

ASSESSMENT PLAN

Department of Marketing

**College of Business
Illinois State University**

Marketing Degree Program

Revised Summer 2016

INTRODUCTION

This document describes the assessment plan employed for the marketing degree program at Illinois State University. The plan describes the current status of the department as it implements a comprehensive assessment plan which will meet the requirements of AACSB International and the Illinois Board of Higher Education. This document provides guidelines for conducting assessment activities, outlines the assessment process and develops a schedule for implementing components of the plan.

At its core, the assessment process provides data to be used to improve student learning. As such, information obtained during the process must be reviewed in a systematic, on-going manner and should serve as the basis for subsequent decisions regarding the curriculum in the department. The focus of this plan will be on individual student outcomes and on providing information that can be used by program faculty to improve our major offerings.

COMPONENTS OF THE ASSESSMENT PLAN

The plan has three broad components as follows: (1) expected student learning outcomes as described by student learning goals and objectives; (2) a measurement component made operational via the use of rubrics and content tests; and (3) use of data to inform decision making. These components will each be described in the following sections.

Phase 1: Learning Goals & Objectives

Learning objectives for the various majors and sequences housed in the department were developed by the faculty in the MKT Department. Learning goals and objectives for the marketing major are as follows.

A. Learning Goals & Objectives for the Marketing Major

The faculty members teaching in the Marketing program have determined seven competency goals for their students.

- **Business Knowledge Competence**
 - Each student understands general business content across the core curriculum required of all College of Business majors.
- **Marketing Knowledge Base Competence**
 - Each student has ownership of the requisite knowledge bases and tool sets of the Marketing discipline and can use their Marketing knowledge bases and tool sets to effectively address Marketing issues and problems.
- **Critical Thinking Competence**
 - Each student can think critically in order to recognize, clarify, and analyze Marketing situations, and make sound decisions and recommendations based upon the available information.
- **Communication Competence**
 - Each student can effectively communicate using written and verbal formats.
- **Interpersonal Competence**
 - Each student can demonstrate collaboration, leadership, and team-based decision making and exhibit professional behavior.
- **Marketing Perspective Competence**
 - Each student can identify, interpret, and evaluate the impact that controllable and uncontrollable environmental factors have on Marketing decisions.

- **Resource Capabilities Competence**
 - Each student can assess resource (financial, human, intellectual, time) capabilities to implement Marketing decisions and recommendations

Additionally, the following two competency goals are currently under consideration:

- **Social Responsibility Competence**
 - Each student has a basic understanding of ethical decision making models, can recognize potential ethical dilemma, utilize ethical reasoning skills to professionally address and analyze consequences of unethical Marketing practices and decisions.
- **Information Technology Competence**
 - Each student can identify opportunities to leverage technology in decision making.

Phase 2: Measurement via Content Tests and Rubrics

A. Assessment of Skills using the College Rubrics

The MKT department has adopted the College rubrics with some minor wording changes for Marketing students. The only exception is the Ethics rubric (no changes needed). Please note that the written communication rubric also contains components of critical thinking skills so this rubric may be used to evaluate both skill sets.

The following section shows the places across the Marketing sequences where data collection has occurred.

B. Instrument and assessment schedule

As described in the previous section the Marketing program has goal/objectives focused on basic business content and marketing content, in addition to a number of objectives regarding professional skills. The college core content assessment is measured utilizing the ETS Major Field Test in Business during the semester that the student takes the required capstone MQM 385- Organizational Strategy course. A marketing content specific assessment instrument, based upon our three required courses of Buyer Behavior, Marketing Research, and Strategic Marketing Management, was developed and piloted in the Spring 2006 semester, and was revised in 2011, and again in 2015. This assessment takes place in the MKT 338 course.

The rubrics for assessing skills (communication, interpersonal, critical thinking, resource capabilities, and marketing perspective) can be found in Appendix B. These assessments occur in our required MKT 232 – Marketing Research course during the student’s junior year and the required MKT 338 – Strategic Marketing Management course.

In order to assess students’ basic business competence, the ETS’s Major Field Test in Business is administered in the capstone MQM 385 course that is required for all COB majors. -An assessment vehicle covering marketing content has been developed. This assessment vehicle

was developed from course content that can be found in the required Marketing courses of MKT190/230 (Introduction to Marketing Management), MKT231 (Buyer Behavior), MKT232 (Marketing Research), and MKT338 (Strategic Marketing Management). The marketing knowledge base content assessment is administered in the required capstone, MKT338 course. The following lists the skills and content knowledge assessed:

- MKT232:** Written communication
Oral communication
Team skills
- MKT338:** Written communication
Oral communication
Critical thinking
Marketing knowledge base content
Marketing perspective (data collection began 2015)
Resource capabilities (data collection began 2015)
Ethics (data collection began 2015)

The assessment takes place in Fall semesters in MKT232 (every class). In MKT338 the assessment is conducted once during academic year and can be done either fall or spring semester. Because there are quite more grading and time required for MKT338 instructors to assess all of these skills, the work is divided amongst the instructors. Thus, (representative) samples of students will be used for assessment of the skills. The marketing knowledge base content is measured in every class every semester.

Phase 3: Use of Data in Decision Making and Instrument Development & Refinement

The rubrics and the assessment tools have been refined over the course of the past five years.

ETS Exam

In 2011-12 at the departmental meeting it was pointed out that marketing majors tend to score extremely low in the accounting section of the ETS exam. MKT338 instructors met separately to discuss the possible course of action to improve the accounting knowledge retention among marketing majors. The solution was to set aside a day to cover the basic accounting materials, particularly on financial statements, in MKT338. The instructors created a common learning module (PowerPoint slides, quiz) for the accounting review day during each semester. In addition, six additional questions were added to the Marketing knowledge base competence exam in order to assess the effectiveness of the accounting review done in MKT338.

MKT338 instructors have been offering an accounting review day during each semester, and have carefully monitored the scores for the relevant questions in the marketing content base knowledge test. Most recently we met in January of 2016 to review the trends, and we also modified the test questions that the assessment data suggested were possibly misleading. The ETS exam scores may or may not reflect our efforts, but this is primarily due to the fact that the students take the ETS test before our MKT338 marketing content base knowledge test. The

instructors are in agreement that the ‘refresher’ accounting principles are very beneficial and help our graduates to become better prepared for their future careers.

Other than the accounting subject there have not been obvious weaknesses spotted for marketing majors. With the implementation of the new standards for ETS exam (passing the exam is now a requirement prior to enrolling in MQM385) we have better accuracy and confidence in the data. We will continue to monitor the scores in order to identify any weaknesses.

Ongoing Assessments of Core Skills (Communication and Critical Thinking) and Marketing Knowledge Base

In the past five years (2011-2016) every semester we have collected communication (oral and written) and critical thinking skills data, as well as marketing knowledge base content data in MKT338. We have only reduced to once a year due to an increase in the number of skills assessed in the course in 2016. In the most recent meeting (spring 2016) amongst the MKT338 instructors we determined that our marketing majors do possess at minimum acceptable levels of these skills. Every semester we have only witnessed 1-3% of students who do not.

Communication (oral and written) and team skills have been similarly assessed in MKT232. The marketing students in MKT232 are in junior standing, and are still new to the COB. Their skills in communication appear to be still premature, but we have witnessed significant improvement in their skills by the time they progressed to MKT338 (capstone marketing course). Oral communication, especially the ‘eye contact’ aspect is particularly the area that make the significant improvement over the course of their time at COB. Written communication, ‘professional appearance and format’ particularly, was identified to be a particular weakness. In our most recent meeting in spring 2016, amongst the MKT232 instructors we discussed possible ways to make improvement in written communication. The solution to be implemented in the coming semester is to (1) make more explicit instructions and (2) share ‘best examples’ with the students to improve their understanding of the required tasks. Team skill results were also discussed at the same meeting. Overall the results meet the acceptable levels of the skills. Only about 3% neglect to participate meaningfully in a team setting, and we determined that this is “typical” in any class. In future semesters we would reinforce peer evaluation.

Specific to critical thinking, since 2012 we have sent our faculty to International Conference on Critical Thinking (<http://www.criticalthinking.org/pages/conference-archives/629>) in batches. So far over half of our tenure-track faculty have participated in the workshop. As they return from the workshop each faculty member is expected to implement the knowledge obtained in their classroom. Most recently we had a departmental meeting in fall 2014 to discuss what the most recent batch of faculty had learned, and how they plan to make changes in their course materials. The increased understanding of critical thinking concepts allow us to be better teachers and assessors of student learning.

Marketing knowledge base content exam results were discussed most recently in Spring 2016 amongst the MKT338 instructors. The overall results indicate adequate levels of understanding, but we have yet to determine the “acceptable” average score. In our 2015 fall review of the test questions it was determined that some of the questions were possibly outdated. Without a good

instrument accuracy of the assessment and the analyses are meaningless. We made necessary changes at the beginning of spring 2016 and the latest scores from that semester reflect slightly better understanding of marketing knowledge base. We will continue to monitor the test scores (we need at least two data points before making more changes) and review for identification of possible weaknesses.

New Instruments (Marketing Perspective, Resource Capabilities, and Ethics)

In 2014-15 MKT338 instructors discussed the implementation of Marketing Perspective Competence and Resource Capabilities Competence assessment. They developed the instrument (scenarios and questions) and the grading rubrics. In 2015-2016 (Fall) they were assessed for the first time. The instructors agreed that the overall scores are acceptable at that time. Possible improvements may be made in the marketing perspective areas of positioning and pricing.

Ethical decision-making skills assessment results were also discussed in Spring 2016. The results were overall acceptable and it was determined that no changes are needed. In the coming semester we will develop a common scenario (ethical dilemma) for measurement between classes.

Involvement of Department Advisory Board in Shaping our Curriculum

In order to stay current, our department has always involved the advisory board in the curriculum development. Their input as to the necessary skills and up-and-coming new tools needed by our graduates is invaluable. The Advisory Board played an important role in shaping the curriculum for our new Marketing Analytics sequence, which was introduced in Fall 2015. The full board provided feedback on the design and relevance of the proposed courses, and the Analytics subcommittee of the Advisory Board provided resources such as guest speakers, programming support, and large datasets for experiential learning projects in the first course offered in the sequence. Involvement of the Advisory Board helped us improve the Business Knowledge and Marketing Knowledge Base competence of Marketing majors.

Written communication

Criteria	Levels		
	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Professional Appearance and Document Format (e.g. Appropriate binding, Headers/subheadings, margins, table of contents, etc.)	Not formatted to specifications Lacking professional appearance.	Formatting is generally correct, acceptable professional appearance.	Assigned format followed explicitly: Exceptional professional appearance
Visual Presentation Elements (e.g. Charts, graph, exhibits, figures, etc.)	Very few or none: Not well connected or integrated to support the document	Some used in a generally effective manner to support the document	Appropriately used to effectively illustrate and support the document
Grammar and Readability (e.g. writing mechanics/conventions)	Frequent grammatical errors and misspellings inhibit readability Informal language, abbreviations and slang are used	Few grammatical errors and misspellings (e.g. three or fewer per page) Correct verb tense used Paragraphs flow from one to another Active voice pervasive	Free of grammatical errors and misspellings Effective verb tense used Uses phrases and construction that delight as well as inform the reader Primarily active voice
References and Support of Discussion	Omits research Reliance on direct quotes rather than integrating concepts into body of text Include biased sources Incomplete or missing bibliography	Adequate number of current sources References generally cited correctly	Shows intellectual honesty Attributes sources completely and properly Wide range of current and relevant sources used

Critical Thinking

Criteria	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Breadth of Discussion	Omits arguments or perspectives Misses major content areas/concepts Presents few options	Covers the breadth of the topic without being superfluous	Considers multiple perspectives Thoroughly delves into the issues/questions Thoroughly discusses facts relevant to the issues
Depth of Discussion	Ignores bias Omits arguments Misrepresents issues Excludes data Includes but does not detect inconsistencies of information Ideas contain unnecessary gaps, repetition or extraneous details Sees no arguments and overlooks differences	Detects bias Recognizes arguments Categorizes content Paraphrase data Sufficient detail to support conclusions and/or recommendations	Analysis includes insightful questions Refutes bias Discusses issues thoroughly Critiques content Values information Examines inconsistencies Offers extensive detail to support conclusions and recommendations Suggests solutions or implementation
Clarity	Writing is not clear. It is difficult to understand points being made. The writing lacks transitions, and few examples and/or illustrations are provided to support explanation or recommendations.	Writing is generally well organized and understood. Transitions are used to facilitate clarity. Some examples and/illustrations are used to support explanation or recommendations.	Writing is succinct, precise, effectively organized and without ambiguity. Transitions, explanation and elaboration are extensive to elucidate points. Detailed illustrations and/or examples are used to support explanation or recommendations.
Relevance	Critical issues/questions are omitted or ignored in the writing.	Most of the critical issues/questions are addressed in the writing.	All critical issues/questions are addressed completely in the writing.
Internal Consistency	There is little integration across the sections of the paper. Several inconsistencies or contradictions exist. Few of the issues, recommendations and explanations make sense and are well integrated.	Sections of the paper are generally well linked/connected. Only minor contradictions exist. Most of the issues, recommendations and explanations make sense and are well integrated.	All sections of the paper are linked. There are no contradictions in the writing. All issues, recommendations and explanations make sense and are well integrated.
Conclusion	Fail to draw conclusions or conclusions rely on author's authority rather than strength of presentation Draws faulty conclusions Shows intellectual dishonesty	Formulates clear conclusions with adequate support	Assimilates and critically reviews information, uses reasonable judgment, and provides balanced, well justified conclusions

Oral Communication Rubric

Criteria	Levels		
	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Organization	Audience cannot understand or has trouble following presentation because student jumps around and/or there is no sequence of information.	Student presents information in logical sequence which audience can follow.	Student presents information in logical, interesting sequence which audience can follow. There is a definite “flow” of the presentation from one topic to the next.
Subject Knowledge	Student does not have grasp of information or is uncomfortable with information. Student can only answer rudimentary questions about the subject.	Student is at ease with the information and can answer expected questions but does not elaborate or go beyond a surface-level of knowledge.	Student demonstrates full knowledge (more than required) by answering all class questions with explanations and elaboration.
Graphics	Student uses superfluous graphics, no graphics, or graphics/visual aids that rarely support text and presentation. The graphics or visual aids are not clear or easily interpretable.	Student’s graphics or visual aids relate to the text and presentation.	Student’s graphics/visual aids explain and reinforce screen text and presentation, are creative, and help to distinguish the student’s presentation from other presentations.
Mechanics	Student’s presentation has two or more spelling errors and/or grammatical errors.	Presentation has no more than one misspelling and/or grammatical error.	Presentation has no misspellings or grammatical errors. Sentences or phrases are clear and concise.
Eye Contact	Student reads all or majority of report; presentation is highly “canned” and rigid; minimal or no eye contact throughout presentation	Student speaks and presents without reading, although may refer to notes or presentation materials occasionally; delivery exhibits some extemporaneous characteristics; eye contact is maintained and managed with total audience the majority of the presentation time.	Student speaks with little or no reference to notes or presentation materials; presentation appears very relaxed and non-scripted; eye contact is maintained and managed with total audience throughout the presentation.
Elocution	The student’s voice lacks inflection and does not project well; student often mumbles or stumbles over words; there is frequent interjection of “crutch” words or sounds such as “ums,” “uhs,” “like,” “you know,” “stuff,” etc.; words are mispronounced or word choice is often poor or incorrect.	The student’s voice is clear and audible to all audience members and exhibits at least moderate inflection; there is minimal but some use of “crutch” words or sounds such as “ums,” “uhs,” “like,” “you know,” “stuff,” etc.; words are pronounced accurately and word choice is acceptable.	The student’s voice is clear and audible to all audience members and exhibits a high degree of inflection and precision; word choice is appropriate for the audience, well-selected and interesting; words are pronounced correctly; use of “crutch” words or sounds such as “ums,” “uhs,” “like,” “you know,” “stuff,” etc. is seldom or non-existent.

Team (Interpersonal) Skills

Criteria	Levels		
	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Attendance	Missed more than 20% of the team meetings and/or was often late to meetings.	Attended at least 80% of the team meetings and was rarely, if ever, late.	Attended at least 90% of the team meetings and was on-time.
Participation	Was mostly quiet in group meetings, or participated in an ill-informed or otherwise non constructive manner.	Came to meetings prepared and participated constructively in group discussions.	Took a leadership role, came to meetings prepared and participated actively and constructively in group discussions.
Effort	Ended up doing significantly less than his/her fair share of the work.	Showed willingness and necessary effort to do his/her fair share of the work.	Willingly accepted his/her fair share of the team's work and was appropriately proactive in taking on additional duties as needed.
Work Quality	Completed assigned tasks either so late and/or so lacking in quality that other group members had to do significant additional work.	Completed assigned tasks in a reasonably timely fashion and produced quality results that made meaningful contributions to the group's work.	Completed tasks on-time and produced exceptional quality results that made outstanding contributions to the group's work.
Interpersonal Behaviors	Exhibited a demeanor and interpersonal style that was intimidating, domineering, and/or non-supportive and, thus, detracted from the team's ability to work collaboratively.	Exhibited behaviors consistent with a collaborative group climate that fostered productive group outcomes including effective decision making and constructive disagreement.	Played a key role in creating a collaborative climate that fostered productive group outcomes including effective decision making and constructive disagreement.

Ethics

TRAIT		Unacceptable	Acceptable	Exemplary
Identifies Dilemma		Has a vague idea of what the dilemma is and is uncertain what must be decided	Identifies the dilemma, including pertinent facts, and ascertains what must be decided	Describes the dilemma in detail having gathered pertinent facts. Ascertains exactly what must be decided
Considers Stakeholders		Is unsure as to who should be involved in the decision-making process	Determines who should be involved in the decision making process and accurately identifies all the stakeholders	Determines who should be involved in the decision making process and thoroughly reflects on the viewpoints of the stakeholders
Analyzes Alternatives and Consequences		Begins to appraise the relevant facts and assumptions and identifies some alternatives.	Clarifies at least two alternatives and predicts their associated consequences in detail.	Clarifies a number of alternatives and evaluates each on the basis of whether or not there is interest and concern over the welfare of all stakeholders
Chooses an Action		Has difficulty identifying an appropriate course of action from among alternatives	Formulates an implementation plan that delineates the execution of the decision	Formulates an implementation plan that delineates the execution of the decision and that evidences a thoughtful reflection on the benefits and risks of action

Marketing Perspective Competence

For Faculty: each student can identify, interpret, and evaluate the impact that controllable and uncontrollable environmental factors have on Marketing decisions.

For Students: This exercise is designed to evaluate your overall understanding of strategic marketing. You will be presented with three scenarios and are expected to conduct 3 strategic analyses and make recommendations based upon your marketing insight into each marketing scenario. For each scenario you will be assessed on how well you explain each aspect of the elements you are asked to evaluate. You should evaluate each element, identify actions the company may take, discuss the optimal option and how this may impact the firm's overall marketing strategy.

Criteria	Levels		
	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Students demonstrate when given a particular context how changes in the firm's <i>product</i> related decisions impact overall marketing decisions and firm's overall marketing mission.	Students unable to explain types of product changes that could occur.	Students identify types of product changes a firm may make, and they are able to provide some insight on how that may impact the remaining 3 P's and firm's overall marketing mission.	Students identify types of product changes a firm may make, which change is optimal to make given a certain context, explain why this is the optimal decision, and how that may impact the remaining 3 P's and firm's overall marketing mission.
Students demonstrate when given a particular context how changes in the firm's <i>distribution</i> strategy impact overall marketing decisions and firm's overall marketing mission.	Students unable to explain possible changes in a firm's distribution strategy.	Students identify types of changes a firm may make to its distribution strategy, and they are able to provide some insight on how that may impact the remaining 3 P's and firm's overall marketing mission.	Students identify types of changes a firm may make to its distribution strategy, which change is optimal to make changes given a certain context, explain why this is the optimal decision, and how that may impact the remaining 3 P's and firm's overall marketing mission.
Students demonstrate when given a particular context how changes in the firm's <i>promotional</i> strategy impact overall marketing decisions and firm's overall marketing mission.	Students unable to explain how a firm may change its promotional strategy.	Students identify types of changes a firm may make to its promotional strategy, and they are able to provide some insight on how that may impact the remaining 3 P's and firm's overall marketing mission.	Students identify types of changes a firm may make to its promotional strategy, which change is optimal to make given a certain context, explain why this is the optimal decision, and how that may impact the remaining 3 P's and firm's overall marketing mission.
Students demonstrate when given a particular context how changes in the firm's <i>pricing</i> strategy impact overall marketing decisions and firm's overall marketing mission.	Students unable to explain how a firm may change its pricing strategy.	Students identify types of changes a firm may make to its pricing strategy, and they are able to provide some insight on how that may impact the remaining 3 P's and firm's overall marketing mission.	Students identify types of changes a firm may make to its pricing strategy, which change is optimal to make given a certain context, explain why this is the optimal decision, and how they may impact the remaining 3 P's and firm's overall marketing mission.

Students demonstrate how the political/regulatory environment can impact marketing decisions.	Students unable to identify what types of political / regulatory changes could impact a firm's marketing decisions.	Students able to identify types of changes to the political / regulatory environment but do not clearly explain how that may impact a firm's marketing decisions.	Students able to identify types of changes to the political / regulatory environment and are able to clearly explain how they may impact a firm's marketing decisions.
Students demonstrate how the economic environment can impact marketing decisions.	Students unable to explain how changes in the economy could impact a firm's marketing decisions.	Students able to explain possible changes in the economy but do not clearly explain how they could impact a firm's marketing decisions.	Students able to explain possible changes in the economy and are able to clearly explain how they could impact a firm's marketing decisions.
Students demonstrate how the social environment can impact marketing decisions.	Students unable to explain how changes in the social environment could impact a firm's marketing decisions.	Students able to identify changes in the social environment but do not clearly explain how they could impact a firm's marketing decisions.	Students able to identify changes in the social environment and are able to clearly explain how they could impact a firm's marketing decisions.
Students demonstrate how technology can impact marketing decisions.	Students unable to explain how changes in technology could impact a firm's marketing decisions.	Students able to identify possible changes in technology in the marketplace but do not clearly explain how they could impact a firm's marketing decisions.	Students able to identify possible changes in technology in the marketplace and are able to clearly explain how they could impact a firm's marketing decisions.
Students demonstrate how competition can impact marketing decisions.	Students unable to explain how changes by the competition could impact a firm's marketing decisions.	Students able to identify changes in the competition's behavior but do not clearly explain how they could impact a firm's marketing decisions.	Students able to identify changes in the competition's behavior and are able to clearly explain how they could impact a firm's marketing decisions and what the firm should do.
Students demonstrate how to segment a market	Students unable to segment the market and explain how segmenting could impact a firm's marketing decisions.	Students able to segment the market, but are unable to explain why they chose this segmentation approach and do not clearly explain how segmentation could impact a firm's marketing decisions.	Students able to correctly segment the market, describe why they chose this segmentation strategy and are able to clearly explain how this could impact a firm's marketing decisions.
Students demonstrate how to select a target market	Students unable to select a target market and explain how targeting could impact a firm's marketing decisions.	Students able to select a target market, but are unable to explain why they chose this target market and do not clearly explain how targeting could impact a firm's marketing decisions.	Students able to correctly select a viable target market, describe why they chose this target market and are able to clearly explain how this could impact a firm's marketing decisions.
Students demonstrate how to position a product for their target market	Students unable to create a positioning strategy and explain how this could impact a firm's marketing decisions.	Students able to create a positioning strategy, but are unable to explain how this is positioned for their target market and do not clearly explain how positioning could impact a firm's marketing decisions.	Students able to correctly develop a positioning strategy and are able to clearly explain how this could impact a firm's marketing decisions.

Test Questions to Assess MPC:

PEST

Consider the following scenario:

A car manufacturer in the U.S. produces several car models. They currently have only combustible engines, no hybrids or electric models. The average fuel economy of their various car models is 25 miles per gallon. A law in the U.S. will go into effect in 3 years that requires car manufacturers to average 40 miles per gallon across their fleet (various models). At the same time, due to a variety of factors, consumers are facing higher prices for gasoline. Consumers also have concerns about climate change and how they may be contributing to it. If it doesn't cost consumers significantly more, they expressed a willingness to try products that have a smaller environmental impact. Although they express this eco-sentiment, they also have strong preferences for good looking cars. Technology to improve fuel economy is available but is currently more expensive than traditional technology used by the firm. Currently, the economy is recovering from a recession and consumers express some reservations about buying big ticket items. Most consumers now refer to Consumer Reports magazine to learn about product reliability prior to making a purchase decision in excess of \$500. As a secondary source of information about product buying, consumers rely on their friends who they can quickly tap for help via social media.

Conduct a PEST analysis for the prior scenario. First, discuss each element of the PEST. Second, in your opinion, determine which elements of the analysis should be most important / least important to the car manufacturer and explain your reasoning.

STP

A new car company, Alpha, is entering the car market. Segment the consumers in the automobile market. Pick a segment that you feel Alpha should target. Justify your decision. Explain how you would reach your target market. Finally, draw a positioning map of the automobile market, based upon the dimensions you find important. Explain why you chose these dimensions. Discuss your positioning strategy for Alpha.

4Ps & Competition

Go® is a company that makes energy bars targeted at higher end consumers. Their products are all natural and organic. Given their premium image, Go has done very few price promotions. Recently, a new competitor that is owned by a large company, has entered the market. Their products look very similar to Go's and their pricing is 20% less than Go's. The competitor has begun to sell their bars in large grocery store chains and is active with free in-store sampling of their products. Go is finding that in some markets they are losing market share. Go's top management is not sure what to do. Some options Go has floated are as follows: adjust their

product and/or pricing, change where they distribute, refresh their packaging, conduct market research, and/or re-evaluate their promotional strategy.

What do you suggest Go does? Discuss positive options Go can use for each of the 4Ps. Justify your positions and prioritize your strategies. Identify and defend the optimal strategy for each of the 4Ps.

Resource Capabilities Competence

- For Faculty: each student can assess resource (financial, human, intellectual, time) capabilities to implement Marketing decisions and recommendations
- **For Students: For this exercise you are asked to discuss the Resource Capabilities Competence of a firm. You should evaluate whether the firm has the financial, human, intellectual, and time resources to develop a new product. You should recommend what action the firm should take and what resources will be needed.**

Criteria	Levels		
	Unacceptable (1pt)	Acceptable (2pts)	Exemplary (3pts)
Students can demonstrate understanding of whether sufficient <i>financial</i> resources at a firm are available to implement marketing decisions and recommendations.	Students unable to identify types and amount of financial resources that may be required to implement marketing decisions and recommendations.	Students able to identify types and amount of financial resources that may be required to implement marketing decisions and recommendations	Students able to identify types and amount of financial resources that may be required to implement marketing decisions and recommendations and are able to clearly explain why it is needed.
Students can demonstrate understanding of whether sufficient <i>labor</i> at a firm is available to implement marketing decisions and recommendations.	Students unable to identify types and amount of labor that may be required to implement marketing decisions and recommendations.	Students able to identify types and amount of labor that may be required to implement marketing decisions and recommendations.	Students able to identify types and amount of labor that may be required to implement marketing decisions and recommendations and are able to clearly explain why it is needed.
Students can demonstrate understanding of whether sufficient <i>experience</i> and <i>expertise</i> at a firm is available to implement marketing decisions and recommendations.	Students unable to identify the expertise and experience that may be required to implement marketing decisions and recommendations.	Students able to identify the expertise and experience that may be required to implement marketing decisions and recommendations.	Students able to identify the expertise and experience that may be required to implement marketing decisions and recommendations and are able to clearly explain why it is needed.
Students can demonstrate understanding of whether sufficient <i>time</i> at a firm is available to implement marketing decisions and recommendations.	Students unable to identify the amount of time that may be required to implement marketing decisions and recommendations.	Students able to identify the amount of time that may be required to implement marketing decisions and recommendations.	Students able to identify the amount of time that may be required to implement marketing decisions and recommendations and are able to clearly explain why it is needed.

Test Questions to Assess RCR:

Consider the following scenario:

A small garage door manufacturer, Zion, is trying to evaluate options to differentiate its garage door product line as competition is intensifying and profit margins are falling at its firm. The company developed one idea which would help homeowners reduce exhaust fumes in their garages when they enter and exit the garage with their vehicle. The idea is as follows: when the door opens or closes a fan would engage and blow air out of the garage. This is a new technology for the company as its core business is making garage doors. It has recently learned that a competitor may be developing a solution to the exhaust problem just outlined.

To gain a better understanding of the financial issue, Jerry, a marketing manager at Zion, decided to run some numbers and calculate a likely breakeven point. Fixed costs for the new unit were \$500,000. Total variable costs for the unit were pegged at \$50 per unit. Based on feedback from potential customers, Zion could sell the new exhaust unit to its target customers for \$150 and they expected to sell around 4000 units year 1 and as the market developed sell 5500 units year 2. Based on the fixed, variable costs, and expected selling price identified above, how many units would Zion need to sell to breakeven?

If Zion could train 10 workers who could each make 600 of this new product per year, would that production level be sufficient to reach their breakeven?

What are all the factors that you suggest the firm explores before making a decision to pursue or not to pursue this new product? Second, prioritize them based on risk to the firm and include insight from the breakeven that you calculated.

Marketing Knowledge Base Content Exam

Illinois State University - Department of Marketing
Program Assessment to Satisfy AACSB Requirements
CORRECT ANSWERS in bold, underlined

Name:

To maintain accreditation for our college the accrediting agency, AACSB, requires that we document student learning over the course of your degree program. As a result of that requirement, the following “assessment” is being given to all students taking this class. This assessment tests your knowledge in the subject matter covered in all “required” courses in the marketing degree program, which includes MKT 230, 231, 232, and 338. Please read each statement below and mark the appropriate answer on the scantron. Also, please remember that this is not a test for course credit. Your overall course grade does not depend on your performance on this assessment.

1. _____ involves the notion that relationships can be established, maintained and strengthened, customers will be satisfied, repeat purchase will be more likely, and profit goals will be achieved when a “customer-driven” philosophy is operationalized at all levels within the firm...all in conjunction with a coordinated integration of the marketing mix.
 - A. Consumer Behavior
 - B. The Marketing Concept**
 - C. Market Segmentation
 - D. Target Marketing
 - E. Positioning

2. Richardson-Vicks, Inc. markets VapoRub, Oil of Olay, and Formby’s Furniture refinisher. Richardson-Vicks, Inc. apparently has a diversified:
 - A. product life cycle.
 - B. product line.
 - C. product positioning.
 - D. product mix.**
 - E. investment portfolio.

3. The Marketing Mix is composed of the following elements or “decision variables”:
 - A. distribution, production, money, markets, and exchange.
 - B. marketing research, distribution, pricing, and communication.
 - C. buying, selling, advertising, and marketing research.
 - D. buyer behavior, production, marketing research, and advertising.
 - E. pricing, promotion, distribution, and product.**

4. Of the following, the best source of primary data for a marketing researcher working for a snow ski manufacturer is:
 - A. the manufacturer’s previous sales records.
 - B. personal interviews with active skiers**
 - C. annual reports from leading snow ski resorts around the world.
 - D. the Census of Business data base.
 - E. the Aspen, Colorado Public Library.

5. From a Marketing Researcher's point of view, _____ is the subdivision of a market into homogeneous subsets of consumers, where any subset may be selected as a target market.
- A. positioning
 - B. test market research
 - C. market segmentation**
 - D. product differentiation
 - E. multiple regression analysis
6. According to modern marketing experts, the household consumer buying decision process (assuming "rationality" and perceived "high involvement") would typically look like which one of the following?
- A. problem-recognition->information search->evaluation of alternatives->purchase->post-purchase evaluation**
 - B. information search->evaluation of alternatives->post-purchase evaluation->purchase
 - C. purchase->post-purchase evaluation->problem recognition->brand loyalty
 - D. problem recognition->purchase->evaluation of alternatives->post-purchase evaluation->information search
 - E. evaluation of alternatives->information search->problem recognition->purchase->post-purchase evaluation
7. According to modern day marketing experts, the first step in the development of effective integrated marketing communication (IMC) should be:
- A. selecting the communication channel(s).
 - B. setting the budget.
 - C. designing the message(s).
 - D. identifying the target audience.**
 - E. determining the communication objective(s).
8. Compared to other elements of the promotion mix, personal selling:
- A. is generally less effective in overcoming sales resistance.
 - B. is generally less expensive when the target market is numerically large and geographically wide-spread.
 - C. is generally less flexible in adapting to customer needs and attitudes.
 - D. generally enables the manufacturer/marketer to secure more immediate feedback.**
 - E. all of the above are generally correct.
9. Which of the following is true with respect to the following topics: "Social Responsibility" and "fully embracing a Market Orientation?"
- A. Companies must sacrifice profit and market share to be socially responsible.
 - B. Companies that are socially responsible cannot engage in effective marketing strategy.
 - C. A Market Orientation philosophy should lead a company to become more socially responsible.**
 - D. A Market Orientation philosophy makes it very difficult for a company to be socially responsible.
 - E. All of the above are generally true.
10. Which of the following is NOT one of the independent subsystems that are part of an effective physical distribution system?
- A. production maintenance**

- B. transportation
 - C. inventory control
 - D. order processing
 - E. materials handling
11. One of the fundamental premises of the modern field of consumer behavior is that people often buy products not for what they do, but:
- A. For appearance
 - B. For what they mean
 - C. For what others think of them
 - D. For how they make one feel
 - E. all of the above**
12. A _____ is the fundamental part of a company's marketing efforts which make use of elements of the marketing mix to influence the consumer's interpretation or perception of a brand.
- A. Segmentation strategy
 - B. Positioning strategy**
 - C. Attribute strategy
 - D. Psycho-strategy
13. _____ occurs when a stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own.
- A. Classical conditioning**
 - B. Operant/Instrumental conditioning
 - C. Rejection conditioning
 - D. Extinction conditioning
14. _____ refers to the level of perceived personal importance and/or interest evoked by a stimulus (or stimuli) within a specific situation.
- A. Perception
 - B. Processing
 - C. Involvement**
 - D. Value
15. A (n) _____ assumes that a consumer's attitude toward a product can be determined by identifying specific beliefs about, and evaluations of, salient attributes **and** combining them to derive a measure of the consumer's overall attitude.
- A. Psychographic attitude model
 - B. Demographic attitude model
 - C. Single-attribute attitude model
 - D. Multiattribute attitude model**
16. The _____ to persuasion is likely to involve low-involvement processing that eventually leads to attitude change.

- A. Central route
- B. Peripheral route**
- C. Dual route
- D. Systematic route

17. When the _____ of decision making is used, the brand that is the best on the most important attribute is selected.

- A. Lexicographic rule**
- B. Elimination-by-aspects rule
- C. Conjunctive rule
- D. Compensatory decision rule

18. A (n) _____ is a group perceived to have significant influence upon an individual's evaluations, aspirations, or behavior.

- A. Opinion group
- B. Select group
- C. Reference group**
- D. Focus group

19. _____ is the accumulation of shared meanings, rituals, norms, and traditions among members of an organization or society.

- A. The family life cycle.
- B. Culture**
- C. A reference group
- D. Social class

20. Marcel Woodard, formerly employed as a salesman for an area Sears store, is a new salesman hired by Excelsior, a B2B (business to business) company. Woodard's sales manager is in the process of trying to explain the differences between selling to household consumers versus organizational or business buyers. Which of the following would **NOT** be among the differences associated with B2B buying that Woodard's sales manager would probably point out?

- A. The purchase decisions are usually made by one person**
- B. Products are often bought according to precise technical specifications.
- C. Impulse buying is rare.
- D. Buyers usually have more influence over the seller because of the volume of an individual buyer's purchase.

21. The main role of marketing research is:

- A. To help achieve all marketing activities below their cost estimates
- B. To accurately determine customer demand.
- C. To enable marketing managers to obtain data which supports their gut feelings.
- D. To provide information that facilitates marketing decisions and reduces risk.**
- E. All of the above.

22. In terms of research design, if very little is known about the question we are trying to answer, the most likely best type of research to begin your inquiry would be:
- A. Exploratory research.**
 - B. Causal research.
 - C. Descriptive research.
 - D. Longitudinal analyses.
 - E. None of the above.
23. If your professor asks you to go to the library to gather census data related to a problem you are trying to study in your marketing research course, the type of data you are gathering can best be described as:
- A. Primary data.
 - B. Non-relevant data.
 - C. Longitudinal data.
 - D. Cross-sectional data.
 - E. Secondary data.**
24. General Motors used researchers to ride with car owners to determine how drivers used their cars and its accessories. GM was conducting what type of study?
- A. Auto driving / behavior analysis.
 - B. Observation.**
 - C. Mobile.
 - D. An experiment.
25. Which one of the following steps in the research process is thought to be most critical for setting the direction of all phases of the research project?
- A. Data collection and analysis.
 - B. Report Writing.
 - C. Determining information types and sources.
 - D. Defining the problem.**
26. What type of measurement would be represented by asking a question in the following way?
How much in dollars would you be willing to pay per month in annual premium for a \$100,000 life insurance policy? Please choose from the list below.
- A. Nominal.
 - B. Ordinal.
 - C. Interval.
 - D. Ratio.**
27. A double-barreled question is one that
- A. Achieves two objectives efficiently.
 - B. Has two subjects and two verbs.
 - C. Poses two different questions in one question and should be avoided.**

- D. Poses two different questions in one question and should be used whenever possible to save space.
28. Which of the following sample plans would **not** be considered a probability sample?
- A. Simple random sample.
 - B. Stratified sample.
 - C. Cluster sample.
 - D. Quota sample.**
29. To find the 95% confidence interval we would:
- A. Divide 95% of the sample responses by the estimate of confidence.
 - B. Multiply 1.96 times the standard deviation and then add and subtract the product to/from the mean.**
 - C. Multiply 2.58 times the standard deviation and then add and subtract the multiplier to/from the mean.
 - D. Multiply .95 times the standard deviation and then add and subtract the multiplier to/from the mean.
30. A correlation coefficient is an index number constrained to fall between the ranges of:
- A. 0 to 1.00
 - B. 0 to 100
 - C. -1.00 to +1.00**
 - D. None of the above; it is not constrained.
31. Which of the following is primarily concerned with the adjustment of the corporation to environmental threats and opportunities?
- A. management control
 - B. sales control
 - C. marketing channel control
 - D. strategic control**
 - E. none of the above
32. If a product is sold to consumers for 20 dollars and retail trade margin is 50 percent while the wholesale trade margin is 10 percent, what does the manufacturer charge the wholesaler for the product?
- A. 4 dollars
 - B. 8 dollars
 - C. 9 dollars**
 - D. 11 dollars
 - E. 15 dollars
33. Marketing management would best be described as:
- A. the management of sales and advertising activities
 - B. the process of planning implementing, coordinating and controlling distribution programs
 - C. the process of implementing, all business programs

- D. the process of planning, and controlling marketing programs
- E. **the process of analyzing, planning, implementing, coordinating and controlling marketing programs**

34. Which of the following is not a major part of the marketing control process?

- A. **resetting the price level**
- B. specifying the necessary feedback data
- C. obtaining needed control data
- D. evaluating the feedback data
- E. setting standards of performance

35. When 3Com first introduced the Palm Pilot, it was clear that competition was close behind. So, 3Com focused on a combination of factors that would be a good value and produce a lot of sales quickly. Its initial price for the Palm Pilot was about \$250. 3Com used

- A. price banding
- B. pricing lining
- C. skimming pricing
- D. stability pricing
- E. **penetration pricing**

36. Which of the following is a good example of a brand equity/consumer franchise building activity?

- A. trade promotions
- B. decreasing or increasing selling price
- C. short-term price deals
- D. refunds
- E. **an advertisement linking consumption of a product to a positive emotion.**

37. Your new product sells for \$20.00 per unit. Variable costs are \$10.00 per unit. Fixed costs are \$3,000.00. What is your breakeven volume in units?

- A. 3,000
- B. 30,000
- C. 150
- D. 60,000
- E. **300**

38. Wal-Mart became the world's largest retailer in part because of its effective information systems, logistics systems, and volume buying. These effective elements can be viewed as Wal-Mart's _____.

- A. Opportunities
- B. **Strengths**
- C. Efficiencies
- D. Strategic thrust
- E. None of the above

39. _____ means selling to as many distributors as possible:
- A. Direct distribution
 - B. Indirect distribution
 - C. Intensive distribution**
 - D. Exclusive distribution
 - E. Selective distribution
40. Why do firms segment markets?
- A. Segmentation can help a firm respond more effectively to the wants of prospective buyers.
 - B. Segmentation can help an organization meet its goals.
 - C. Segmentation can identify opportunities for increased sales and profits.
 - D. All of the above.**
 - E. None of the above.
41. On December 4, 2010 Frito-Lay, the manufacturer of Doritos and Cheetos and other snacks, contracted with Paycom Online to process its entire payroll needs for the years of 2011 and 2012. The contract cost is \$16 million. Frito-Lay paid the full amount of the contract on December 4, 2010 to take advantage of a generous price discount. Because of the matching principle, which states that expenses are recognized when _____, Frito-Lay will record _____ in payroll service expense for the year of 2012.
- A. paid; \$16 million
 - B. incurred; \$0
 - C. contracted; \$16 million
 - D. Incurred; \$8 million**
 - E. none of the above
42. The “quick (acid-test) ratio” is a measure of _____ and it can be calculated with numbers found on a company’s _____.
- A. how quickly a company can liquidate its assets during a period of economic prosperity; statement of operations
 - B. net income divided by total revenue; income statement
 - C. a company’s ability to pay current expenses without selling inventory; balance sheet**
 - D. total assets divided by shareholders’ equity; statement of shareholders’ equity
 - E. none of the above
43. A summary of all the financial transactions that a firm engages in during the year to sell, produce, and deliver snack foods can be found on which financial statement?
- A. balance sheet
 - B. statement of shareholders’ equity
 - C. statement of financial position
 - D. statement of cash flows
 - E. income statement**
44. Variable manufacturing costs include all of the following EXCEPT _____.
- A. the plant manager’s salary**

- B. electricity to run the plan
 - C. labor hours used to produce the final product
 - D. materials used to produce the final product
 - E. factory overhead costs, such as packing supplies, used for the final product
45. If Apple Computers uses the Last In, First Out (LIFO) method of valuing inventory, which of the following statements is true?
- A. They must sell the oldest items in inventory first.
 - B. They assume that the most recently produced items in inventory are sold first.**
 - C. They determine an average cost of all items in inventory throughout the year.
 - D. They assume that the oldest items in inventory are sold first.
46. Suppose Outdoor Adventures buys 20 pairs of skis at a cost of \$150 per pair to sell during the upcoming winter. The store owner hopes to sell the skis at \$300. By the end of February the store owner has sold 18 pairs of skis at full price but still has two pairs of skis left. The store owner does not want to carry the skis in inventory until the next season so she prices them at \$100 and sells them both within a week. What do you think of the owner's decision to sell the last two pairs of skis at a price below cost?
- A. It was the right move. The \$150 cost is a sunk cost that should not have entered her decision making.**
 - B. It was the wrong thing to do because she sold them at below cost and lost money.
 - C. It was the wrong thing to do. The store owner needs to do a better job of forecasting demand.
 - D. The store owner should have advertised more and sold the skis for full price.