2/7/14

BUS 306-01

Individual Writing Assignment #1

**Chapter 3**

*Discussion Questions*

**1.** A company’s microenvironment is described as “the actors close to the company that affect its ability to serve its customers.” These include the company, suppliers, marketing intermediaries (financial intermediaries, distribution firms, resellers, and marketing service agencies), customer markets, competitors, and publics (financial, media, government, local, general, and internal). The most important part of the microenvironment is the customer. A company should aim to create lasting relationships with customers through the value of the products and services offered.

The macroenvironment looks at the big picture, and is described as “the larger societal forces that affect the microenvironment.” Included in the macroenvironment are demographic, economic, natural (availability of natural resources), technological (technological set backs and advances), political (laws, regulations, industry lobbyists), and cultural forces. The macroenvironment is important because it is constantly changing. Some changes are predictable, while others are not. A company must understand these changes and be able to adapt to them in order to be successful.

**2.** There are five types of customer markets: consumer, business, reseller, government, and international markets. Consumer markets are individuals and households that buy goods and services for personal use and consumption. In a business market, goods and services are purchased by businesses that use them for further processing or for use in their own production processes. Reseller markets buy goods and services to resell for a profit. Government markets include government agencies that buy goods and services for the production of public services. They may also transfer the goods and services purchased to others that need them. Lastly, international markets consist of consumers, producers, resellers, and governments in other countries.

**3.** Core Beliefs are “passed on from parents to children and are reinforced by schools, churches, businesses, and government.” These beliefs are persistent and affect attitudes and behaviors found in everyday life. Examples of core beliefs are hard work, marriage, achievement, success, etc. Marketers will most likely not be able to change a core belief.

Secondary beliefs and values are more open to change. These include people’s views on themselves, others, organizations, society, nature, and the universe. An example of a secondary belief is getting married at a young age. Marriage is the core value; the age you believe you should get married at is the secondary belief. Marketers are more likely to change a secondary belief than a core belief.

**4.** There are three ways in which marketers can respond to the changing environment. These three options range from passive to active. The first option is the uncontrollable or passive action where marketers react and adapt to focus in the environment. This action takes place after the move has been made; companies react and adapt but do not try to change the marketing environment. Instead, they avoid threats, take advantage of opportunities, and design strategies that best suit the environment. The second option is the reactive or moderately active action where companies are watching and reacting to focus in the environment. Companies are watching for the next move and react before it happens. The last option is the proactive or most active action where companies take aggressive actions to affect forces in the environment. These companies develop strategies to change the environment rather than adapt to it. This proactive stance is the most successful, and whenever possible, marketers try to use this approach to respond to the marketing environment.

*Marketing Ethics*

**1.** There are many pros and cons to allowing children under the age of 18 to open Facebook and EBay accounts.

*Pros:* Both companies will benefit from the revenue these accounts will bring in, expansion of target markets, consumers under 18 will be able to benefit from the services these companies provide.

*Cons:* Allowing children under 18 to hold accounts will increase liability, increased liability could lead to increased expenses.

Although these efforts are risky, I believe they are socially responsible. If both companies take the time to put the necessary precautions in place, there is no reason they should not expand their target markets and allow children under the age of 18 to hold accounts. Assuming the precautions would require parental consent, it would be no different than requiring someone to be of a certain age. By giving parental consent, the companies would be free from most legal obligations. In addition, many children already use these sites. Allowing them to hold accounts will decrease the number of children using the sites from their parents account or by lying about their age.

**2.** In order to comply with COPPA, Facebook and EBay would need to place a link to a notice of their information practices on the homepage of the site where the information is being collected from the children under 18. In addition, there must be a clear and prominent link to the privacy notice, and a direct notice to the parents is necessary. Before collecting the personal information from the child, the site must receive a verifiable consent from the child’s parent. Lastly, if the company wishes to disclose any information to a third party, parental consent is required.

**Chapter 18**

*Ford Case Study:*

**1.** Currently, Ford follows the differentiation strategy. This is where a company focuses on creating a “highly differentiated product line and marketing program so it comes across as an industry class leader.” By narrowing the number of nameplates Ford sells, they are focusing on fewer products with higher value and quality. In addition, the innovative approach of Sync differentiates Ford from its competitors.

**2.**  Each year, Ford becomes more of a market-centered company. Currently, they are focusing on not only what the consumer wants, but also what will set it apart from its competitors. In order to improve in this area, ford should keep up with competitors and consumer wants and needs to avoid falling into the same situation again. It is important for Ford to stay ahead of its competitors as well by taking a proactive approach to the marketing environment.

**3.** With technological advances being made, it is important for Ford to utilize those to stay on top. Sync, the interface that allows Ford consumers to link technology to their car, is a new and innovative approach. Currently, there is not another system like Sync, which gives Ford a competitive advantage. Since this is an age of technology, people want to be able to be connected at all times. While driving, that is not always possible because of laws and regulations. However, Ford has made it possible to connect to your wireless devices for everything from listening to music to watching videos while parked. This new technology is available in all Ford cars, which means it is available to everyone.

This is a sustainable advantage. Due to the fact that Sync is an interface, it can be updated as technology updates. Ford will need to continue to update and improve the system as technology improves and changes. However, being the first to incorporate something like this will give them a great advantage.

**4.** Small world cars will benefit Ford greatly. Having cars that are easily sold worldwide with a few minor changes will increase profits for Ford. However, Ford will not be able to survive solely on small world cars. In order to keep up with competition, they will need to be innovative. Small world cars will be a great asset to the company and will increase profits and decrease debt.

**5.** Currently, Ford has 20 nameplates being sold worldwide. I would suggest to Mulally to continue selling fewer nameplates in order to keep it manageable and focus on value. In addition, I would recommend having different models of the 20 nameplates that only slightly change from the original, but that better suit the needs of each individual person. Marketing is important for Ford. I would recommend focusing on marketing Sync, the system that sets Ford apart from its competitors. With technology being as big as it is, consumers are likely to have a positive reaction to the way Ford is integrating it into its products. Lastly, I would encourage Ford to stray away from formulated marketing and adopt an intrepreneurial marketing strategy.