions that marketers must make and tools/frameworks that will assist you in making those decisions effectively. By the end of the course, you should understand the complexity and challenges associated with making marketing decisions as well as ways to design effective marketing strategies. On the practical side, this new understanding of marketing should make each of you a more knowledgeable consumer.

COURSE LEARNING GOALS AND OBJECTIVES

Accordingly, the course emphasizes the following:

- *To analyze the role of marketing within the firm and society.*
- To expose you to the two parts of a marketing strategy: the target market and the marketing mix.
- To study the four basic variables in the marketing mix: product, promotion, price, and distribution.

- To exercise analytical, communication, and presentation skills (through use of technological aids, such as Microsoft Word, PowerPoint, and the Internet) – the basic tools of marketing.

COURSE STRUCTURE

Marketing Case Analyses

An effective way to help students learn about the principles of marketing is the analysis of marketing cases of real-world companies and events.

Cases from the textbook will be assigned to provide an opportunity to apply the principles of marketing and to enhance one's analytical ability to assess marketing problems. Analysis of cases provides for the application of course concepts to real world situations, and students are expected to have read and analyzed the cases thoroughly prior to class. The objective of the use of cases is to apply the various principles/concepts of marketing to an in-depth analysis of a given company or industry.

Groups will be formed early on in the semester and given a date to present their analysis of a particular case. I will provide each group with a presentation framework/format.

Chapter Material Exams

In addition to the cases, we will have four exams (see schedule). Students are responsible for all of the material covered from the textbook, lectures, outside speakers, and any videos/DVDs shown.

METHOD OF INSTRUCTION

The course is highly interactive between the class and the instructor. Through case studies/presentations, problems, and specific company client activities, students will have the opportunity to use the concepts, ideas, and strategies presented in class. Problem-solving sessions occur in both individual (primarily) and team (occasionally) settings.

This upper level undergraduate course will incorporate a lecture and project-based approach to the principles of marketing. The textbook used in this course will be used as a reference point for the discussion(s) of the marketing plan project. Students are encouraged to read and inculcate the major principles found in the textbook.

To ensure compliance with the University's policy on academic performance, during examination periods, once one student completes his/her exam, no additional student(s) will be allowed to enter the classroom to take the exam.

- Cell phones, calculator watches, and/or PDAs cannot be used as calculators during exams. Students must have a separate business calculator.

Note that occasionally changes in the schedule of the course or in the assignments are announced during class. It is your responsibility to ensure that you have received all of the changes and you will still be responsible for this information.

The University is committed to a policy of honesty in academics. Conduct, which compromises a breach of this policy, may result in academic and/or disciplinary action. Cheating is a violation of student academic behavior standards. Any student who violates or knowingly helps another student violate academic behavior standards will be pursued through the Office of the Dean of the College of Business Administration and through the Dean of Students at _____. Please note that the sharing of information with other class members or with other sections of the course is considered cheating.

I will make all the necessary accommodations for class members with disabilities. Those students who require or who wish to request special accommodations are encouraged to contact the instructor after the first class of the semester and Student Disability Services immediately.

EVALUATION

Evaluation will be based on four examinations, the submission of all of the marketing plan material and your final group oral and written presentation. Exams will consist of: 50–75 multiple choice, true/false, and short answer questions. You will need a Scantron and a University ID card or drivers license.

The weightings for the individual components are as follows:

1) Exam # 1	100 points
2) Exam # 2	100 points
3) Exam # 3	100 points
4) Exam # 4	100 points
5) Group Presentation of Case Analysis	200 points
Total:	600 points

Grading for this course is as follows:

Numerical Grade	Letter Equivalent
540 – 600 points	A
450 – 539 points	B
360 – 449 points	C
270 – 359 points	D
Below 270 points	F

CASE PRESENTATION’S ORAL PRESENTATION RUBIK

GROUP PRESENTATIONS OF THE CASE ANALYSIS ASSIGNMENTS WILL BE GRADED BASED UPON THE FOLLOWING SET OF CRITERIA:

- **CONTENT (90 POSSIBLE POINTS)**

INCLUDED HERE IS WHETHER THE STUDENT HAS SUBSTANTIALLY AND FULLY EXAMINED ALL OF THE ISSUES, PROBLEMS, AND UNDERSTANDS ALL ASPECTS OF THE FACTS OF THE CASE. DOES THE STUDENT FULLY UNDERSTAND THE DYNAMICS OF THE CASE AND HAVE THEY PRESENTED REALISTIC ALTERNATIVES,

REALISTIC OBJECTIVES, AND SOUND IMPLEMENTATION STRATEGIES.

- **PRESENTATION ITSELF (60 POSSIBLE POINTS)**

INCLUDED HERE ARE THE LAYOUT, CONTENT, AND READABILITY OF THE SLIDES OR OTHER FORMS FOR ELECTRONICALLY PRESENTING THE MATERIAL. ENCOMPASSES THE APPLICABLE EXCEL SLIDES, A SITUATION ANALYSIS, PROBLEM DEFINITIONS, ALTERNATIVES, AND RECOMMENDATIONS. AND TAKES INTO ACCOUNT THE PROFESSIONALISM OF THE PRESENTERS.

- **COMPLETENESS (50 POSSIBLE POINTS)**

Includes the correctness of answering questions from the instructor and/or audience members, as well as preparation by the student member to all of the relevant facts, figures, assumptions, recommendations, and strategies of the student.