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| **Scenario Summary** |

You are the new Vice President of Marketing for Graves Enterprises, makers of consumer and commercial grade floor care products. You have two marketing directors that report to you, each of who is in charge of either the consumer market or the commercial market. Graves Floor Care Products are currently priced comparable to their direct competitors in both markets. They are also distributed through the same distribution channels, although there is no real incentive for the distributors or retailers to carry Graves Floor Care's products over those offered by the competition. The sizes and packaging of Graves products and those of the competition are similar, yet there are distinct competitive differences that are not effectively promoted. Some differences include a unique, proprietary chemical cleaner that cleans "dry" (and does not clean "wet"), which helps to reduce mold.  In addition, the Graves products reduce mold.  Graves products utilize environmentally friendly chemistry, contain “Scotchgard” for continued stain protection.  In addition, they are hypoallergenic, and offer a pleasant citrus aroma for up to three months after used.

As the new Vice President of Marketing, YOU are tasked with doubling sales in both the consumer and commercial markets within the next year.

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| **Your Role/Assignment** |

You have requested your marketing directors to review the various primary and secondary market research available for their respective markets. They are to summarize their findings by creating a written report.

They are also to provide the initial aspects of a new marketing plan, which is to include a definition of their target markets, an analysis of their primary competitors, a pricing position, and a distribution strategy. They are encouraged to think creatively, using their innovation to open new markets for their products.  
  
A week later you hold a meeting with your Marketing Directors, and this is what they offered:

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| **Graves Enterprises** |  |

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| Graves Enterprises Central Characters |
| |  |  |  | | --- | --- | --- | | Joshua_Edwards | Rena_Morales | Edward_Matthews | | **Joshua Edwards  Marketing Director, Consumer Products** | **Rena Morales  Marketing Director, Commercial Products** | **Edward Matthews ES Associates, Marketing Research Consultant** | |

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| **Joshua Edwards, Marketing Director: Consumer Products** |  |

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| |  |  |  |  | | --- | --- | --- | --- | | Joshua_Edwards | |  | | --- | | From the research, we are learning that our target market is as follows: homeowners, females 29-59, with a household income of $75 - $150K. Our primary competitors are rented carpet steam cleaners, Kleen Floor Spray 'n Vac and Kleen Floor Spot Cleaner, and folks who do nothing to clean carpets. Most steam cleaning machines are rented through grocery stores. Kleen Floor products are sold in grocery and mass merchandisers such as Wal-Mart. The research suggests that we are just cannibalizing Kleen Floor products and not growing the market. To grow the market, the Graves Consumer Products Group proposes the following:   1. We suggest the development of a new product line that is promoted as "safe, effective, and eco-friendly."  We will price it at 1.5X the price for the eco-friendly aspect. We will also manufacture our container packaging from recycled plastics, which costs less and complements the overall ‘eco-friendly’ unique selling proposition. This should net a 2X profit increase. 2. We also suggest developing a private label of this new line that will be offered for sale by Walmart and K-Mart, selling more proprietary chemistry and leveraging this offering for premium shelf position of the branded product. We will limit them to 25% of the core chemistry so we can claim “more powerful action cleaners” in the brand by formulating at 50% core chemistry. This private label endeavor will also create another competitor for the market to share advertising costs to broaden the category of consumer carpet cleaning products. 3. We suggest expanding into other retail outlets with the entire product line. New retailers could include Advance Auto Parts (car carpet cleaner) and a website for online sales. | | blank | |

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| **Rena Morales, Marketing Director: Commercial Products** |  |

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| **Edward Matthews, ES Associates: Marketing Research Consultant** |  |

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| |  |  |  |  | | --- | --- | --- | --- | | Edward_Matthews | |  | | --- | | After conducting five focus group sessions and conducting/ analyzing a mail survey, we found that consumers were happy with their current floor cleaning products. They ranked eco-friendly attributes as the least influential to their purchase decision. Price was ranked number one, followed by cleaning efficacy of the product.  After conducting a trade and competitive analysis, retailers were very interested in having a private label floor cleaner.  However, they wanted price parity and cleaning efficacy for side by side consumer comparisons.  Yet, when consumers were offered the choice of a formulation driven by price or efficacy, they choose a price position.  The research conducted for the commercial sector supported healthcare as an untapped opportunity. However, when hospitals and nursing homes were surveyed, price position was noted as the key purchasing decision. | | blank | |

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| **Activity** |

Read the YOU DECIDE scenario and using the information, prepare a two to three page report (at least 300 words per page) Be sure to provide an abstract and references if you use them. As you provide YOUR analysis of consumer and business buying behavior, be sure to include answers to the following:

1. Knowing NOW what you do about consumer behavior and purchase patterns, as shared by Kotler, what are your thoughts about the Consumer Products Proposal?  Will it work?  Why or why not?

2. Knowing NOW what you do about business purchasing and decision making processes within a business organization, as shared by Kotler, what are your thoughts about the Commercial Products Proposal?  Will it work?  Why or why not?

3. Having completed this exercise, what did you personally learn about Consumer Behavior that you did not previously know?  What did you learn about Business Behavior that you did not previously know? 

4. Considering this ***YOU DECIDE*** activity, what primary concept relative to purchasing behavior was the exercise trying to demonstrate?