



WEEK 1

## IN-CLASS STRATEGIC RECONNAISSANCE MISSION: **RETAIL SETTING AND PRODUCT ANALYSIS**

There are many phenomena in marketing that you will only be able to understand if you try to *visualize* the consumer's habitat—e.g., in the retail store, using a smart-phone to make an online purchase, or sitting in one's living room watching ads on TV. Therefore, we will begin this semester with a bit of a "strategic reconnaissance mission" or "field trip" as a means of appreciating the dynamics of the consumer's experience.

Please meet with your pre-assigned team and:

1. Select a product category of interest. This can be a broad category (e.g., nutritional supplements) or a more specific one (e.g., protein powder or "protein powder for hard core athletes.") Note that it is very useful to have one or more people on your team who know little if anything about the product category. Such individuals can ask "naïve" questions about things that experienced users take for granted.
2. Visit the USC Bookstore and/or other nearby retail settings to examine how the product category is displayed.
3. Have one or more team members pretend to make a purchase selection and "think out loud" about the decision.
4. Examine the different brands and the environment and consider questions such as:
  - a. How easy is this product category to find in this setting? (In Fry's and other large electronics stores, it is often difficult to find specific items because a given product category could be grouped with several different other product categories. For example, are camera memory cards located next to USB flash drives or in the camera section? If in the camera section, where, specifically? Similarly, a student who rarely visits the USC Bookstore may not know at which floor, and in what section, to look for sweatshirts).
  - b. To what extent are consumers likely to *believe*—regardless of whether this is the case or not—that, in this product category, there are significant differences between the different brands in terms of quality and/or other relevant characteristics?
  - c. How significant is a buying decision in this category? What are the stakes in making a less than optimal choice? For example, the consequences of choosing a cell phone case that offers poor protection against droppage could be rather serious, but the prospect of buying a less effective toilet cleaning liquid is unlikely to cause much worry. What are the implications of this for how much effort the consumer will put into making this decision?
  - d. To what extent is this a frequently purchased vs. infrequently purchased product, and what are the implications of this? For example, for a makeup product, there may be many confusing choices when one begins to shop for this category, but after buying the product a number of times, understanding what is available and finding the desired product may become much easier. In contrast, bicycle helmets are bought infrequently and, with new and potentially significant choices coming on the market as advances are made in materials science, much more effort may have to be put in each time, every few years, a new one is bought.
  - e. Do any brands/models "stand out" from the others? If so, do the differences in appearance (in the actual product and/or packaging as appropriate) suggest anything in terms of factors such as
    - i. The quality of the product?
    - ii. Special characteristics or attributes of the brand? For example, the rich green color of Irish Spring bar soap might suggest a powerful scent.
    - iii. The target market it might be suitable for? (E.g., junior high schoolers vs. professional women)

ages 25-40.)

- iv. The “personality” of the brand? (E.g., “cool,” “edgy,” “rugged,” or “sophisticated.”)
5. Consider how the customer experience would differ for those who buy the product online (assuming that this product is available online.) For example:
  - a. Rather than going to a section of a physical store, would you tend to search for
    - i. The product category?
    - ii. A specific brand name?
    - iii. A specific description in addition to the product category? (e.g., “Brown shoe polish” or “Travel size toothpaste.”)
  - b. How are alternative choices presented? (E.g., on Amazon.com, when one brand/model is brought up, selected alternatives are usually shown. Thus, the focus may be on a few options rather than all that can be seen at the same time in the store.)
  - c. Is not being able to touch and feel the different product choices going to be a disadvantage for this type of product?
  - d. How useful are product reviews and system recommendations in making the decision? Will customers tend to merely look at the numbers or will they take time to read written reviews?
6. **If you have the opportunity**, compare how this product category is shown in different retail settings and consider the implications of differences for the consumer experience. For example, the USC Bookstore devotes one shelving area to nutritional supplements while this category accounts for almost all the merchandise available at GNC. In contrast, choices between brands and different product sizes are considerably fewer in a convenience store. (You are not expected to make a special trip for this, but you might have a look while at any retailers that you will be visiting for other purposes).
7. Compare your insights from these observations of U.S. settings to experiences that any team members may have had shopping for this product in other countries. For example, is the product sold in the same kinds of stores? How large a selection is available to choose from? Do customers seem to have different preferences and beliefs about the product category?
8. Consider possible managerial implications of your findings for one or more brands in the category. For example:
  - a. Could package design be improved to
    - i. Increase sales for a specific brand?
    - ii. Make it easier for customers to find relevant information? (E.g., the specific car models in which a baby seat would fit.)
    - iii. Make an important characteristic of a brand stand out? (E.g., the bold aroma of Irish Spring soap bars.)
  - b. Would any specific advertising messages be helpful for one or more brands in the category? For example:
    - i. Customers may come to the garbage bag section of the supermarket section believing that the different brands are of about the same quality, causing many to choose largely based on price. Advertisements showing the considerably greater durability of a more expensive brand may increase the likelihood that a customer will “spring” for the higher quality.
    - ii. Men and women may need different kinds of nutritional supplements in a protein shake, and different brands or versions may be more suitable for one gender.
    - iii. One brand of aspirin may offer special protection against an upset stomach.

During our discussion session meeting in the second week of classes, each team will have ten minutes to meet again to prepare a brief presentation (not to exceed four minutes per team) highlighting your most interesting conclusions. **You do not need to cover all the issues listed above**—just the ones where your findings were most interesting. The presentation can be made by the whole team, one individual, or selected team members.

If you take photos in any stores, please be sure to get permission first. You may also be able to find photos of retail settings and/or product packages online (using Google search or sites such as Instagram).

Please e-mail any PowerPoint presentation and/or other notes to [hyperlinks@buad307.com](mailto:hyperlinks@buad307.com) . Any files you send and any links you include in an e-mail message can be accessed on the classroom computer during your presentation. The materials you send will be made available to you again during the last discussion session of the semester where we will re-examine your conclusions based on the ideas we have covered during the semester.