

MBAD 822 PEC

MARKETING MANAGEMENT

Faculty of Economic and Management Sciences

S Study guide compiled by: Proff Christo Bisschoff & Hein Prinsloo

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North-West University

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Module information

Module code	MBAD 822
Module Credits	16
Module name	Marketing management
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Consulting hours	By appointment

Preface by the programme manager

"...perhaps we have not perceived quickly enough that we are in a society which is changing radically. We've laid our plans on the basis that the future will be substantially the same as the past, and however good the plans have been, however fine the goals which we have set ourselves, and many people have done extraordinarily well – they have lacked the crucial element of a more realistic view of the future."

- Gavin Relly, Chairman of Anglo American Corporation

Dear Student

A warm word of welcome to the NWU School of Business and Governance of the North West University. May your studies here be both enriching and pleasant. I hope that your association with the NWU School of Business and Governance will be to your advantage as well as to that of your company and that it will become a lasting and possibly even a permanent one.

The vision of the NWU School of Business and Governance is to be at the cutting edge of practical business solutions. A goal on which we are focused.

The mission of the NWU School of Business and Governance is the unlocking and realisation of the leadership potential of people.

We achieve this by adhering to the highest standards of:

- Quality
- Professionalism; and
- Creativity

In the compilation and presentation of the training courses, the NWU School of Business and Governance endeavours to achieve the highest quality. Overall this mission leads to the development of successful general managers and contribute to the development of management and the national economy in South Africa. The philosophy of management training at the NWU School of Business and Governance is the following:

- The fundamental basis of our training is that of educating the student in such a way that he realises the importance of ethical norms and morality in management. This philosophy is the basis of management in a free market economy and open community and forms an integral part of the Christian philosophy and world view which is upheld by the North-West University.
- An integrated management approach is followed. Thus, the student is taught to think in an inter-disciplinary, analytically-scientific and holistic way. It is therefore not the philosophy of the NWU School of Business and Governance to train specialists in the functional areas of a business organisation, but to prepare the student for his role in a mature integrated top management team.
- The training of the NWU School of Business and Governance is academically based and therefore comprises an established theoretical foundation. It is a high priority of the NWU School of Business and Governance that the student receives training in the science of management.
- The training is furthermore, practical and professional. The students are expected to apply the theory, ethics and principles of management in the actual business environment as management is always situation-bound. For this purpose case studies, technical reports and practical exercises are used.
- The training is structured in a manner, which ensures that students receive training in certain management skills. The NWU School of Business and Governance furnishes the students with instruments, which enable them to become managers. To become a good manager, however, the student must possess the relevant, inherent managerial qualities.
- Creativity and innovation are key concepts in the philosophy of training at the NWU School of Business and Governance. The development of entrepreneurs and intrapreneurs accordingly enjoy the highest priority during training.
- The NWU School of Business and Governance is client-oriented. Students are not merely numbers on a computer. Personal attention to the individual student is a high priority in the training philosophy of the NWU School of Business and Governance. The NWU School of Business and Governance is concerned about the future welfare of its clients.

In order to apply this philosophy in such a manner that the student reaps the greatest benefit from it, the NWU School of Business and Governance progressively makes use of a training structure, which is based on communication between lecturer and student on the one hand, and communication between student and student on the other hand. Obviously the part-time management-training programme calls, in great measure, for independent study and work. The growing importance of group decision-making in the modern approach to management, compels the simulated application of this technique in the process of management training. To achieve this, students are divided into syndicate groups.

The training will progressively be modelled around work within these groups. In conclusion the management training will be provided in the form of regular lectures on Saturdays (Potchefstroom) or Mondays (Vaal Triangle Campus). It will be supplemented with study schools, which are used as means of developing or rounding off of students.

The structure for management training was created by the NWU School of Business and Governance for the sole benefit of the student. However, it requires maximum effort and input from the student to achieve maximum returns there from.

The purpose of this study guide is to provide the student with a short synopsis of the entire MBA-programme. I would strongly urge you to study the attached pages of this study guide carefully, as it is extremely important that you are well informed as to what we expect from you and also what you may expect from us.

On behalf of myself, as well as the academic and administrative staff of the NWU School of Business and Governance, I wish to place our services at your disposal at all times. The completion of an MBA-degree at the NWU School of Business and Governance is your key to success. We wish to extend our best wishes to you during your period of study.

Best wishes

PROF RONALD LOTRIET

MBA PROGRAMME MANAGER

Introduction

The study guide's purpose is to furnish you with a short explanation of the MBA-degree. It provides the following information:

- Which courses you will follow.
- Goals of each course.
- Prescribed work for each course.
- Recommended reading material for each course.
- The work programme for the year.
- The lecture schedule and dates.

Please note that this study guide does not replace the official brochure of the **NWU School of Business and Governance**.

Correspondence

All correspondence must be directed to the Programme Manager at the following address:

The Programme Manager

Prof Ronald Lotriet

NWU School of Business and Governance

North-West University

Private Bag X6001

POTCHEFSTROOM

2520

If you should require further information in respect of a specific course, please contact the relevant lecturer in this regard.

Marketing management (MBAD 822)

QUALIFICATION: MBA
MODULE NAME: MARKETING MANAGEMENT
MODULE CODE: MBAD 822
CREDITS: 16
NQF LEVEL: 9
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Module outcomes

At the end of this module, the students should be able to:

- Demonstrate a comprehensive and systematic knowledge base in the field of marketing management;
- Interpret and evaluate a coherent and critical understanding of theory, research methodology and techniques relevant to marketing management;
- Master the application of research methods, techniques and technologies relevant to marketing management with the ability to undertake a research project and if selected, a mini-dissertation in marketing under supervision;
- Apply problem solving as an individual or in group context in integrated business scenarios and to effectively use and apply in according to ethically established norms and values.

SKILLS /LEVEL DESCRIPTORS			
	a. integrate the scope of knowledge		
	b. apply knowledge literacy		X
	c. apply appropriate methods & procedures		
	d. address problem solving		X
	e. integrate managerial ethics		
	f. to do research to access, process & manage information		X
	g. to communicate effectively		
	h. to make appropriate level interventions re context and systems		
	i. to develop the management of learning		X
	j. be accountable		

Assessment criteria

The module outcomes will be mastered if the students are able to:

- Categorize and/or identify the relevant knowledge required to apply in a practical business application setting in the field of marketing management;
- Analyse a business application and select relevant research applications from the theory to apply it in practice to solve the problem;
- Demonstrate integrated marketing theory in its application settings of practical problem solving as required in a project, or be able to apply the theory and research in a research application setting to successfully write a mini-dissertation in the field of marketing;
- Debate and reason about complex management problems, and be able to integrate marketing as integral part of the strategic management solution.

Assessment methods

Assessment will be in both formal and summative format. Formal assessments will be in the form of class activities, discussions, real-life case studies, class tests, individual and group assignments. Summative assessment will be in the form of a formal examination.

The module has an international moderator. He is Prof Sam Fullerton, East Michigan University, Ypsilanti in Detroit, United States of America. Every year a random sample of 20-25% of the exam papers are drawn, and these are re-examined by Prof Fullerton. In addition, the exam papers and the module content are formally evaluated to ensure that the module adheres to international MBA standards. Proff Bisschoff & Fullerton have discussed and revised the module content in September 2015 to ensure that this module in Marketing Management are on international standards and also internationally relevant, while both proff Bisschoff & Prinsloo have perused the content again in 2018.

Assessment plan

Formal (Participation mark):

Assessment method	Number	Maximum marks	Weight
Individual assignment	1	100	50%
Group assignment	1	100	50%

Cumulative (Portfolio of Evidence):

Assessment method	Number	Maximum marks	Weight
Portfolio of Evidence	1 (4 Hours)	100	100

Prescribed book

Lamb, Hair, Mcdaniel, Boshoff, Terblanche, Elliot & Klopper. 2015. *Marketing*. 5th ed. Cape Town: Oxford

Also see E-fundi site weekly for the additional material uploaded on topics as well as newsworthy issues as they happen throughout the course

Additional literature

Kotler, P. & Armstrong, G. 2016. *Principles of Marketing*. 16th Edition. Pearson.

Jobber, D. 2015 *Principles and practices of marketing*. South-Western

Lovelock, C. 2016. *Services Marketing: People, Technology, Strategy*. 8th Edition. Prentice Hall.

McCarthy, J.E. & Perreault, W.J. 2016. *Basic Marketing*. 19th ed. Irwin.

Kingsnorth, S. 2016. *Digital Marketing Strategy: An Integrated Approach to Online Marketing*. CPI Group.

There are also numerous excellent books on every possible specialised marketing terrain. Choose whatever one you fancy to assist you to gather the needed information. Do not forget that excellent articles and competitive university sources are widely available on the Internet. Please make ample use of these sources as well.

Although we will upload relevant material on e-fundi, note that for each one we uploaded there are multiple (and maybe even better sources) available on the Internet to equip you with the needed knowledge required. Please make use of your creativity to explore the topics – you just might find them interesting! As marketing students also do not forget to make use of the world's second largest search engine – YouTube – to visually experience marketing topics.

Structure of the module

The module consists of three parts, namely the Market (Chapters 1-7), the Marketing mix strategies (Chapters 8-14), and Specialised marketing aspects (Chapters 15-16). The key focus of the module is on Parts 1 and 2.

Themes covered in this module

NO.	THEME
1	THE MARKETING PROCESS & MARKET ENVIRONMENT 1.1 Introduction to Marketing 1.2 Role of Marketing in Management 1.3 The external marketing environment
2	CASE STUDY ANALYSIS IN MARKETING 2.1 Principles of case study analysis in marketing 2.2 Case study 1
3	CONSUMER DECISION MAKING 3.1 Consumer decision making process 3.2 Factors influencing consumer buying 3.3 Purchase situation on buying behaviour
4	ANALYSING THE COMPETITIVE ENVIRONMENT 3.1 Identify competitors 3.2 Porters 5 forces in industry competitiveness/attractiveness 3.3 Understand current competitors 3.4 Understand potential competitors 3.5 Managing rivalry and managerial decision-making
5	MARKETING INFORMATION & RESEARCH 2.1 Market demand: Measuring current markets & anticipate future market developments 2.2 Relevant data analysis techniques in marketing 2.3 Market research techniques
6	MARKET SEGMENTATION, TARGETING & POSISTIONING 3.1 Segmentation 3.2 Targeting 3.3 Positioning
7	THE MARKETING MIX 4.1 New product development and the Product life-cycle 4.2 Product decisions & Services strategies 4.3 Price strategies

	4.4 Distribution channels
	4.5 Marketing communication & Social media
8	WRITING THE MARKETING PLAN
9	MARKETING STRATEGY
	9.1 Principles of Attack
	9.2 Principles of Defence

Work programme (2st semester 2017)

The work programme is scheduled as per contact sessions in Potchefstroom and Vanderbijlpark. Mahikeng students are advised to follow the same study schedule to provide an even workload distribution. **Note that the contact sessions for Mahikeng students are scheduled in weekend block contacts.**

CONTACT SESSION	THEME	PREPARATION	THEME AND CONTENT
Study School	1	Lamb et al. Chapters 1 & 2 The classic case of Pepsodent at the back of this guide and answer the questions at the end of it. Be ready to discuss the case in class.	THE MARKETING PROCESS & MARKET ENVIRONMENT 1.1 Introduction to Marketing 1.2 Role of Marketing in Management 1.3 The external marketing environment
	2	Prepare <i>Case Study 1: Ford Edsel</i> at the back of this guide and answer the questions at the end of it. Be ready to discuss the case in class.	CASE STUDY & ANALYSIS IN MARKETING 2.1 Principles of case study analysis in marketing 2.2 Case study 1
1	3	Lamb et al. Chapter 3	CONSUMER DECISION MAKING 3.1 Consumer decision making process 3.2 Factors influencing consumer buying 3.3 Purchase situation on buying behaviour
2	4	Lamb et al. Chapter 4 Prepare <i>Case study 2: K-Mart</i> and answer the questions at the end of it. Each group is required to submit the case study in class. Be prepared so that a discussion could be facilitated	ANALYSING THE COMPETITIVE ENVIRONMENT 3.1 Identify competitors 3.2 Porters 5 forces in industry competitiveness /attractiveness 3.3 Understand current competitors 3.4 Understand potential competitors 3.5 Managing rivalry and managerial decision-making

Self-study	5	Lamb et al. Chapter 5	MARKETING INFORMATION & RESEARCH 3.1 Market demand: Measuring current markets & predicting future markets 3.2 Relevant data analysis techniques in marketing 3.3 Market research techniques
3	6	Lamb et al. Chapters 6 & 7 Submit the individual assignment	MARKET SEGMENTATION, TARGETING & POSISTIONING 4.1 Segmentation 4.2 Targeting 4.3 Positioning
4	7	Lamb et al. Chapters 8. 9 & 13 See the topic “Just for fun” about the documentary series “The cars that made America”. Prepare <i>Case study 3: General Motors</i> and answer the questions at the end of it. Each group is required to submit the case study in class. Be prepared so that a discussion could be facilitated	THE MARKETING MIX 5.1 New product development and the Product life-cycle 5.2 Product decisions & Services strategies 5.3 Price strategies
5	7	Lamb et al. Chapters 10 & 11 Prepare <i>Case study 4: Johnny Walker</i> and answer the questions at the end of it. Each group is required to submit the case study in class. Be prepared so that a discussion could be facilitated	THE MARKETING MIX 5.4 Distribution channels 5.5 Marketing communication & Social media
Self-study	8	Lamb et al. Chapters 14	WRITING THE MARKETING PLAN
6	PRESENTATION OF CLASS PROJECTS		
7	9	Additional material Prepare <i>Case study 5: The Bass Pro-shop (including their recent buyout of Cabela’s)</i> and answer the questions at the end of it. Each group is required to submit the case study in class. Be prepared so that a discussion could be facilitated	MARKETING STRATEGY 9.1 Blue & red ocean strategies 9.2 Principles of Attack 9.3 Principles of Defence
8	REVISION, QUESTIONS & MODULE FINALISATION		

Outcomes per theme

The **outcomes and objectives** are clearly listed at the beginning of each chapter in Lamb et al. Ensure that you do study these pages as you proceed along the chapter. In addition to these outcomes, you are also required to achieve the outcomes per theme as formulated below.

Theme 1: The marketing process & market environment

OUTCOMES OF THEME 1

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Demonstrate that you can apply managerial decision-making between the core concepts; i.e. the marketing mixture and the market environment;
2. Debate the influence of the external environment on the marketing management decisions; and
3. Integrate the role marketing play within the strategic management environment of the enterprise.

Theme 2: Case study analysis in marketing

OUTCOMES OF THEME 2

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Prepare a marketing case study and analyse the content critically; and
2. Debate the marketing applications and solutions applicable to the case study; and
3. Demonstrate the ability to analyse any marketing case study scientifically.

Theme 3: Consumer decision making

OUTCOMES OF THEME 3

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Apply the consumer decision making process in marketing decisions;
2. Analyse and contemplate the influence of decision making factors on marketing decisions; and
3. Incorporate the purchase situational influences in the consumer buying behaviour strategies.

Theme 4: Analysing the competitive environment

OUTCOMES OF THEME 4

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Perform a detailed competitor analysis;
2. Apply the competitor analysis to formulate managerial decisions in marketing decision making;
3. Design a marketing competitor plan; and
4. Incorporate the industry attractiveness into the competitive marketing strategy.

Theme 5: Marketing information & research

OUTCOMES OF THEME 3

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Design a marketing research plan;
2. Measure current market trends, markets and apply relevant market information;
3. Identify relevant analytical tools to analyse the data; and
4. Assess if advanced or multivariate statistical analysis are required in the research plan.

Theme 6: Market segmentation, targeting and positioning

OUTCOMES OF THEME 6

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Analyse the market and apply suitable segmentation bases to effectively segment the market;
2. Target a product or service effectively into the selected segments in accordance to the characteristics of the product and market segment;
3. Positioning the product in the selected segments that are targeted.
4. Compile a positioning strategy up to execution stage.

Theme 7: The marketing mix

OUTCOMES OF THEME 5

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Integrate the inter-dependence of the marketing mixture into a marketing strategy;
2. Apply the marketing mixture in a market environment; and
3. Develop a marketing plan.

Theme 8: Writing the marketing plan

OUTCOMES OF THEME 6

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Develop a detailed and integrated marketing plan.
2. Formulate action plans, due dates and control measures to ensure an executable marketing plan;
3. Critically evaluate marketing plans to identify where possible failures may be prevalent.

Theme 9: Marketing strategy

OUTCOMES OF THEME 9

In addition to the outcomes as defined in the textbook it is important that students should be able to:

1. Identify opportunities to exercise an attack on market share;
2. Demonstrate the ability to make wise marketing decisions when defending market share
3. Formulate specific attack or defence strategies and implement these strategies into the marketing plan.

Special instructions

To do well in marketing take note that contrary to common belief this is really not an easy module! Although the theory might be comprehensible, the application is devilish since the marketer deals with people and this includes a large dosage of unpredictability.

1. Students must prepare for classes since they **must be well versed theory covered in the book**. Classes consist of supplementary topics, discussions, exercises and other applications in the field of marketing.

2. **Case studies** should be prepared in **group context** to allow sensible group discussions. Marks will be awarded for the submitted case study (compulsory) as well as for the effective case study discussions by groups in class. (This means that *the group* – and *not one individual in the group* – should be able to discuss the case study).
3. Do read the additional real-life cases (such as “Reader 1, 2” and others) as they provide good practical insight in theory applications.
4. Bring along any questions that you may have as I reserve some time in the class to deal with it.
5. The outcomes and objectives are clearly listed at the beginning of each chapter in Lamb et al. Ensure that you do study these pages as you proceed along the chapter.
6. Adhere to the efundi posts and do the exercises, readings and other assignments that I may post. Also view the videos. I post this information for two reasons, namely that you gain additional knowledge to become a competent manager, and secondly, to also expose you to some of the more interesting aspects of marketing.
7. Note that in all lectures I will, where applicable, address the managerial application and ethical issues throughout the module.
8. Case studies and other additional material will be posted on efundi. Ensure that you are registered and have access to the student platform. Non-access will not serve as excuse.

Warning against plagiarism

ASSIGNMENTS ARE INDIVIDUAL TASKS AND NOT GROUP ACTIVITIES. (UNLESS EXPLICITLY INDICATED AS GROUP ACTIVITIES)

Copying of text from other learners or from other sources (for instance the study guide, prescribed material or directly from the internet) is **not allowed** – only brief quotations are allowed and then only if indicated as such.

You should **reformulate** existing text and use your **own words** to explain what you have read. It is not acceptable to retype existing text and just acknowledge the source in a footnote – you should be able to relate the idea or concept, without repeating the original author to the letter.

The aim of the assignments is not the reproduction of existing material, but to ascertain whether you have the ability to integrate existing texts, add your own interpretation and/or critique of the texts and offer a creative solution to existing problems.

Be warned: students who submit copied text will obtain a mark of zero for the assignment and disciplinary steps may be taken by the Faculty and/or University. It is also unacceptable to do somebody else’s work, to lend your work to them or to make your work available to them to copy – be careful and do not make your work available to anyone!

For the NWU link for plagiarism, go to http://www.nwu.ac.za/webfm_send/25355

Assignments

Individual assignment: Marketing research

Total Marks: 100

The individual **assignment consists of two possible options**. This is to enable all sites of delivery to use their relevant environment to add practical value to their assignment. Any student at any site of delivery may select any one of the two options (*Choose only one option and answer that option fully!*)

OPTION 1: NWU BUSINESS SCHOOL BRAND RESEARCH

(NB note this is NOT the same assignment as in 2017 – so do not fall in that trap!)

The purpose of this assignment is to guide students towards discovering two important marketing concepts, *branding* and *marketing research*.

The page limit is 20 pages of content (excluding the reference list)

After a number of years strategizing and getting rules and regulations in place, the NWU Business School merged so that the NWU has only one business school. Historically the NWU had two separate business schools delivering an MBA degree on three sites of deliver.

In April 2018, management of the NWU decided to do away with the concept of three separate campus identities and to unify the university in one brand. This means that the university then did away with uniqueness of campuses and also colours thereof (Historically Mafikeng used blue, Potchefstroom the maroon, and Vanderbijl was green). Now, in the new dispensation, all the colours are merged and the new university is purple branded (with grey text).

In addition, the name of the business school also changed formally the “NWU Business School” (as it used to be commonly referred to) is one of the first academic departments to fully align their MBA degree and adhere to the university’s strategic goals.

However, regarding branding the business school faces two challenges:

- 1) A new name and logo
- 2) New colours (purple)

The marketing team of the business school faces an uncertainty with regard to the how the market perceives the business school:

- 1) After a year of rebranding, are perceptions still regarding the merged business schools as one?
- 2) What are the market perceptions about the new business school?
- 3) Is the new logo of the business school easily recognisable and what are the markets’ views on the logo for the business environment
- 4) These, and other branding questions, need clarification.

The director requests you to provide him with some answers in this regard. He specifically requests you to:

1. Do a literature study on brand recognition (preferably in the business school environment) (5 pages)
2. Develop a questionnaire to measure brand perceptions to answer the questions worrying the director and the marketing team.
3. Develop a research design indicating the population, sample and method of data collection
4. Distribute 10 questionnaires to the target population
5. Analyse the data
6. Prepare a professional management report for the director.

Page limit 20 pages excluding the questionnaire (added as an appendix) and references

Hint: Do not use frequency tables only as analytical tool – surely this is too simplistic for MBA managers.

Take note of the fact that the **Harvard referencing technique (as prescribed in the NWU reference guidebook)** needs to be applied strictly in both text references as well as in list of references.

OPTION 2: BUSINESS MARKET ENVIRONMENT ANALYSIS AND THE MARKETING MIX

The purpose of this assignment is to guide students towards analysing the marketing environment, segmenting and targeting while making use of research.

The page limit is 20 pages of content (excluding the reference list)

Being an astute marketing MBA student, you are thinking to become an entrepreneur after completing your studies. Considering the location where you live (or by identifying some other location), generate a new business idea that you should be able to develop into a sustainable business for you to support your family. In your scientific approach to this business idea you are required to:

- 1) Properly explain your business idea
- 2) Do a proper business environmental analysis for the proposed business (this includes the macro and the market environment)
- 3) Closely observe the environment and complete a competitor analysis for the business
- 4) Consider possible markets for the products and/or services your new business will offer to the market. Explain the market and its different segments clearly (also define which market segmentation criteria you are applying to do so)

- 5) Select a market segment (or segments) and motivate why you selected these segments to target
- 6) Then target the segments by developing a proper marketing mix for each of three segments (Remember to focus on the Marketing Concept as pillars to the development of your conceptual small business endeavour.
- 7) Do some qualitative research by identifying five potential customers for your proposed business and confirm if your initial perceptions of customer demand and their views on the marketing mix are similar to yours. Document the key concepts and add as an appendix.
- 8) Your report should indicate how the qualitative research influenced your marketing mix decisions and how you adapted the mix to better fit your target market.

Page limit 20 pages excluding the key concepts (added as an appendix) and references

Take note of the fact that the **Harvard referencing technique (as prescribed in the NWU reference guidebook)** needs to be applied strictly in both text references as well as in list of references.

Group Assignment

Total Marks: 100

The module does not have a traditional group assignment because it is a non-exam module. However, the group assignment mark consists of five separate group activities. These activities are:

- four case studies to be handed in for grading (4 X 25 marks = 100 marks).

The four case studies are scheduled during class sessions for discussion and submission. Note that you are required to do proper research on the Internet and elsewhere and then answer the questions pertaining to each case study. Each case study should consist of a proper introduction to the company, the answers to the questions and a conclusion. You are welcome to make use of graphs, pictures and other material to better state your case.

Case study 1: How the Wild West was won...Remington firearms

Although it is commonly believed that the Wild West was tamed by the iconic Winchester repeater rifle and the trusty Colt Peacemaker, the role that Remington as firearm manufacturer played cannot be underestimated.



Winchester rifle



Colt Peacemaker

Remington also had a number of iconic guns ruling the west. The notorious derringer was one model favoured by cheating poker players and women, while many cowboys preferred the gun to the Colt. Also, the Remington was favoured by some army regiments (In the world of guns, becoming a supplier to the military almost always guarantees success of a company).



Remington Model 95
Derringer



Remington "Old" Army model

Another key success factor is proper research and development of suitable calibres for whatever purpose – and if the defence force contract can be negotiated for the specific calibre, success soon follows from munitions manufacturing sales.

1. Do a brief analysis of the Remington's history and indicate how they achieved success with regard to product their product range and mix (rifles, revolvers, ammunition?) focussing on the post 1970's era. Consider Remington's market share and explain why the company was such a successful icon up to the turn of the century.
2. Now, jumping to modern times, heartbrokenly Remington just filed for bankruptcy and debt protection. (The once proud Winchester Repeater Rifle Company also ceased to exist and modern Winchesters are manufactured by the Miroku factory in Japan). Where did Remington fail? Do an analysis and determine what the reasons are why Remington is now in a dire fight for survival. (*Hint*: See the Ford Edsel case and use the "Market and 4-P test" to try and determine if it is the market or the marketing mix that failed Remington).
3. Additionally, analyse the macro environment to determine if there are other factors playing a role?
4. After your thorough assessment of Remington and its business environment, advise the management of Remington how they should address the situation to get the company firing on all cylinders (well bullets...)

Case 2: Jane Walker

The whiskey distiller Johnny Walker traditionally targeted male whiskey drinkers. They proud themselves as one of the "real whiskey" (Scotch) distillers. Johnny Walker also segmented their markets well, associating their colour labels with distinct market segments. However, lately the popularity of whiskey extended into the female market. Estimations are that up to 40% of bourbon drinkers are women. Competitors like Jim Bean, Jack Daniels as well as a wide range of superb Kentucky bourbons service every male market segment that Johnny Walker competes in, and now they are also tapping into the female market. Colorado bourbon is also gaining ground in a hurry.

In this emerging women market, Johnny Walker identified a new market segment, namely women as whiskey drinkers. In 2017 they launched Jane Walker and also changed the label to reflect a stylish woman.

<https://www.wantedonline.co.za/navigator/drinks/2018-03-01-the-name-is-walker-jane-walker/>

<https://mic.com/articles/188186/what-female-whiskey-lovers-actually-think-about-jane-walker-the-new-scotch-brand-for-ladies-from-johnnie-walker#.Q4F6nfWc1>

1. Compile a table with a list of whiskeys that Johnny Walker market, and each market segment each colour target. Shortly list the range of whiskey labels produced and marketed by Johnny Walker. Identify each product (or label)'s market segment. Now, identify if the specific need Johnny Walker identified in each segment can be evolved into the female market. If this is possible, clearly show in your table how each (if any) of these whiskey segments can now target women specifically without damaging its current well-defined market segment.
2. Carefully consider the Jane Walker and analyse the market segment closely. Do a proper analysis of the market segment and clearly define the market segment of Jane.
3. Considering your research on the Johnny Walker segments, and the description of the segment that Jane Walker is targeting, advise Johnny Walker if they should evolve one of their colour labels to include women whiskey drinkers, or if they should start to expand Jane and to add another female segment (if so what strategy would you suggest?). Motivate your answers clearly. Take care that your advice does not pirate Jane Walker or cause the market segment of the Johnny Walker label to lose its segment characteristics. Motivate your answers.

(Take note that in this case study we focus only on the core product of Johnny Walker, namely its whiskey and not additional products such as liquors, bar utensils, and whatever they may also have diverted into.)

Case 3: The Doberman: Finding a new market

Each dog breed has its own unique characteristics. Historically most breeds were bred as working dogs and not pets, protecting, hunting or whatever needs their owners required assistance with – a trusty dog would fill these footsteps. This is also true today where sheepdogs gather flocks of sheep, guard dogs protect their owners and even the blind and handicapped benefit for guiding and other services such a therapy. Presently research focus on the ability of dogs for early cancer diagnoses.

Historically two breeds were favoured for security, police and army work; the Doberman and the German Shepard. Lately, however, a wide array of dog breeds entered the scene. Here the Rottweiler entered as a major competitor in the guard dog market, also to be ousted by other breeds.

The Doberman was first introduced to the battlefield during the 2nd World War at the Isle of Guam where a statue of the monument of the leading Doberman “Kurt” is still on display as a memory of the “Devil dogs” (early Dobermans were described as “robust, with no trace of fear — not of the devil himself”) and their tales of bravery and lives on even today.



Kurt was one of 25 dogs who were killed in battle in Guam. He was killed after saving 250 men when he silently alerted them to the presence of a large enemy column approaching the dense jungle. His handler wouldn't leave his side when he was injured, even bringing him into his tent where he died the next morning. A memorial statue of him was erected in 1994 there along with a list of names of other 24 dogs that were killed while serving there. 3/4(75%) of dogs that served in WWII were Dobermans and were known as "devil dogs".

Read more about the breed: <https://en.wikipedia.org/wiki/Dobermann>



Although the Doberman were portrayed as a vicious dog, and its popularity with police and military added to this perception, Hollywood is probably to blame for the fear of the Doberman by the general public. Typically Apollo and Zeus in the Magnum PI series contributed to this believe, while movies such as "The Doberman Gang" (see poster below) did not add to the breed's popularity.



Watch the movie here: <https://www.youtube.com/watch?v=Xm2RTxqG5UE>

However, during the end of the last century the breed started to lose popularity in South Africa as a guard dog with the police and military. Although still popular with private security, the breed is no longer the only dog of choice. Interestingly, the German Shepard retained its market position and is as popular as ever.

The Doberman Breeders noticed and selected breeding characteristics such as temperament and started to specifically breed Dobermans as pets while retaining its original work characteristics – that is to protect its owner. No longer are the ears

snipped which improved the “mean” look of the Doberman significantly, however, developing a pet-market for the Doberman is not that easy accomplished. There may also be other viable market segments to position the Doberman as breed.

Some leading breeders with good websites are:

- Trustdore <http://www.trustdore.com/>
- Caldonne Donnehaus
http://www.dobermannsouthafrica.co.za/index.php?option=com_content&task=view&id=18&Itemid=33
- Haverhill Dobermans <http://www.haverhilldobermanns.co.za/>

The breeders request your group as business specialists to:

1. Analyse the breed characteristics and find a market segment(s) that match the specific breed.
2. Advise the Breeders’ Association how to professionally market the breed to these specific market segments.

Case 4: The Time Machine... Indian motorcycles

The ultimate in motorcycle riding is the Harley... or is it? One strong competitor (like Harley also a pre-world war 2 relic) is challenging Harley directly and starts to gain market share worldwide.

Learn about Indian’s history: <https://www.youtube.com/watch?v=Pke7bwhr3NY>

Indian has also opened up shop in South Africa.

<https://www.indianmotorcycle.com/en-us/>

<https://www.indianmotorcycle.co.za/>

Please note: Concentrate specifically on the *Indian Chieftan* model as the competitor to Harley in your analysis.

1. Do a market segment analysis that describes the target market segment of Harley Davidson in South Africa clearly. Then, match the product offering of Harley to the segment characteristics.
2. Now consider the Indian bikes and how well they fit the identified market share of Harley. Clearly identify matched that Indian can use to compete with Harley in this segment and also note where Indian might have the advantage (or disadvantage) in their competitive stance.
3. Formulate a competitor strategy for Indian motorcycles to attack the market segment Harley is dominating. Focus your strategy specifically for the South African market.

Portfolio of Evidence

This is not an exam module; you need to submit a portfolio of evidence.

As you all know Marketing is a NON-EXAM module. The Portfolio of Evidence replaces the examination. (Although there is a scheduled date on the roster for the exam, this is for administrative purposes only.) Take note that this portfolio will serve as the final exam mark for your module in marketing management. In the event of failing the portfolio of evidence, the student can resubmit an improved portfolio on or before the date of the re-exam as per scheduled exam roster.

Develop a Strategic Marketing Plan for the identified product or for a small business (Refer also to page 458 – 460 of the prescribed textbook).

Individual Marketing Plan

This is an **individual assignment** – write a marketing plan - each student must submit his/her own plan

Detailed description of what is required as the Portfolio of Evidence

NB NB Read the instructions up to "THE END".

Page limits and fonts

Margins: 2 cm top, bottom & right; left margin 2.5cm.

Font: Size 12 Arial

Page limit: This is difficult to pin down, but I would suggest that you stay between 35 to 50 pages of content excluding appendices and additional material you would like to add.

Latest date for submission

Submission date and time: Sunday night 4 November 2018, 23:59.

Note that if you do not submit on this date you will not have another opportunity to do so. You will receive a fail mark and will have to repeat the module. **Please do not miss the date!**

The 2nd opportunity or supplementary exam (portfolio re-submission)

As with the exam where a supplementary exam can be awarded to candidates deserving a second opportunity, so can you be awarded a second opportunity to re-submit your (feeble) attempt after corrections. But please, do not deliver such mediocre work that you may actually require a second opportunity after corrections. A second opportunity is not automatic and only borderline cases identified by the Exam Committee will be afforded such an opportunity to resubmit.

Submission date and time Sunday night 25 November 2018, 23:59

Submission format

In the case of the portfolio only hard copies are accepted. These must be properly printed and ring-bound. If you use figures and graphs and other colours, print your portfolio in colour print.

Submit your portfolio of evidence with the summary page of Turnitin as the final appendix

No emailed portfolios will be accepted.

Turnitin report

Add the summary page of the Turnitin report as the final appendix to you hardcopy. Do not submit the full Turnitin report. However, do keep it handy so that you are able to provide it upon request in the event that it may be needed. As a rule of thumb the similarity should be below 25%. Definitely not above 30%!

Other instructions

Visit the live page links below by clicking on them.

You are required to prepare a detailed Strategic Marketing Plan for a business / company of your choice.

Your textbook by Lamb et al. (2015) provides detailed and guidance on the structure of the marketing plan. There are ample guidance to assist you in writing the marketing plan.

1. Refer back to Chapter 14 pp 497-515v of the textbook (you have studied it already) and recap on the Marketing Plan.
2. Make sure that you properly describe/explain the chosen business in your introduction.
3. Use the structure Lamb et al. (2015) suggest in Table 14.4 (Marketing Plan outline) to structure your marketing plan
4. Peruse the guiding questions the authors suggest to collect all the needed information to complete your plan
5. Add a final section (in addition to the structure in the table) to indicate how you would protect your marketing plan from possible failures in practice. (Source further information on the Internet and elsewhere on why marketing plans fail and test your plan against at least 5 reasons. State these reasons selected and clearly how your plan is protected against these possibilities to fail). This is the final section of your plan.

Examination and moderation

The marketing plan counts 100 marks.

A sample will be internationally moderated by prof Sam Fullerton, East Michigan University, Ypsilanti, USA. This sample will contain assignments from all three sites of delivery. In addition a sample of Potchefstroom and Vanderbijlpark will be drawn and sent to Prof Hein Prinsloo for moderation, while the Mafikeng sample will be moderated by Prof Bisschoff. This is to ensure equal standards apply throughout and also that the

module succeeded to equip MBA students with the required knowledge that befits an internationally accredited graduate.

THE END

Just for Fun!

Download the three-part documentary series on YouTube called "*The cars that made America*".

Observe closely how the different engineers started building their own cars, how brand started to dominate the market and how the different brands responded to competition with different characteristics for the automobile market. Also note the inability of Henry Ford to move on from his Model T, and how his stubbornness almost ruined Ford as a company, and how Ford was eventually "saved" by its role in the 2nd World War.

4. Internet is absolutely swamped with wonderful information on this case – also do remember that YouTube is rich an information source



Modern developments to read about

1. Pepsodent in India
2. Toothpaste wars – Pepsodent vs Colgate

Study school Case study 2:

A lesson from history - Ford Edsel

(Study school practice case – not for group assignment purposes)



Read the case study on the Ford Edsel on the Internet (where to links are live) at <https://en.wikipedia.org/wiki/Edsel> or you could read the hardcopy that is attached below). Answer the following questions in group context:

1. Determine if the market, the marketing mix, and if so, what element(s) of the marketing mix failed (see “market and 4-P test” below).
2. How would you advise Ford to recover from the dubious title of having produced the biggest failure of all time?

Market and 4-P test

Theoretically marketing failure is easily comprehended. In the bare basics, there can be only two problems whenever a company fails to achieve its marketing objectives. These are:

The market fails

Market failure implies that the demand for the market does not exist. In essence, the market does not want this product for some reason or another. Always start marketing failure with the market analysis. This is fairly easy to test:

1. The market has a need
2. The market has money (or means of exchange)
3. The market is willing to spend that money on the specific product.

Positive confirmation is required on all three these questions. If any one of them is not confirmed, then the market fails and as a result an easy solution is at hand – find another market for the specific product. (For example when the Boeing 747 did not succeed in the cargo industry, it was repositioned towards a passenger aeroplane and became the icon in the newly targeted market).

Remember that markets may be able to influence demand, but actually have limited control over the market side of the equation.

The marketing mix fails

The marketing mix traditionally consists of 4 elements, *Product, Price, Promotion & Place*. (Services have an extended mix and *Processes, Physical evidence* and *People* are added).

If the first part of the analysis were positive (for example there is a market for motor vehicles) then proceed to analysis of the marketing mix. Why is the Ford Edsel then not selling? Consider each marketing mix elements.

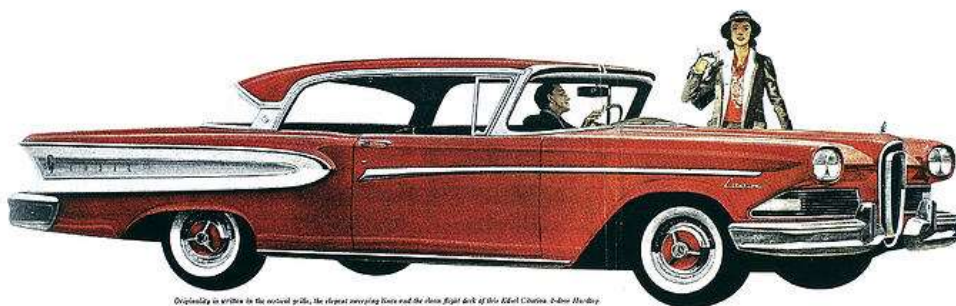
Product: It is important to determine if the product is failing. This failure can be technical (quality) or psychological. This simply means that the market does not deem the product fit for use for whatever reason. Ford Edsel had a number of quality issues. Although highly technologically advanced for its time with turning airflow/heater dials, luxurious and prestigious, the car rusted and a common feature was that its headlights fell out due to rust accumulating below the headlight mountings.

Price: The question here is to determine if the product is correctly priced for the market segment it is target for. For example a hamburger on campus could be a cheap no-frills burger (suitable for a quick student bite), while the same product the hamburger in the family restaurant is quite different in price (and of course quality). Ford Edsel was priced with launch at \$3200 which was 2-3 times the market segment's annual salary. Just too high. It was also a large vehicle heavy on petrol

Promotion: The promotion function is responsible for communication and letting customers become aware about the product. Not knowing about a product or its benefits constitutes promotion failure. Ford did not have any problems as they heavily advertised and promoted the Edsel.

This is the **EDSEL**

"A remarkable new automobile joins the Ford family of fine cars"



Originality is written in the curved grille, the elegant sweeping lines and the clean right deck of this Edsel Clinton 4-door Hardtop.

There has never been a car like the Edsel. It is a magnificent automobile. Behind it is all the resources of Ford Motor Company, all the experience and engineering skill. The results are clear. The Edsel is powered by the newest V-8 engines in the world—the Edsel 400 and the Edsel 416. Their specifications: 400 and 416 pound-feet of torque; 303 and 342 horsepower; 361 and 410 cubic inches of displacement; 16.5 to 1 compression ratio.

It is unlikely you have ever driven a car with so much usable power. The Edsel's big, safe brakes do not need periodic adjustment. In the course of daily driving, they adjust automatically. The Edsel shifts itself. In an Edsel equipped with Teletouch Drive, you just touch a button on the steering wheel hub. Teletouch Drive does the rest—smoothly, surely, safely, silently.

The Edsel's list of available new features is long. Examples: contour seats; a dial that lets you select temperature, quantity and direction of air with one twist of the wrist; a warning signal that flashes when you exceed your pre-set speed limit; another that flashes when oil is one quart low; a release that enables you to open the luggage compartment from the driver's seat. You will find there are many things that

make the Edsel different from any car you have ever driven. More exciting, more sure, more safe.

What does an Edsel cost? Edsel prices range from just above the lowest to just below the highest. You can afford an Edsel. And you can choose from four series, 18 models. Your Edsel Dealer invites you to see and drive the Edsel—soon.

EDSEL DIVISION - FORD MOTOR COMPANY



EDSEL

NOW AT YOUR EDSEL DEALER

Place: Once a product is ready, Place or rather distribution is the marketing mix function that gets the product to a place where the buyer can take possession of it. Retail outlets, shelf space and any means of product accessibility is at hand here. Distribution failure, in practice, means that the customer wants to buy a product, but cannot get his hands on it to buy it. Obviously the Internet's on-line shopping expanded distribution significantly.

Ford decided to set up a separate dealership network for the Edsel. They did not market and maintained it via the trusted name and Ford Dealer network. This was highly costly to do and required duplication of current distribution networks. In essence it also required brand transfer from Ford.

Take note that multiple failures is possible. Both market and some of the mix elements may fail, while multiple mix elements could also fail (or just one). The key in the analysis is that the marketer must **FIX** the failing marketing mix element, and **NOT MANIPULATE** the other marketing mix elements to try and achieve sales. This will lead to eventual catastrophic marketing failure.

History[[edit](#)]

Ford Motor Company became a publicly traded [corporation](#) on January 17, 1956,^[3] and thus was no longer entirely owned by members of the [Ford family](#). The company was now able to sell cars according to current market trends following the sellers' market of the postwar years.^{[[dubious](#) – [discuss](#)]} Ford's new management compared the company's roster of makes with that of [General Motors](#),^{[[citation needed](#)]}^{[[dubious](#) – [discuss](#)]} and concluded that [Lincoln](#) was competing not with [Cadillac](#), but with [Oldsmobile](#) and [Buick](#).^{[[citation needed](#)]} Ford developed a plan to move Lincoln upmarket, with the [Continental](#) broken out as a separate make at the top of Ford's product line, and to add a premium/intermediate vehicle to the intermediate slot vacated by Lincoln.^{[[citation needed](#)]}^{[[original research?](#)]}

Marketing research and development for the new intermediate line had begun in 1955 under the [code name](#) "E car",^[4] which stood for "experimental car." Ford Motor Company eventually decided on the name "Edsel", in honor of [Edsel B. Ford](#), son of the company's founder, [Henry Ford](#) (despite objections from [Henry Ford II](#)^[4]). The proposed vehicle marque would represent the stand-up of a new division of the firm alongside that of Ford itself and the [Lincoln-Mercury](#) division, whose cars at the time shared the same bodies.

Ford later claimed to have performed more than adequate, if not superior, product development and market research work in the planning and design of the new vehicle. Particularly Ford assured its investors, and the Detroit automotive press, that the Edsel was not only a superior product (as compared to its Oldsmobile/Buick competition), but the details of its styling and specifications were the result of a sophisticated market analysis and research and development effort that would essentially guarantee its broad acceptance by the buying public when the car was introduced.

- Its elegance,
- its engines,
- its exciting new features,
- make other cars
- seem ordinary

Edsel advertisement, 1957^[5]

The Edsel was introduced amid considerable publicity on "E Day"—September 4, 1957. It was also promoted by a top-rated television special, [The Edsel Show](#), on October 13, but the promotional effort was not enough to counter the adverse initial public reaction to the car's styling and conventional build. The day after its launch, the Edsel was described as a "reborn [LaSalle](#)," a brand that had disappeared in 1940.^[6] For months, Ford had been telling the industry press that it "knew" (through its market research) that there would be great demand for the vehicle. Ford also insisted that, in the Edsel, it had built exactly the "entirely new kind of car" that Ford had been leading the buying public to expect through its pre-introduction publicity campaign for the car. In reality, however, the Edsel shared its engineering and bodywork with other Ford models, and the similarities were apparent once the vehicle was viewed firsthand.

The Edsel was to be sold through a newly formed division of the Ford Motor Company, as a companion to the Ford Division, Mercury Division, Lincoln Division and (newly formed but also short-lived) Continental Division. Each division had its own retail

organization and dealer network. The free-standing Edsel Division existed from November 1956 until January 1958, after which Edsel sales and marketing operations were integrated into the Mercury-Edsel-Lincoln division (referred to as M-E-L). Initially Edsel was sold through a new network of approximately 1,187 dealers. This briefly brought the total number of dealers of all Ford products to 10,000. Ford saw this as a way to come closer to parity with [Chrysler](#), which had 10,000 dealers, and [General Motors](#), which had 16,000. As soon as it became apparent that the Edsels were not selling, many of these dealers added Lincoln-Mercury, [Ford of Britain](#), or [Ford of Germany](#) franchises to their dealerships with the encouragement of Ford Motor Company. Some dealers, however, closed.



A 1958 [Edsel Pacer](#) 2-Door hardtop

For the 1958 model year, Edsel produced four models:^[7] The larger Mercury-based [Citation](#) and [Corsair](#), and the smaller Ford-based [Pacer](#) and [Ranger](#). The Citation was offered in two-door and four-door hardtop and two-door [convertible](#) versions. The Corsair was available in two-door and four-door hardtop versions. The Pacer was available as a two-door or four-door hardtop, four-door [sedan](#), or two-door convertible. The Ranger was sold in two-door and four-door hardtop or sedan versions. The four-door [Bermuda](#) and [Villager](#) wagons and the two-door [Roundup](#) wagon were based on the 116-inch [wheelbase](#) Ford [station wagon](#) platform and shared the trim and features of the Ranger and Pacer models.

The Edsel offered several innovative features, among which were its rolling-dome [speedometer](#); warning lights for such conditions as low oil level, parking brake engaged, and engine overheating;^[8] and its [push-buttonTeletouch](#) transmission shifting system in the center of the steering wheel (a conventional column-shift automatic was also available at a reduced price). Other Edsel design innovations included ergonomically designed controls for the driver and self-adjusting brakes (which Edsel claimed as a first for the industry, even though [Studebaker](#) had pioneered them earlier in the decade). The Edsel also offered such advanced safety features as seat belts (which were available at extra cost as optional equipment on many other makes) and child-proof rear door locks that could only be opened with the key.^[9]



Edsel Ranger interior, showing the [Teletouch](#) system and Rolling Dome speedometer

Unlike Ford and Mercury, the Edsel Division never had any dedicated manufacturing plants. All Edsels were built in Ford or Mercury plants on a contract basis.

In the first year, 63,110 Edsels were sold in the United States, and 4,935 were sold in Canada. Though below expectations, this nevertheless represented the second-largest launch for any new car brand to date, exceeded only by the Desoto introduction in 1929.

For the 1959 model year, Edsel fielded only two series, the Ford-based Ranger and Corsair. The larger Mercury-based Edsels were discontinued. Replacing the Pacer as the top-line Ford-based Edsel, the new Corsair was offered as a two-door and four-door hardtop, four-door sedan, and two-door convertible. The Ranger was sold as a two-door and four-door hardtop, two-door and four-door sedan, and the Villager station wagon. In the 1959 model year, 44,891 Edsels were sold in the U.S., and 2,505 were sold in Canada.

For the 1960 model year, Edsel's last, only 2,846 vehicles were produced. All but the pilot cars were assembled at the Louisville, Kentucky, assembly plant. The marque was reduced to the Ranger series of sedans, hardtops, and convertibles and the Villager station wagons. The Edsel shared a basic chassis, glass, and major sheet metal with the 1960 [Ford Galaxie](#) and [Fairlane](#) models that were built on the Louisville assembly line with it. But the Edsel had its own unique grille, hood, and four upright oblong taillights, along with its side sweep spears. The Edsel's front and rear bumpers were also unique. The 1960 Edsel rode on a 120-inch wheelbase, compared to the concurrent Ford's 119-inch span, and it also used a different rear suspension. The cars did, however, share engines and transmissions.

The 1960 Edsel Ranger four-door hardtop model used the thin-pillar Ford Fairlane four-door sedan roofline, as opposed to the "square" roofline used on the corresponding Ford four-door hardtop, which was exclusive to the [Galaxie](#) line. The Galaxie four-door hardtop's rear door trim panel, however, was fitted to the Ranger. This gave the Edsel four-door hardtop a unique body style that was never offered on any 1960 Ford.

End of the Edsel^[edit]



1960 Edsel Ranger sedan

Ford announced the end of the Edsel program on Thursday, November 19, 1959. However, production continued until late in November, with the final tally of 2,846 1960 models. Total Edsel sales were approximately 116,000, less than half the company's projected break-even point. The company lost \$350 million, or the equivalent of \$2,800,000,000 in 2015 dollars^[10], on the venture.^[11] Only 118,287 Edsels were built, including 7,440 produced in Ontario, Canada. By U.S. auto industry standards, these production figures were dismal, particularly when spread across a run of three model years.

On Friday, November 20, [United Press International](#)'s (UPI) wire service reported that book values for used Edsels had declined by as much as \$400 based on condition and age immediately following the Ford press release. In some newspaper markets, dealers scrambled to renegotiate newspaper advertising contracts involving the 1960 Edsel models, while others dropped the name from their dealerships' advertising entirely. Ford issued a statement that it would distribute coupons to customers who purchased 1960 models (and carryover 1959 models) prior to the announcement, valued at \$300 to \$400 toward the purchase of new Ford products to offset the decreased values. The company also issued credits to dealers for stock unsold or received following the announcement.

Edsel and its failures[\[edit\]](#)

Historians have advanced several theories in an effort to explain the Edsel's failure. Popular culture often faults the car's styling. [Consumer Reports](#) has alleged that poor workmanship was the Edsel's chief problem. Marketing experts hold the Edsel up as a supreme example of the corporate culture's failure to understand American consumers. Business analysts cite the weak internal support for the product inside Ford's executive offices. According to author and Edsel scholar [Jan Deutsch](#), the Edsel was "the wrong car at the wrong time."

"The aim was right, but the target moved"[\[edit\]](#)

The Edsel is most notorious for being a marketing disaster. Indeed, the name "Edsel" became synonymous with the "real-life" commercial failure of the predicted "perfect" product or product idea. Similar ill-fated products have often been colloquially referred to as "Edsels". Ford's own [Sierra](#) model, which launched almost 25 years later, is often compared to the Edsel owing to early buyer apathy to its radical styling, even though, unlike the Edsel, it was ultimately a sales success. Since the Edsel program was such a debacle, it gave marketers a vivid illustration of how not to market a product. The principal reason the Edsel's failure is so infamous is that Ford had absolutely no idea that the failure was going to happen until after the vehicles had been designed and built, the dealerships established and \$400 million invested in the product's development and launch. Incredibly, Ford had presumed to invest \$400 million (well over \$4.0 billion in the 21st century) in developing a new product line without attempting to determine whether such an investment would be wise or prudent.

The prerelease advertising campaign promoted the car as having "more YOU ideas", and the teaser advertisements in magazines only revealed glimpses of the car through a highly blurred lens or wrapped in paper or under tarps. In fact, Ford had never "test marketed" the vehicle or its unique styling concepts with potential, "real" buyers prior to either the vehicle's initial development decision or the vehicle's shipments to its new dealerships. Edsels were shipped to the dealerships undercover and remained wrapped on the dealer lots.

The public also had difficulty understanding what the Edsel was, primarily because Ford made the mistake of pricing the Edsel within Mercury's market price segment. Theoretically, the Edsel was conceived to fit into Ford's marketing plans as the brand slotted in between Ford and Mercury. However, when the car debuted in 1958, its least expensive model—the Ranger—was priced within \$73 of the most expensive and best-trimmed Ford sedan and \$63 less than Mercury's

base Medalist model. In its mid-range pricing, Edsel's Pacer and Corsair models were more expensive than their Mercury counterparts. Edsel's top-of-the-line Citation four-door hardtop model was the only model priced to correctly compete with Mercury's mid-range Montclair [Turnpike Cruiser](#) model, as illustrated in the chart below.

1958 Ford Motor Company Pricing (FOB) Structure

FORD	EDSEL	MERCURY	LINCOLN
			Continental \$4,802–\$4,927
			Capri \$4,803–\$4,951
			Premiere \$4,334–\$4,798
		Park Lane \$4,280–\$4,405	
	Citation \$3,500–\$3,766	Montclair \$3,236–\$3,597	
	Corsair \$3,311–\$3,390		
	Pacer \$2,700–\$2,993	Monterey \$2,652–\$3,081	
Fairlane 500 \$2,410–\$3,138	Ranger \$2,484–\$2,643	Medalist \$2,547–\$2,617	
Galaxie 500 \$2,196–\$2,407			
Custom 300 \$1,977–\$2,119			

Not only was the Edsel competing against its own sister divisions, but model for model, buyers did not understand what the car was supposed to be—a step above the Mercury, or a step below it.

After its introduction to the public, the Edsel did not live up to its preproduction publicity, even though it did offer many new features, such as self-adjusting rear brakes and automatic lubrication. While Ford's market research had indicated that these and other features would make the "E" car attractive to them as car buyers, the Edsel's selling prices exceeded what buyers were willing to pay. Upon seeing the price for a base model, many potential buyers simply left the dealerships. Other customers were frightened by the price for a fully equipped top-of-the-line model.

The wrong car at the wrong time^[edit]

One of the external forces working against the Edsel was the onset of an economic [recession](#) in late 1957.^{[4][7]}

Compounding Edsel's problems was the fact that the car had to compete with well-established nameplates from the Big Three, such as [Pontiac](#), [Oldsmobile](#), [Buick](#), [Dodge](#) and [DeSoto](#), as well as with its own internal sister division [Mercury](#), which itself had never been a stellar sales success. To make matters still worse, as a new make, Edsel had no established [brand loyalty](#) with buyers, as its competing makes had.

Even if the 1957–1958 recession had not occurred, the Edsel would have been entering a shrinking marketplace. In the early 1950s, when the "E" car was in its earliest stages of development, Ford Executive Vice President [Ernest R. Breech](#) had convinced Ford management that the medium-priced market segment offered great

untapped opportunity. At the time, Breech's assessment was basically correct; in 1955, Pontiac, Buick and Dodge had sold a combined two million units.^[12] But by the fall of 1957, when the Edsel was introduced, the market had changed drastically. Independent manufacturers in the medium-priced field were drifting toward insolvency. Hoping to reverse its losses, [Packard](#) acquired [Studebaker](#), which was also in financial difficulty. The board decided to stop production under the venerable Packard badge after 1958. The 1957–58 Packards were little more than Studebakers badged as Packards. Attempting to capitalize on the emerging consumer interest in economy cars, [American Motors](#) shifted its focus to its compact [Rambler](#) models and discontinued its pre-merger brands, [Nash](#) and [Hudson](#), after the 1957 model year. Sales of Chrysler's [DeSoto](#) marque dropped dramatically from its 1957 high by over 50% in 1958. When DeSoto sales failed to rebound during the 1959 model year, plans were made in Highland Park to discontinue the nameplate by 1961.

Indeed, sales for most car manufacturers, even those not introducing new models, were down. Among domestic makes, only Rambler and Lincoln produced more cars in 1958 than in 1957. Customers started buying more [fuel-efficient](#) automobiles, particularly [Volkswagen Beetles](#), which were selling at rates exceeding 50,000 a year^[13] in the U.S. from 1957 onward. Edsels were equipped with powerful engines and offered brisk acceleration, but they also required premium fuel, and their fuel economy, especially in city driving, was poor even by late-1950s standards.

Ford Motor Company had conducted the right marketing study, but it came up with the wrong product to fill the gap between Ford and Mercury. By 1958, buyers had become fascinated with economy cars, and a large car like the Edsel was seen as too expensive to buy and own. When Ford introduced the [Falcon](#) in 1960, it sold over 400,000 units in its first year. Ford's investment in expanded plant capacity and additional tooling for the Edsel helped make the company's subsequent success with the Falcon possible.^[14]

By 1965, the market for medium-priced cars had recovered, and this time, Ford had the right car: the [Galaxie 500 LTD](#). The LTD's success led [Chevrolet](#) to introduce the [Caprice](#) as a mid-1965 upscale [trim option](#) on its top-of-the-line [Impala](#) four-door hardtop.

Edsel, a difficult name to place^[edit]

The name of the car, Edsel, is also often cited as a further reason for its lack of popularity. Naming the vehicle after [Edsel Ford](#) was proposed early in its development. However, the Ford family strongly opposed its use. [Henry Ford II](#) declared that he did not want his father's good name spinning around on thousands of hubcaps. Ford also ran internal studies to decide on a name, and even dispatched employees to stand outside movie theaters to poll audiences as to what their feelings were on several ideas. They reached no conclusions.

Ford retained the advertising firm [Foote, Cone & Belding](#) to come up with a name. When the agency issued its report, citing over 6,000 possibilities, Ford's Ernest Breech commented that they had been hired to develop a name, not 6,000. Early favorites for the name brand included Citation, Corsair, Pacer, and Ranger, which were ultimately chosen for the vehicle's series names.

[David Wallace](#), manager of marketing research, and coworker Bob Young unofficially invited freethinker poet [Marianne Moore](#) for input and suggestions. Moore's unorthodox contributions (among them "Utopian Turtletop", "Pastelogram", "Turcotinga" and "Mongoose Civique") were meant to stir creative thought and were not officially authorized or contractual in nature.^[12]

At the behest of [Ernest Breech](#), who was chairing a board meeting in the absence of Henry Ford II, the car was finally called "Edsel" in honor of [Edsel Ford](#), former company president and son of [Henry Ford](#).

Reliability[\[edit\]](#)

Even though the Edsel shared its basic technology with other Ford products, a number of issues caused reliability problems, mostly with the 1958 models. Reports of mechanical flaws with the cars surfaced, due primarily to lack of quality control and confusion of parts with other Ford models. Ford never dedicated a stand-alone factory solely to Edsel model production. The first-year (1958) Edsels were assembled in both Mercury and Ford factories. The longer-wheelbase models, Citation and Corsair, were produced alongside the Mercury products, while the shorter-wheelbase models, Pacer and Ranger, were produced alongside the Ford products. Workers assembling Fords and Mercurys often found the task of assembling the occasional Edsel that moved down the line burdensome, since it required them to change tools and parts bins, then switch back to resume assembling Fords or Mercurys after completing assembly on the Edsel. The workers were also expected to accommodate Edsel assembly with no adjustment in their hourly quota of Ford and Mercury production. Consequently, the desired quality control of the different Edsel models proved difficult to achieve, even when the Fords and Mercurys were satisfactorily assembled on the same lines. Many Edsels actually left the assembly lines unfinished. Uninstalled parts were placed in the trunks along with installation instructions for dealership mechanics, some of whom never installed the additional parts at all. Some dealers did not even receive all the parts.^[4]

In the March 1958 issue of [Popular Mechanics](#), 16% of Edsel owners reported poor workmanship, with complaints ranging from faulty welding to power steering failure. In its test car, *Popular Mechanics* tested for these problems and noted others, such as the trunk leaking badly in a storm and the odometer showing fewer than actual miles traveled.^[15]

Design controversies[\[edit\]](#)



The distinctive center grille of the 1958 Edsel

The Edsel's most memorable design feature was its trademark "[horsecollar](#)" or [toilet seat](#) grille, which was quite distinct from other cars of the period. According to a popular joke at the time, the Edsel "resembled an Oldsmobile sucking a lemon".^[16] Some have speculated that the car failed to sell because its grille resembled a [vulva](#).^[17] A crude jest that referenced the genital resemblance of the Edsel front grille was 'If you put some hair around it, you'd have an Ethel'.

The Edsel's front-end ensemble as it eventually appeared bore little resemblance, if any, to the original concept. [Roy Brown](#), the original chief designer on the Edsel project, had envisioned a slender, almost delicate opening in the center. Engineers, fearing engine cooling problems, vetoed the intended design, which led to the now-infamous "horsecollar."

The vertical grille theme, while improved for the 1959 models, was discontinued for the 1960 models, which were similar to Ford models of the same year, although coincidentally, the new front-end design was very similar to that of the 1959 [Pontiac](#).

The Teletouch pushbutton automatic transmission selector was an extremely complex feature. It proved problematic in part because the steering wheel hub, where the pushbuttons were located, was the traditional location of the horn button. Some drivers inadvertently shifted gears when they intended to sound the horn. While the Edsel was fast, the location of the transmission pushbuttons was not conducive to street racing. There were also jokes among stoplight drag racers about the buttons: D for Drag, L for Leap, and R for Race (instead of Drive, Low and Reverse). The control wires for Teletouch were also routed too close to the exhaust manifold, which often caused unpredictable movement of the selector mechanism and, in some cases, complete failure. The electrical design required drivers to shift from Park to Reverse to Neutral to Drive, in that order, to avoid overloading the Teletouch motor. The motor was also not powerful enough to bring the car out of Park while on a hill, so dealerships would instruct drivers to set the parking brake before pushing the Park button.

Complaints also surfaced about the taillights on 1958-model Edsel station wagons. The lenses were [boomerang](#)-shaped and placed in a reverse fashion. At a distance, they appeared as arrows pointed in the opposite direction of the turn being made. When the left turn signal flashed, its arrow shape pointed right, and vice versa. However, there was little that could be done to give the Ford-based station wagons a unique appearance from the rear, because corporate management had insisted that no sheetmetal could be changed. Only the taillights and trim could be touched. There was room for separate turn signals in addition to the boomerangs, but the U.S. industry had never supplied them up to that point, and they were probably never seriously considered.

Mechanics of the time were wary of the [410-cubic-inch Edsel "E-475" engine](#) because its perfectly flat cylinder heads lacked distinct combustion chambers. The heads were set at an angle, with "roof" pistons forming both a squish zone on one side and a combustion chamber on the other. Combustion thus took place entirely within the cylinder bore. This design was similar to [Chevrolet's 348-cubic-inch "W" engine](#), which was also introduced in 1958. While the design reduced the cost of manufacture and may also have helped minimize carbon buildup, it was also unfamiliar to many mechanics.

Company politics and the role of Robert McNamara^[edit]

An intriguing aspect of the Edsel story is that it provides a case study in how company politics can kill an idea. While the car and Ford's planning of the car are the most often cited reasons for its failure, internal Ford Motor Company memoranda indicate that the Edsel may actually have been a victim of dissension within Ford's management ranks.

Following World War II, Henry Ford II retained [Robert McNamara](#) as one of the "[Whiz Kids](#)" to help turn Ford around. McNamara's cost-cutting and cost-containment skills helped Ford emerge from its near-collapse after the war. As a result, McNamara eventually amassed a considerable amount of power at Ford.

McNamara was very much a throwback to Henry Ford in that, like the elder Ford, McNamara was committed to Ford to the almost total exclusion of the company's other products. Thus, McNamara had little use for the Continental, Lincoln, Mercury and Edsel brand cars made by the company.

McNamara opposed the formation of the separate divisions for Continental, Lincoln, Mercury, and Edsel cars, and moved to consolidate [Lincoln](#), [Mercury](#), and Edsel into the M-E-L division. McNamara saw to it that the Continental program was canceled and that the model was merged into the Lincoln range for 1958. He next set his sights on Edsel by maneuvering for elimination of the dual wheelbases and separate bodies used in 1958. Instead, the Edsel would share the Ford platform and use Ford's inner body structure for 1959. In 1960, the Edsel emerged as little more than a Ford with different trim. McNamara also moved to reduce Edsel's advertising budget for 1959, and for 1960, he virtually eliminated it. The final blow came in the fall of 1959, when McNamara convinced Henry Ford II and the rest of Ford's management that the Edsel was doomed and that it was time to end production before the Edsel bled the company dry. McNamara also attempted to discontinue the Lincoln nameplate, but that effort ended with [Elwood Engel](#)'s now classic redesign of 1961. McNamara left Ford when he was named [Secretary of Defense](#) by President [John F. Kennedy](#).

During the [1964 presidential election](#), Republican nominee [Barry Goldwater](#) blamed McNamara, then Secretary of Defense, for the Edsel's failure. Eventually, Ford's former executive vice president Ernest R. Breech, who was a financial contributor to Goldwater, wrote the Senator's campaign, explaining that "Mr. McNamara... had nothing to do with the plans for the Edsel car or any part of the program." However, the charge continued to be leveled against McNamara for years. During his time as head of the [World Bank](#), McNamara instructed his public affairs officer to distribute copies of Breech's letter to the press whenever the accusation was made.^[18]

The Edsel Comet^[edit]

The scheduled 1960 Edsel Comet compact car was hastily rebranded as the [Comet](#) and assigned to Lincoln-Mercury dealerships as a stand-alone product. Based on the new-for-1960 [Ford Falcon](#), the Comet was an instant success, selling more cars in its first year than all models of Edsel produced during that marque's entire three-year run. Styling touches seen in the Comets sold to the public that allude to being part of the Edsel family of models included the instrument cluster, rear tailfins (though canted diagonally), and the taillight shape (the lens is visually similar to that used on the 1960 Edsel, and even retained the embossed "E" part code). The Comet's keys were even shaped like Edsel keys, with the center bar removed from the "E" to form a "C."

For 1962, Ford officially assigned the Comet to the Mercury brand. The Mercury name does not appear anywhere on the 1960 and 1961 models.

Today^[edit]

More than half a century after its spectacular failure, the Edsel has become a highly collectible item among vintage car hobbyists. Fewer than 10,000 Edsels survive and they are considered valuable collectors' items. A mint-condition Edsel convertible from any of its three model years may sell for over \$100,000.

While the design was considered "weird" or "too different" by its contemporaries, many other car manufacturers (such as [Pontiac](#), [Jaguar](#), [BMW](#), [Subaru](#), [Lancia](#), [Alfa Romeo](#), and [Saab](#)) have employed similar vertical grilles successfully in their car designs. Many of the Edsel's features, such as self-adjusting brakes, gear selection by steering wheel buttons, etc., which were considered "too impractical" in the late 1950s, are now standard features of sports cars.

Plastic scale models of all three Edsel years were produced by [AMT](#), in its familiar 1/25 scale. Both promotional and kit versions were sold. These command premium prices today, especially the rare 1959 and 1960 models. The 1958 Pacer hardtop was re-issued as a totally new and much more detailed kit by [AMT](#) in the 1990s. The 1960 hardtop is also available as a resin kit from several resin model producers, but is typically priced close to the cost of an original kit. Yat Ming, a producer of diecast model cars, offered a nicely detailed 1958 Citation in 1/18 scale in both hardtop and convertible body styles. Yat Ming also produced a detailed 1/43 scale diecast of the Citation convertible in several color combinations. The [Franklin Mint](#) produced highly detailed 1/24 scale and 1/43 scale diecast models of the 1958 Citation convertible. The [Danbury Mint](#) produced a 1/24 scale diecast replica of the 1958 Bermuda station wagon, complete with accurately detailed wood trim.