

## Chapter 9 Summary – *Marketing Research*

### Why Marketing Research Matters

- Marketing research is the systematic collection, recording, analysis and interpretation of data to aid marketing decision-making.
- It reduces uncertainty, links firms to their environment and reveals opportunities before competitors do.

### The Five-Step Marketing Research Process

1. **Define the problem & objectives** – get the question right first.
  2. **Design the research plan** – decide what data are needed and how to gather them.
  3. **Collect the data** – qualitative or quantitative methods.
  4. **Analyze data & develop insights** – turn raw numbers into actionable information.
  5. **Prepare and present an action plan** – communicate findings to decision-makers.
- These steps are iterative; researchers often loop back when new insights emerge.

### Secondary Data

#### *Previously collected information*

- **External:** Statistics Canada, trade publications, syndicated services (Nielsen, IRI, Léger, etc.).
- **Internal:** sales invoices, loyalty-card databases, CRM systems.
- Pros: quick, cheap; Cons: may be dated, biased or not specific enough.

**Big Data & the 5 Vs** Huge digital data sets require new analytical tools. They are characterized by volume, variety, velocity, veracity and value.

### Primary Data

#### *Collected for the current project*

- **Qualitative** (exploratory): observation, ethnography, social-media listening, in-depth interviews, focus groups.
- **Quantitative** (conclusive): surveys (offline & online), panels, scanner studies, experiments.
- Compared with secondary data, primary research is tailored but slower and more expensive.

### Designing Good Research

- Choose a sample that represents the population; ensure **reliability** (repeatable) and **validity** (measures what it should).
- Craft questionnaires that avoid double-barrelled, leading or sensitive questions unless necessary (see Exhibit guidelines in text).

## Ethical Considerations

Researchers must

- collect information only with informed consent,
- use it solely for research (no “sugging” or “frugging”), and
- protect respondents’ privacy and data security.

## Applying Research: Customer Lifetime Value

The appendix shows how firms can mine internal transaction data to estimate **CLV**—the stream of discounted profits a customer will generate—guiding decisions about acquisition and retention spending.

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## Key Takeaways for BUS 343 Midterm

Area	What to remember
<b>Process</b>	Master the five steps and know real-world examples of each.
<b>Data types</b>	Distinguish secondary vs. primary; qualitative vs. quantitative.
<b>Big Data</b>	Know the 5 Vs and why they matter.
<b>Methods</b>	Be able to match a business question with an appropriate method (e.g., focus group vs. survey vs. experiment).
<b>Ethics</b>	Understand privacy issues, consent, and professional guidelines.
<b>Metrics</b>	Explain CLV and why it influences marketing strategy.

Study these concepts and you’ll have the core of Chapter 9—and a solid foundation for your midterm.

## Chapter 11 Summary – *Pricing Concepts & Strategies: Establishing Value*

### 1. Why Price Matters

- **Price = overall sacrifice** (money **and** time, effort, shipping, etc.) a buyer is willing to make to obtain a product or service.
- It is the **only marketing-mix element that generates revenue**; get it wrong and even a great product won't sell.
- Price also acts as an **information cue**—customers often infer high quality from a high price when their category knowledge is low (e.g., wine).

### 2. The Five Cs Framework

A good pricing strategy balances the “5 Cs”:

C	Key points
<b>Company objectives</b>	Profit-, sales-, competitor- or customer-oriented goals guide price levels (see Exhibit 11.2).
<b>Customers</b>	Demand curves, price elasticity, income & substitution effects dictate how buyers react to price changes.
<b>Costs</b>	Understand fixed, variable & total costs; use break-even analysis to know how many units cover costs.
<b>Competition</b>	Market structure (monopoly, oligopoly, monopolistic or pure competition) shapes price freedom and risk of price wars.
<b>Channel members</b>	Manufacturers, wholesalers & retailers often have conflicting margin or image goals; grey-market sales can undercut intended prices.

### 3. Setting the Price

Firms combine three foundational methods:

1. **Cost-based** – start with cost + markup; easy but ignores demand.
2. **Competitor-based** – position price relative to rivals to signal similar, higher, or lower value.
3. **Value-based** – start with customers' perceived benefits (improvement value, cost-of-ownership) to back-solve price.

## 4. Core Pricing Strategies

Strategy	When / Why	Example cues
<b>Everyday Low Pricing (EDLP)</b>	Offer consistently low shelf price to cut search costs; may signal lower quality.	Walmart.
<b>High/Low Pricing</b>	Regular high prices plus temporary promos to create “deal” excitement.	Dept. stores, supermarkets.
<b>New-product: Price Skimming</b>	Start high to skim innovators, recoup R&D, signal prestige; drop later.	
<b>New-product: Market Penetration</b>	Launch low to build volume & deter entry; count on experience-curve cost drop.	
<b>Dynamic &amp; tiered pricing</b>	Adjust price by time of day/season/demand (e.g., Disney parks).	

## 5. Short-Term Pricing Tactics

### **Consumer-oriented** (drive traffic or trial)

- *Price lining* (good-better-best), *price bundling*, *leader pricing*, markdowns, size/quantity discounts, coupons & rebates.

### **B2B-oriented** (incent channel members)

- Seasonal discounts, cash discounts (e.g., “3/10 n/30”), advertising or slotting allowances, cumulative & non-cumulative quantity discounts, uniform vs. geographic freight pricing.

## 6. Legal & Ethical Pitfalls

Marketers must avoid practices that deceive or restrict competition:

Issue	What it is
<b>Deceptive reference prices</b>	“Regular \$99, now \$39” must be bona fide or it’s misleading.
<b>Loss-leader / bait-and-switch</b>	Selling below cost or advertising cheap items only to upsell.
<b>Predatory pricing</b>	Pricing below cost to drive rivals out—hard to prove but illegal.
<b>Price discrimination</b>	Different prices to resellers must meet cost-justification tests.
<b>Price fixing</b>	Collusion among competitors (horizontal) or with retailers (vertical) to control price is illegal—e.g., Canadian chocolate bar case.

## 7. Key Takeaways for BUS 343 Mid-Term

Area to know	Focus
<b>Definition of Price</b>	Sacrifice vs. benefits, signalling role.
<b>5 Cs</b>	Be able to apply each C to a scenario.
<b>Methods vs. Strategies</b>	Distinguish cost/competitor/value methods from EDLP, skimming, etc.
<b>Elasticity</b>	Calculate impact of price changes on demand & revenue.
<b>Tactics</b>	Match consumer vs. B2B tactics to objectives.
<b>Legal issues</b>	Spot deceptive or anti-competitive pricing.

Mastering Chapter 11 equips you to analyze how firms **capture value** through thoughtful, ethical pricing decisions—and to ace the price-related questions on Midterm 2!

## Chapter 12 Summary – *Distribution Channels & Supply Chain Management*

### 1 . Why “Place” (Distribution) Matters

- A **distribution channel** moves ownership of goods from production to consumption and encompasses all institutions & marketing activities along the way.
- **Supply-chain management (SCM)** integrates suppliers, manufacturers, warehouses, stores and transport so the right merchandise is in the right place, quantity and time, while minimizing total cost.
- Effective place decisions turn great products and prices into customer value; failure to secure shelf or click-space can doom even superior offerings.

### 2 . Designing the Channel

Decision	Key points & examples
<b>Structure</b>	Choose <b>direct</b> , <b>indirect</b> or <b>multi-channel</b> routes. Direct avoids retailer margins but sacrifices reach; indirect adds intermediaries like dealers or wholesalers; many firms blend methods for coverage (e.g., Sony stores + Best Buy).
<b>Push vs. Pull</b>	<i>Push</i> promotions target channel members; listing fees can “push” goods onto shelves. <i>Pull</i> creates end-user demand that forces retailers to stock, as with Martin’s Apple Chips sampling campaign.
<b>Distribution intensity</b>	<b>Intensive</b> (PepsiCo everywhere), <b>Selective</b> (Seiko in chosen retailers) and <b>Exclusive</b> (Rolex, Estée Lauder) balance reach, control and brand image.

### 3 . How Channels Add Value

Intermediaries cut the number of marketplace contacts and perform **transactional, logistical & facilitating functions**—from bulk-breaking to financing—so consumers get products conveniently and cheaply. SCM weaves these activities with manufacturing, inventory, transport and promotion into a seamless value network.

### 4 . Managing Channel Relationships

- **Channel conflict** arises when goals clash (e.g., Stanley vs. Home Depot assortment).
- Power dynamics (reward, coercive, referent, etc.) let giants like Walmart influence suppliers.
- Coordination forms a spectrum: **administered** (power-based), **contractual** (franchising), **corporate** (Tesla owning stores).
- Long-term **strategic partnerships** rely on mutual trust, open communication, shared goals and credible commitments to enlarge the “profit pie” for all parties.

## 5 . Logistics & Technology

Flow	What happens
<b>Information</b>	POS data feed buyers; <b>EDI</b> transmits orders, invoices and advanced shipping notices with fewer errors.
<b>Merchandise</b>	Firms decide between <b>distribution centres</b> (lower store inventory, better forecasting) and <b>direct-to-store</b> for speed or perishables.
<b>Inventory</b>	<b>Vendor-managed inventory (VMI)</b> and <b>JIT/Quick Response</b> systems cut lead time and carrying cost while boosting availability.
<b>Omnichannel</b>	Buy-online-pick-up-in-store and same-day delivery demand accurate, real-time stock visibility and last-mile options—reshaping warehouse design and partnerships.

### Key Takeaways for BUS 343 Mid-Term

Area	Remember
<b>Definitions</b>	Distribution channel vs. SCM vs. logistics.
<b>Structures</b>	Direct, indirect, multi-channel—know pros/cons.
<b>Strategies</b>	Push vs. pull; intensive, selective, exclusive.
<b>Value creation</b>	Functions intermediaries perform to reduce cost & hassle.
<b>Conflict &amp; power</b>	Types of vertical/horizontal conflict; vertical marketing systems.
<b>Logistics tech</b>	EDI, VMI, JIT/QR, distribution centres vs. direct store delivery.

Grasp these concepts and you'll master Chapter 12's core message: **delivering value isn't just about making products—it's about designing, coordinating and continuously improving the network that gets them into customers' hands.**

## Chapter 14 Summary – *Integrated Marketing Communications (IMC)*

### 1 . What IMC Is & Why It Matters

IMC is the **promotion “P”** of the marketing mix—a coordinated blend of advertising, personal selling, sales promotion, PR, direct marketing and digital media that delivers a *clear, consistent* value story across every touch-point. A unified voice not only prevents mixed messages but also magnifies each element’s impact.

### 2 . The Communication Process

Stage	What Happens
<b>Sender &amp; Encoding</b>	Firm turns an idea into words/images (e.g., Pepsi’s emoji ads)
<b>Channel</b>	Message travels via a medium—print, TV, social, etc.
<b>Receiver &amp; Decoding</b>	Audience assigns meaning; interpretations vary by knowledge & context
<b>Noise</b>	Competing messages or poor media fit can distort meaning
<b>Feedback</b>	Sales, clicks, complaints, tweets tell the sender what worked

### 3 . Planning an IMC Campaign – the 7-Step Framework

1. **Identify target audience**
2. **Set objectives** (inform ► persuade ► remind)
3. **Determine budget**
4. **Convey message** (what & how)
5. **Evaluate & select media**
6. **Create communications**
7. **Assess impact**

### 4 . Crafting the Message

- **Appeals:** *Rational* (facts, benefits) vs. *Emotional* (humour, fear, nostalgia, warmth)
- A strong **USP** ties the campaign together and differentiates the brand.

### 5 . Media Strategy

- **Mass vs. Niche:** TV & national press for reach; specialty magazines, cable, direct mail for precision
- **Paid / Owned / Earned** mix plus scheduling patterns (continuous, flighting, pulsing) optimise exposure.



## 6 . Measuring Success

- **Traditional metrics:** *Reach* × *Frequency* = **GRPs** for print/radio/TV
- **Digital metrics:** clicks, time-on-page, conversions, ROI formulas tie spend to revenue
- Remember the cumulative effect—multiple exposures are usually required.

## 7 . The Six Core IMC Tools

Tool	Purpose
<b>Advertising</b>	Builds awareness & interest; increasingly interactive online
<b>Personal Selling</b>	Two-way persuasion—critical in B2B & complex sales
<b>Sales Promotion</b>	Short-term incentives (coupons, contests) to spark action
<b>Direct Marketing</b>	Targeted, measurable messages via mail, email, DRTV, mobile
<b>Public Relations</b>	Earns credibility, handles crises, sponsors events
<b>Digital / Social / Mobile</b>	Engages, educates, excites and lets customers experience the brand

These tools sit on a passive ↔ interactive, offline ↔ online continuum; the art is blending them so the *whole is greater than the parts*.

## 8 . Cheat-Sheet for BUS 343 Mid-Term

Concept	Exam Hints
IMC definition & role	Know the “C-word”: <b>Clarity</b> & integration across tools
Comm. model	Be able to label sender → encoding → channel → decoding → feedback, and define <b>noise</b>
7-step planning	Memorise the order; link each to an example
Appeals	Match examples (e.g., Dove “Real Beauty” = emotional)
Media & metrics	Calculate GRP and explain why reach vs. frequency matters
Tools	Identify the <i>best</i> tool(s) for given scenarios & justify

**Bottom line:** IMC turns disparate promotional tactics into a single, choreographed conversation that guides the right audience from *awareness* to *action*—and proves it with data.