

**IOWA STATE UNIVERSITY**  
**College of Business Administration**  
**SPRING 2009**

**PRINCIPLES OF MARKETING**  
**MARKETING 340**  
Monday-Wednesday-Friday 2:10 – 3:00 PM  
1148 Gerdin Business Building

Instructor: Dr. John Wong  
Office Hours: Monday/Friday 3-4 PM or by appointment  
Email: sjwong@iastate.edu

Office: 3153 Gerdin  
Telephone: 294-1493

**COURSE OBJECTIVES:**

This course is designed to introduce to the student basic marketing concepts and the terminology used in the field of marketing. The student will also see how the principles of marketing are applied in a wide variety of corporate, medium and small businesses, non-profit as well as public institutions, and service organizations. A global orientation to the practice of marketing will be adopted in this course. Further, the course will help the student see how marketing is related to other functional activities of the firm such as finance, accounting, and human resources management.

**LEARNING OBJECTIVES:**

At the conclusion of this course, the student should be able to:

- define marketing and discuss what it entails
- discuss how environmental factors affect marketing activities
- describe the factors involved in consumer decision making
- segment markets and develop the profile of a target market
- develop product strategies and discuss how services and nonprofit "products" differ from traditional ones
- develop distribution, promotion, and pricing strategies
- explain the importance of Internet marketing, customer relationship marketing, and one-to-one marketing

**METHODS OF LEARNING**

A variety of techniques will be used to enhance your learning in this course. These include lectures, discussions, video cases, in-class group activities, out-of-class individual assignments, guest lectures by marketing practitioners, and web-based research projects. You are expected to come to every session having completed your reading and/or other assignments. All material presented in class will be covered in the exams.

**COURSE PREREQUISITES:**

The prerequisites for this course is Econ 101. No substitution will be allowed.

**COURSE MATERIAL:**

**REQUIRED TEXT:** MKT (Thomson 2008) by Charles Lamb, Joseph Hair, and Carl McDaniel

**READING MATERIAL:** Additional reading material will be handed out in class or posted on the class website and will become the responsibility of the students.

### **COURSE REQUIREMENTS:**

You are responsible for all prescribed reading assignments from the text and other additional material provided by the instructor. Students are expected to have assigned material read prior to each class.

### **EXAMINATIONS AND ASSIGNMENTS:**

1. You will have several opportunities to demonstrate your knowledge and understanding of the principles taught in this course. Though much of the learning is actually achieved in-class, you are expected to complete certain assignments before class and to turn in outside assignments on time i.e. the day it is due.

**The exams will cover material from the *textbook, additional readings, video material, regular lectures and guest lectures.***

Maximum point values are as follows:

Mid-term Exams: 2 @ 100	200
Comprehensive Final Exam	200
Individual written case assignments: 2 @ 30	60
In-class assignment: 2 @ 20	40
Maximum possible points	500

2. The comprehensive final exam will be administered as scheduled by the university during the final exam week and will be announced when the schedule is published. Please plan your end of semester departure with this in mind.
3. There will be **2 take-home written case assignments** for the semester.

#### **INSTRUCTIONS: Please carefully read and follow the following instructions**

Please see the course outline for the assignments and due dates.

They must be turned in during class on the day they are due.

Each should not exceed a maximum of 2 pages, **double-spaced and typed.**

**Hand written copies will not be accepted.**

These short case-based exercises require the application of marketing concepts and principles to business decision making situations. They are selected to assist you in better understanding these concepts. **The completed assignments must reflect your own individual effort only.** Please see section on policy regarding academic honesty.

**\*\*\* Late papers: 10 points will be deducted each day it is late \*\*\***

#### **4. In-class assignments:**

There will be 2 in-class assignments. You will be responsible for being in class for the assignment.

There will be **NO MAKE-UP** for any missed in-class assignment. Only accepted absences and make up will be given under these conditions: for those providentially hindered (illness, with a doctor's note; and or serious illness or death in family) and those representing the university in officially sanctioned activities (away games in varsity sports, debates, field trips, etc).

5. To encourage class attendance **pop quizzes** for bonus points (2 points each) will be given periodically.

#### **6. Participation in faculty sponsored research projects:**

Students will be given an opportunity to participate in marketing research projects conducted by the faculty. Participation is strictly on a voluntary basis. Extra-credit of 5 bonus points can be earned for

participation in each of the research projects that are sponsored. There is a maximum of 10 bonus points for participation in 2 projects

**GRADING SCALE:** Your final grade will be scaled as follows:

470 - 500	A	385 - 399	C+
450 - 469	A-	370 -384	C
435 - 449	B+	350 - 369	C-
420 - 434	B	335 -349	D+
400 - 419	B-	320 - 334	D
		300 - 319	D-
		Below 300	F

**ACADEMIC HONESTY:**

You are expected to uphold the university's policy of academic honesty as spelled out in the student handbook. Acts of academic dishonesty will be reported to the appropriate university committee. All forms of academic dishonesty related to any exam and assignments (cheating, plagiarism, copying other students' work/assignments, etc.) will automatically result in a score of "0" for that exam/assignment.

**SPECIAL NEEDS:**

Please address any special needs or special accommodations with me at the beginning of the semester or as soon as you become aware of your needs. Those seeking accommodations based on disabilities should obtain a Student Academic Accommodation Request (SAAR) form from the Disability Resources (DR) office (phone 515-294-7220). DR is located on the main floor of the Student Services Building, Room 1076.

## TENTATIVE COURSE OUTLINE AND ASSIGNMENTS

We will adhere to this outline as closely as possible. In response to the needs of the class, the instructor reserves the right to make adjustments to the course during the semester. It is your responsibility to keep up with any change(s) to the course by regular class attendance, checking with your classmates, or checking the class webpage.

Week/Date	Topic	Chapter
1. Jan 12, 14, 16	Course Introduction & Overview of Marketing The World of Marketing	1
2. Jan 19, 21, 23	Strategic Planning & Competitive Advantage Social Responsibility, Ethics, & Marketing Environment	2 3
3. Jan 26, 28, 30	Social Responsibility, Ethics, & Marketing Environment Developing a Global Vision	3 4
4. Feb 2, 4, 6	Consumer Decision Making Bobos in Paradise; Popcorn Report 2002 (notes provided)	5
Feb 6	<b>***** In-class assignment: Starbucks Video Case *****</b>	
5. Feb 9, 11, 13	Business Marketing Segmenting and Targeting Markets	6 7
Feb 13	Written Assignment #1 Material provided in class – preliminary discussion <b>***** EXAM 1 : Chapters 1-7, and all other related material *****</b>	
6. Feb 16, 18, 20	Decision Support Systems and Marketing Research Product Concepts	8 9
7. Feb 23, 25, 27	Product Concepts Developing and managing Products	9 10
Feb 27	<b>***** Written Assignment #1 Due *****</b>	
8. Mar 2, 4, 6	Developing and managing Products Services and Nonprofit Organization Marketing	10 11
Mar 6	<b>***** In-class assignment: Nike vs Reebok Video Case *****</b>	
9 Mar 9, 11, 13	Marketing Channels and Supply Chain management Retailing	12
	Written Assignment #2 Material provided in class – preliminary discussion	13
10. Mar 16, 18, 20	<b>SPRING BREAK</b>	
11. Mar 23, 25, 27	Retailing	13

Mar 27	<b>***** EXAM 2 : Chapters 8-13, and all other related material *****</b>	
12. Mar 30	Integrated marketing Communications	14
Apr 1, 3	Advertising and Public Relations	15
<b>Apr 3</b>	<b>***** Written Assignment #2 Due *****</b>	
13 Apr 6, 8, 10	Sales Promotion and Personal Selling	16
	Pricing Concepts	17
14. Apr 14, 15, 17	Pricing Concepts	17
	Setting the Right Price	18
15. Apr 20, 22, 24	Setting the Right Price	18
	Customer Relations management (CRM)	19
16. Apr 27, 29, May 1	Special Topic: Marketing to the Bottom of the Economic Pyramid	
	Special Topic: Interactive and Multi-channel – Internet Marketing	
17. Week May 4	<i>Final Exam date to be determined. Check finals schedule in Iowa State Daily.</i> <b>Part 1: Chapters 14-19, special topics, and all other related material</b> <b>Part 2: Comprehensive Exam – Chapters 1 – 13</b>	

**MKT 340 SPRING 2009**

**Marketing Written Assignment #1**

**Due February 27, 2009**

**Typed/word-processed. Single-spaced. Two pages max.**

**COMPARISON OF SHOPPING EXPERIENCE AT THE VIRTUAL/ONLINE STORE AND 'BRICK AND MORTAR'/PHYSICAL STORE OF TWO RETAILERS**

The digital revolution has wrought major changes in the way we live, learn, and communicate. The growth of e-commerce has brought about a whole new shopping experience. It is easy to see that shopping online is different from shopping at a traditional 'brick and mortar' store. But how is it different? What are companies doing to make the shopping experience similar and/or different?

**PROJECT: You are to study TWO RETAIL COMPANIES (e.g., Barnes and Nobles AND Sears) that have both the TRADITIONAL 'brick and mortar' store as well as an ONLINE store.**

Here is a list of a few retailers which have both types of stores. There are many others you can choose from:

Barnes and Nobles ([www.bn.com](http://www.bn.com))  
Best Buy ([www.bestbuy.com](http://www.bestbuy.com))  
The Gap ([www.gp.com](http://www.gp.com))  
Sears ([www.sears.com](http://www.sears.com))  
Victoria's Secret ([www.victoriasecret.com](http://www.victoriasecret.com))  
Wal-Mart ([www.wal-mart.com](http://www.wal-mart.com))

You may use **ANY TWO** of the above or other retailers as long as they have both the 'brick and mortar' store as well as an online store.

For this assignment, you need to go online and visit the virtual version of **BOTH** retailers and then go to the same company store in Ames (or else where). For each, compare your shopping experience at the virtual retailer to shopping at the physical location and respond to the following questions.

**ANSWER ALL THREE QUESTIONS FOR THE TWO RETAILERS.**

1. Compare the two shopping experiences for each of the two retailers.
  - a) What does the online store offer that the 'brick and mortar' store cannot?
  - b) What does the 'brick and mortar' store offer that the virtual store cannot?
2. Why do a large number of established retailers with successful 'brick and mortar' stores now have an online version of their store?
3. What value does the online store add to the retailer's 'brick and mortar' operation?
4. Will the online store be able to completely replace the 'brick and mortar' store?

Support your position: Whether your answer is 'Yes' or 'No' please explain why.

**This is an INDIVIDUAL written assignment. YOU ARE TO WORK ALONE.**

**Please type/word-process your report (preference: Font: Times; size: 12).**

**HANDWRITTEN REPORT WILL NOT BE ACCEPTED.**

**REPORT IS DUE IN CLASS ON February 27, 2009**

**Five points will be deducted each day it is late.**

**Report length: 2 pages maximum.**

**Make sure you have your name and student ID on THE TOP RIGHT HAND CORNER of your report.**

**MKT 340 SPRING 2009**

**Marketing Written Assignment #2**

**Due April 3, 2009**

**Typed/word-processed. Single-spaced. Two pages max.**

**DIGITAL REVOLUTION'S IMPACT ON CAR SHOPPING AND PURCHASE**  
How are car buyers and auto dealers adjusting to the buying process during a recession?

**CarsDirect.com** is heating up the new car industry. The country's first direct broker of cars on the Internet has sent automakers, online buying services, and dealer groups scrambling to control the growing number of customers going online to shortcut the traditional process of shopping for new and used vehicles. The Internet start-up sparked a flurry of copycat Web sites dedicated to the direct-to-consumer purchase of cars, like CarOrder.com, DriveOff.com, Autobytel.com, Cars.com, Edmunds.com, and Greenlight.com. But several have now gone out of business.

CarsDirect is backed by the personal investment firm of Dell Computer's founder. The brain behind the company is Bill Gross who came up with the concept when he was frustrated with his efforts at buying an auto online. He found that current Internet options for buying cars were not created to serve customers but to generate leads for a local dealers, requiring him to close the sale of his car the old-fashioned way: haggling at the dealership with the untrustworthiest of people – a car salesperson.

**CarsDirect.com sells cars entirely through the Internet, allowing consumers to by pass traditional car dealers in their negotiations.** As a car broker, CarsDirect.com offers Web buyers a car at a fixed price based on recent average selling prices. Then, CarsDirect.com works through a network of existing dealers to get the car at that price. Since CarsDirect.com doesn't hold franchise agreements with any car manufacturers, consumers enjoy impartial and unbiased shopping experience as well as an unrivalled selection. In contrast, buying cars the old-fashioned way forces consumers to travel from car dealer to car dealer looking for the models they are interested in or the best price. Car buyers visiting CarsDirect.com can research a car by searching the site's extensive database, which provides objective information on price, performance, and options for more than 2,500 different makes and models – virtually every production vehicle available in the United States.

CarsDirect.com's research tool let buyers compare the features of vehicles and see in seconds the manufacturer's suggested retail price, the invoice, and most importantly, the price CarsDirect.com can get them. If a consumer wants to buy, payment is arranged completely online to close the deal.

Financing options are provided through CarsDirect.com's financial partners. Then, the buyer can arrange for delivery of the vehicle at home or the office or pick up from a local automotive retailer. With auto sales expected to exceed 5% of total sales soon, there are still big hurdles ahead for car brokers like CarsDirect.com. General Motors, for instance, recently warned its 7,700 dealers to cease and desist from using online car-buying sites like CarsDirect.com.

Thus online auto brokers such as CarsDirect.com has become popular with car buyers because they offer more choices and provide value to their buying process and experience.

The largest obstacle, however, is the myriad of state franchise laws that protect car dealers and restrict

direct sales of automobiles. Car brokers have found that no two states' franchise laws are the same, and many include rules that are arcane or impractical. Texas, the nation's second largest automotive market, has the most restrictive dealer-protection laws in the country. There, only state-licensed dealers can sell cars. Brokering of cars to consumers by anyone other than a dealer is strictly prohibited. As a result, car brokers have had to redesign their direct-sales model around Texas laws. CarsDirect.com, for instance, currently does not offer cars to residents of Texas.

Often, instead of trying to bypass dealers, Internet car brokers are forming alliances with dealers or reworking their strategies to become more dealer-friendly to comply with state law.

## **INSTRUCTIONS:**

Before answering the following questions, visit CarsDirect.com's website at [www.carsdirect.com](http://www.carsdirect.com).

1. Compare the target price quoted by CarsDirect.com for a sedan model of a domestic car (Ford, GM, or Chrysler) and a similar sedan of foreign make (Volkswagen, Toyota, or Honda, etc). Compare a domestic midsize vs foreign midsize, or domestic compact vs foreign compact, or domestic SUV vs foreign SUV. To achieve a fair comparison, both vehicles should be similarly appointed (with similar features). Example: a similarly appointed midsize car (Ford Fusion or Ford Taurus vs Honda Accord or Toyota Camry). Report how much of a price discount is quoted for each make. Which car model has a bigger discount? Explain why this is so.
2. Give examples of how the CarsDirect.com website simplifies the car-buying process for consumers.
3. Explain how CarsDirect.com fits into the channel structure for car retailing to consumers.
4. How has CarsDirect.com's selling model caused channel conflict – disrupting the normal relationship between the dealers and the auto manufacturers?
5. In what other product categories can the business model pioneered by CarsDirect.com be used successfully? Suggest three product categories and indicate why CarsDirect.com's model will work and why? Appliances? Cameras? Computers? Apparel? TVs? Stereo systems?
6. With the US economy in a recession and consumers who are particularly price sensitive and looking for bargains, the competition among auto dealerships has become extremely intense. Some auto dealers are directly offering better deals that are as attractive as that which you can get from online auto brokers like CarsDirect.com (and sometimes perhaps even more attractive). Given this harsh economic climate, is the CarsDirect.com business model still viable? How can online auto brokers like CarsDirect.com reinvent themselves in order stay in business?

**Due date: April 3, 2009**