Lesson Plan:

Grade Level: Eleven

Strand: Marketing Mix

Topic: Introduction to the Marketing Mix – Product and the Product Life Cycle

Curriculum Expectation(s): Create an understanding of the marketing mix and place an emphasis on products. Classify products according to type (e.g., goods, services, event’ consumer, industrial, institutional) and identify the components of the product life cycle for different types of products.

Specific Expectations:
By the end of this lesson, students will be able to:

a. Attitudes:
   • participate enthusiastically in class and group discussions
   • demonstrate creativity, co-operation and self-governing skills

b. Skills:
   • gain a stronger understanding of the marketing mix
   • apply critical thinking skills about marketing concepts through written activities

c. Knowledge:
   • gain an understanding one of the P’s of the marketing mix, product
   • identify and describe the elements of the product life cycle

Rationale:
• Applying and analyzing the marketing mix concept to organizational practices to a real-life business will provide students with a realization of one of numerous social issues that exist in various industries.

Resources:
• Pedagogical Tool: Introduction to the Marketing Mix
  www.multiliteraciesproject.com
• Instructional Tools: OPIN and RAFT*
  *PDF templates provided

Teaching Activities:
Introductory (10-15 minutes):
1. OPIN Activity
   • Divide the class into groups of three
   • Distribute the OPIN (meaning-extended vocabulary strategy; OPIN stands for opinion) exercise to each student
   • Instruct students to complete the exercise individually and then each group member must convince the other two members that his/her word choice is the best. This exercise will be concluded with a class discussion.
Developmental Strategies (30-40 minutes):
2. Pedagogical Tool: Introduction to the Marketing Mix → 10 minutes
   • Share interactive YouTube link with the class (pause the video when needed)

3. Lecture → 10 minutes
   • Conduct a lesson on products (describe the characteristics and differences between a good, service, event, consumer, industry and institution)
   • Identify the components of the product life cycle and for different types of products
   • This lecture can be done through the use of a PowerPoint presentation

4. RAFT Activity → 20 minutes
   • Divide the class into four groups
   • Distribute the RAFT activity (writing strategy that helps students understand their roles and learn how to effectively communicate their ideas; RAFT stands for role of the writer, audience, format, topic) to each student
   • Each group gets the same role and instruct students to complete the exercise individually and then each group will share their ideas and knowledge about the product life cycle amongst one another
   • This exercise will be concluded with a group discussion

Concluding (10-15 minutes):
5. What is your Favourite Product?
   • Ask the students what their favourite product (goods, services, events) is and why.

Evaluation:
• Observation throughout the lesson and group/class discussions
• RAFT activity completion (assess understanding of course concept and creativity)

Assessment:
• The concepts from this lesson will be tested on at a later time

Modifications:
• Any students that feel uncomfortable during the group discussions will have the option of opting-out of the discussions and sharing their ideas in a written aspect or with the teacher at another time.

Follow-up Ideas:
• The focus of the next class will be on “Place”, continuing onwards with the marketing mix

Reflections: N/A
1. The two steps when developing a marketing strategy includes identifying a ____________ ____________ and developing a marketing mix.

2. A firm's marketing mix consists of four elements including price, ____________, promotion and product.

3. The product life cycle consists of the following stages:
   - Introduction
   - Growth
   - ____________
   - Decline

4. The three main roles of a promotional strategy involve informing the target market, persuading them and ____________ the intended audience of the company's product/service/event.

5. ____________ is defined as determining the best methods to be used so customers are easily able to locate, obtain, and use the products/services/events of an organization.

Answer Key:
1. Target Market
2. Place
3. Maturity
4. Reminding
5. Distribution
<table>
<thead>
<tr>
<th>Role</th>
<th>Audience</th>
<th>Format</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Reporter</td>
<td>Internet web page readers</td>
<td>Online article</td>
<td>Plan a celebrity-style news article exposing that Blackberry is beginning to plummet in sales across North America. Comment on the high prices and competition and provide strategies on how the product can get out of the decline stage of the product life cycle.</td>
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<tr>
<td>Stock Broker</td>
<td>Newspaper/magazine readers</td>
<td>The Globe and Mail</td>
<td>Construct an article that is read by business professionals outlining Payless’ stagnant position in the market. Describe ways in which the company can differentiate itself from the competition to gain an advantage to avoid remaining in the maturity stage.</td>
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<tr>
<td>Artist</td>
<td>Sony Music Entertainment</td>
<td>Music Producer(s)</td>
<td>Compose a proposal for an up and coming hip-hop artist who is topping the Billboard charts and wants to capitalize on her popularity and success. Ask for financial and promotional assistance to maximize the potential of the artist in this growth stage.</td>
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<tr>
<td>Public Relations Worker</td>
<td>Television viewers</td>
<td>Narrative</td>
<td>Create a new product announcement for Apple identifying the target market and describing the product. In the introduction stage, it is important to state how customers can get the product and outline the benefits and differentiating factors.</td>
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One of the important concepts in marketing is understanding the marketing mix. The marketing mix consists of 4 P’s known as: place, price, promotion, and product.

Product

- We will begin with the 1st P, Product.

- Products can be categorized by their type; for example, products can be classified as goods, services, or events.

- A good is something that you can use or consume, like food, CDs, books, a car, or clothes. You buy a good with the idea that you will use it, either just once or over and over again.

- A service is something that somebody does for you, like give you a haircut, fix you dinner, or teach you math.

- The one thing that sets goods and services apart is the ability to touch them. You can touch a good, but you can't touch a service. You can touch the result of a service but not the service itself.

- An event is the activity of developing a themed activity, display, or exhibit to promote a product, cause, or organization. Examples of events are sporting events, fairs, and concerts.

- There are 4 stages that any product will go through, known as the product life cycle. These stages are: introduction, growth, maturity, and decline.

- In the introduction stage, the firm seeks to build product awareness and develop a market for the product.

- In the growth stage, the firm seeks to build brand preference and increase market share.

- At maturity, the strong growth in sales diminishes. Competition may appear with similar products. The primary objective at this point is to defend market share while maximizing profit.

- In the decline stage, sales have begun to decrease. The firm has a few different options at this point:
  - Maintain the product, possibly rejuvenating it by adding new features and finding new uses.
  - Harvest the product, by reducing costs and continuing to offer it, possibly to a loyal niche segment.
  - Or discontinue the product, liquidating remaining inventory or selling it to another firm that is willing to continue the product.

McDonalds & Product

- Now we will relate product to the fast-food company McDonald’s.
Consider the following question: What type of product would a McDonald’s drive thru be classified as? (*Give a few seconds for them to think*)

The answer is a service, since a drive thru is provided for you to increase the convenience of buying food.

The number of goods provided by McDonald’s continues to increase over time, with their menu having expanded their number of core items from 53 in 2010 to 72 in 2014. The company has added healthier options to cater to a wider range of customers’ needs, demonstrating how a company’s products directly relate to other factors such as the target market.

Consider the following statements: Products in the introduction stage *blank* the menu, and products in the decline stage *blank* the menu. (*Give a few seconds for them to think*)

The answers to these questions are that products in the introduction stage enter the menu, while products in the decline stage leave the menu.

Various products sold by McDonald’s are at different stages of the product life cycle, which is why items on the menu will change over time with some products in the decline stage leaving the menu while other products in the introduction stage are added to the menu. It is important to be able to recognize in a business which stage of the product life cycle various products are currently at to determine the appropriate courses of action to take.

Price

The second element of the marketing mix is Price.

Price is dispersed in 3 ways: quantity, cash, and revenue.

With regards to quantity - in business it is used to illustrate the total amount of goods or services that are required at any given time and place.

Cash can be used to exchange goods or services. With McDonalds, cash is essential because it is the value of assets.

Revenue is the money that the company receives during a specific time period. McDonalds’ revenue has included discounts and promotions on combo meals. Revenue is the gross income in which all costs are subtracted to determine the overall net income of the company. Thus, price is important because it adopts the revenue for the business.

Thus, to distinguish the difference between cash and revenue is that *** cash is on hand *** while revenue *** is what the company brings in.

McDonalds pricing strategy was aimed to attract *** the middle and *** lower class people.

Pricing strategies include: family meals, *** combo meals, *** and happy meals in order to increase sales.

In 2011, McDonalds had a total operating expense of $22 billion and in 2015 it grew to $45 billion. In 2014, McDonalds had a gross profit margin of 9.76 billion.
• To understand price, McDonalds has distributed their prices in 2 ways: The first way is price bundling. In price bundling, McDonalds offers meals and other packages for a discount. The second is psychological pricing. In psychological pricing, McDonald’s uses prices that are more affordable, such as 99 cents.

• McDonalds uses these pricing strategies to encourage customers to buy more products, increasing their annual revenue yearly.

Place

• The next P that we will examine is place.

• Goods and services must be made available to the consumers at a place where they can conveniently make purchase. It can be a physical store or a virtual store. A firm’s distribution network involves a chain of individuals and institutions including distributors, wholesalers and retailers. There is an option of selling directly to retailer or through distributors or wholesalers, or sell directly to consumers.

• A pricing strategy consists of 4 components: distribution channels, warehouse facilities, mode of transportation, and inventory control management.

McDonald’s & Place:

• McDonald’s has over 36,000 restaurants in 100 countries. Each distribution centre handles 250-700 restaurants, providing warehousing, transportation, and logistics services to each. Most stores get deliveries two to three times a week. McDonald’s has 16 major suppliers and owns no factories or distribution centres, so communication with suppliers is essential. McDonald’s tracks daily point-of-sales, restaurant stock levels and its marketing plans for promotional items or local menus to distribution center shipments and inventories.

Promotion:

• The 4th and final P of the marketing mix is promotion.

• Promotional strategies create a channel for communication between the company and its target market, and this is done through an actual audience, influences, other companies, and distribution channel members.

• The main goal is to motivate the target markets to become more knowledgeable and purchase the product.

• Objectives of promotional activities include building awareness, creating interest, providing information, differentiating the product and reinforcing brand.

• The five elements of the promotional strategy are advertising, direct marketing, sponsorship, public relations, and personal selling.

• Push strategies are when a product is taken to the customer by the company and there is less need for advertising, but the product has to be readily available.
• *** Pull strategies are when there is a need to pull products to the customer by the company through various advertising strategies
• *** Do you think social media is an effective promotional tool? (*give a few seconds for them to think*)

• *** It is, because it is convenient, *** it is accessible, *** and it is financially feasible.

McDonald's & Promotion:

Success:

• *** McDonalds has done an astonishing job on the way they promote their products. On the success spectrum, their biggest promotion thus far is *** McDonalds Monopoly. This game has a grand prize of $1 million dollars, and over 14 million prizes. It helped increase sales by 6.5% so far in 2015.

• *** McDonalds has attracted much interest due to their number of customers daily. Billboard television and magazine advertisements have played a huge role in the success of McDonalds.

• *** McDonalds’ marketing success began with their phrase “have you had your break today” and continued to develop on the idea of “you deserve a break today.” That now shifted to their main phrase of “I’m Lovin’ It.” These catch phrases are a technique to distinguish McDonalds from their competitors. Creating a catch phrase is one aspect of promotion, and McDonalds has been successful in keeping their promotions and their restaurant at the top of their industry.

Failures (Social Justice):

• *** McDonald’s has also had their fair share of promotional failures.

• *** #McDStories was a promotional hashtag for the company to interact with customers. It turned into a #McFail. Stories that were supposed to be positive, turned in negative. An example of this is the following tweet:
  “There are no mirrors in the bathrooms of McDonald’s, that’s a good thing. Ever see the people who eat there? #McDStories
This individual is assuming that a certain demographic purchases the products and services at the fast food restaurant. There are stereotypes and prejudices that people may have customers at McDonalds including thoughts about consumers having low income.

• *** In January of 2015, ten workers at McDonalds were sued over racism and sexual harassment. The case dealt with the supervisor calling her black employees derogatory words. The supervisor was terminated and has since been charged with a lawsuit. In the past, instances of racism have been noted in McDonalds promotional efforts and have not been received well by all.

• *** There have been reports regarding the unfair treatment of McDonald’s employees in developing countries around the world. An example of this oppression occurred in South Korea, where part-time workers expressed concerns about unfair behaviour through the union. The working conditions, firing process and long hours have been areas of discomfort for workers in South Korea. McDonald’s has been accused of below average pay to workers in developing countries and is working on improving their image and business policies.
• *** Thank you for listening! We hope you now have a better understanding of the marketing mix and the 4 P’s.