

Hey, pppppst.

**So, you want
to compete, huh?**

Maybe even win, huh?

**Do you want to win 1st
or just place in the
top ten?**

1st, huh?

Well then . . .

Let's get busy!



I'm your judge and I'll be telling you a few inside pointers on competing. *This isn't public information.* It's only for those of you willing to research and dig for winning advice. Well, okay, maybe it is public information, but only a select few will obtain this info.

Competing in any type of role play or similar event is just like the real world. You see, many things are a competition . . .

Who will get the job?
Who will get the raise?
Who will get the account?
Who will get the sale?
Who will get 1st place?

The person who wins is the person who goes above and beyond the call; the person who works a little overtime; the person who does more research; the person who has the winning attitude! The person who believes he/she can win!

So, what will it be? Will you be satisfied with the status quo? I didn't think so.

As I said before . . . let's get busy! Start now with the goal of winning in mind, and you can!

'Q & A' with the Judge

This section is for the student who wants to know more about competing in a role-play and how he/she can win!

Q's are from a student's perspective.

A's are from the judge's perspective.

What is a Role-play?

A role play is one of the most exciting event areas in competition! It's called an individual series event and there are several occupational areas to choose from. You're given a written scenario at the beginning of your 'event time.' You will have a specific amount of time to look it over and decide how the situation should be handled in the 'real world.' After preparing, you will be introduced to me, and together, we will both 'act out' the role-play.

How am I judged in a role-play event?

Each role-play has performance indicators, usually five. I'll be scoring you on a judging sheet with all the performance indicators written on it. If you are the competitor who covers those performance indicators most accurately, with the best attitude, professionalism, and possibly a little creativity, you will be the winner! *It's that easy.* You will also take a test and your test score will be used to help determine the event's overall winner.

So . . . what's a performance indicator?

Details that must be met in order to accomplish the role-play successfully. Make sure to discuss all the performance indicators during your role-play. Later in *The Competitive Edge*, you'll find examples of and answers for performance indicators.

How do I prepare to compete in a role-play?

The best place to prepare is right in your classroom each and every day! Your teacher will be giving you information on a daily basis, helping you become a knowledgeable competitor. You'll be learning about topics such as economics, supply and demand, marketing, and advertising . . . topics you could see among the performance indicators. Additional ways to prepare are:

- ✓ learn all you can about your occupational area
- ✓ read this booklet
- ✓ read examples of role-plays
- ✓ practice role-playing



What should I take to the role-play?

The obvious things of course:

1. pen/pencil
2. paper (they may supply this; don't count on it)
3. calculator

How does the event begin?

You will be assigned a time to show up at a specific location and begin preparation for your role-play. It is always good practice to show up 15 minutes ahead of scheduled time to get mentally prepared.

When your name is called, it will be time to begin the preparation stage. Make sure to ask the person in charge of your event these three questions:

1. "How much time do I have to prepare?"
2. "Can I use my notes during my role-play?"
3. "What's my judge's name?" Write it down.

What should I write down during preparation?

Your judges name is always important to remember, so write it at the top of your notes. Write down the performance indicators and use these as the outline for the order of your presentation. If you can use your notes during the role-play, you'll want to glance over this list to make sure you haven't forgotten to discuss something. Write anything on a separate paper you will use to show the judge, such as a diagram or math calculations.

How does the actual role-play begin?

This will vary, depending on the person in charge of your event. Some will come get you, bring you to me, introduce us, and then walk away. Other event coordinators may say, "Time's up," and point you in my direction. Be prepared to take the lead, either way.

When you come to my table, smile and extend your hand and offer a handshake. Then introduce yourself. Say, "May I have a seat? (wait for approval) Are you ready to begin?" If I say "Yes," then get into your role and begin. If I say, "No, hold on a minute," just wait for my prompt, then take control.



I would suggest you practice introductions with someone. Simple thing, but it is my first impression of you. Make it a good, confident one.

Am I really supposed to 'act the part'?

Absolutely! It's fun. Chances are you won't know me, and I'm going to be looking for the best and smartest 'actor.' It's not as if you're up for an academy, so don't sweat it.

Will You Ask Me Any Questions?

Most judges ask a few questions at the end of the role play. Plan to respond spontaneously, off the top of your head. If you need to restate the question to give yourself a little time to think, go ahead. Several seconds of silence is alright too, especially if it helps you come up with a good answer.

What if I don't understand one of the performance indicators?



It can't hurt to ask the person in charge of your event to explain it. All he/she can say is, "I can't tell you." If you go into the role-play still not knowing how to answer the performance indicator, maybe, in a creative way, you could ask me to clarify or tell you what I think on that particular topic. If you have cleverly incorporated it into the role-play, it might just work! Think smart, not defeated.

What are 3 key things I should take note of?

- the basic situation
- your role as the student and the role of the judge
- what you are being asked to do

When does the role-play end?

When you have covered all the performance indicators, and I have no further questions, the role-play can end at any time. I would suggest for you to glance over the notes you took during preparation to be sure you haven't left anything out. Each performance indicator is worth approximately 20 points, so it is critical to cover each one.

Ask me if you can be of any 'further assistance' or if I have any other questions. If not, then the role-play may end. Close the role-play in sync with the 'character' you have been acting out and then, give me a 'personal thank you' for volunteering my time to judge. That really impresses me!

Should I tell my friends what the role-play was about?

Do you think football players share their play books with the other team? Do you think a chef shares his recipes? Do you think a magician gives away her secrets? Do you think presidential candidates tell their opponent their campaign strategies? Do you... well, you get the picture. If your friends are competing in the same event as you are, they should respect your friendship enough and not even ask! If they do, tell them you forgot and give them a big smile. Remember, this is competition.

What should I wear?

You're in a professional student organization. Professional attire should be worn for competing. Dresses, suits, slacks, and ties are considered professional attire. Tennis shoes, denim, the latest fashion trend on MTV's videos, and more than one earring in each ear are not considered professional. Remember, I am a professional, and chances are, I'm closer to your parent's age than yours. Your appearance is part of my first impression of you.

Definite Do's

&

Dangerous Don'ts

Definitely Do:



Dress professionally
Be confident!
Take pencil/pen, paper, & calculator
Find out if you can use your notes
Know your judge's name
Use your judge's name
Introduce yourself
Smile
Give your judge a firm, confident handshake
Make appropriate eye contact
Sit up straight and lean slightly forward,
showing interest and confidence
Act 'the part'
Use key words from the performance indicators
Be creative
Use notes effectively
Say "Thank you"
Prepare!

Definitely Don't:

Waste the judge's time, be serious
Use foul language
Chew gum
Wear earrings all over the place
Confuse professional dress with the latest MTV fashion trend
Read word-for-word from your notes
Forget a performance indicator



Try not to be nervous:

Prepare & be confident
A little nervous energy can be to your advantage
Realize your judge is someone who cares about the future of young students
This may be your judge's first time to judge; he/she may be a little nervous, too
Think of the judge as someone who owes you money \$\$\$
Picture the judge in his/her underwear ●
You have nothing to lose!

How to Stand Out

and Be Memorable

Each judge may see 10, or even 20 students competing in the same role-play area. After seeing the first five or six, sometimes things get a little foggy, especially for some of us old folks.

So, what are you to do? No matter where you are in the line up, you have to do a GREAT job. It helps if you are creative and answer the performance indicators in unique ways.

Here are some ideas on being memorable . . .

- Confidently introduce yourself and give a firm handshake, looking me in the eye nicely.
- Smile, be excited like you're having fun, and be friendly (sounds simple doesn't it - so many competitors never smile!)
- If a performance indicator directs you to explain something such as a window display, draw it out. Use your sketch to point out the features and benefits of your idea.
- Draw charts or graphs whenever relevant.



- Say things like, "I'm really excited about this idea," or "I'm looking forward to our next meeting." Basically, just use excitement and really act the part.
- For performance indicators directing you to explain a concept, make sure you state what the concept is and define it. Give examples of the concept, too.
- Take control of the role-play. You only have 5-10 minutes to cover all the performance indicators. Use your time wisely. Don't ramble on and on, but don't be too brief either.
- In the end, ask your judge if he/she has any further questions.
- After closing the role-play, sincerely thank your judge for volunteering his/her time.
- Give your judge a final firm handshake.



The next section is filled with examples of performance indicators which you may see in your role-playing event.

After each performance indicator, I've given a sample answer you might use when talking to me during your role-play. The answers provided will range from a variety of role-playing situations. I couldn't cover them all, but read on for a few ideas.

Performance Indicators

Role-plays cover a variety of different "real-world" work situations. If you have worked in the occupational field you are competing in, you may have dealt with a similar situation as your actual role-playing event. This is one advantage to having previous work experience.

If you have not worked in the field you will be competing in, or even if you do have experience, here are a few ideas to build your knowledge:

- ✓ Read role-playing events and answer the performance indicators.
- ✓ Make a list of questions, then interview someone who actually works in the area of your role-playing event
- ✓ 'Shadow' several people who work in your competitive-event field
- ✓ Surf the Internet for industry-related information
- ✓ Read industry-related trade journals

The broader your knowledge in the following **instructional areas**, the better your chances of shining in a role play:

- | | |
|-----------------------------------------|-------------------------------|
| Business Law | Communication |
| Economics | Emotional Intelligence |
| Financial Analysis | Marketing |
| Operations | Distribution |
| Pricing | Promotion |
| Selling | |
| Professional Development | |
| Strategic Management | |
| Human Relations Management | |
| Information Management | |
| Marketing-Information Management | |
| Product/Service Management | |

I know you can't be an expert in everything, but learn as much as you can!

Performance Indicator Ideas & Answers *Marketing Management*

Instructional Area: EMOTIONAL INTELLIGENCE

1. Develop Cultural Sensitivity

"Mr. Smith (use your judge's actual name), one way we stay on top of our competition or at least by their side is to know the global market place. We study trends among the growing number of ethnic groups showing demand for our products. Each group has similar but unique needs. Their traditions and cultural behaviors related to the marketplace are unique. Mrs. Judge, we are pleased to report our company is proactive and researches and trains our personnel in cultural sensitivity."

2. Demonstrate a Customer-Service Mindset

"The customer likes to be thanked several times when purchasing large items that have required much consideration. Our marketing department supports customer follow-up as a main source of customer satisfaction. We not only provide the best customer service while the customer is in the store, but also after they are long gone so they will shop with our company time and time again and spread their satisfaction with others through word of mouth."

3. Foster positive working relationships / Persuade others

"I have some exciting ideas about the spring promotion. The ideas involve all the store associates and everyone will be involved. I think you'll like these ideas and I'll be happy to explain the sales contest at the next meeting. This will give you the time you've been needing to research other promotional events."

4. Handle Difficult Customers

"I'm sorry you've just missed the fall promotion, but I can't backdate this and offer you the discount. You'll be the first to know when the new incentives come out if you watch our website closely."

5. Use Conflict Resolution Skills

Customer Situation: "I know you are upset, but I'd like to ask you to please relax for a moment so we can discuss this in a win-win manner. We CAN solve this problem."

Employee Situation: Very calmly state, "I have worked four weekends in a row and I really do need next weekend off. My hiring agreement stated 'within reason,' schedules were flexible."



6. Explain the role of leadership in business

"When used properly, leadership provides motivation and helps create productivity within a business. Followers look for fairness, honesty, and inspiration from their leaders. Not only is management the obvious leader, but often, another employee can become a leader within a company. It is critical for a leader to have a positive attitude toward work and the business or his/her actions will have a negative impact on all involved. When a positive attitude is held by a leader, it will have a great affect on others."

Performance Indicator Ideas & Answers
Marketing Management

Instructional Area: ECONOMICS

1. Distinguish between goods and services

"Mr. Williams, goods, such as shoes, are tangible, meaning you can touch the item. Alterations are a service but you can't actually touch the service. Both are part of the product mix of a business. Product is the term which is often used to describe both goods and services."

2. Explain the concept of competition

"Competition is the struggle between businesses for the customer's dollar. Due to price competition, which creates very competitive pricing, a business must use its resources effectively. Non-price competition affords the customer with friendly service and additional services such as gift wrapping and dressing rooms. Competition also forces businesses to find new, unmet niches. This provides the customer with unique products."

3. Explain the principles of supply and demand

"Supply is the amount of a product the seller is willing to supply at a given price. Demand is the amount of a product the potential customer is willing and has the ability to buy at a certain price. When supply and demand are the same, no shortages or surpluses exist. This is known as equilibrium. When winter coats are on sale in February, this means the supply exceeded the demand and a surplus exists."

4. Explain the concept of productivity

"Productivity is the output of work, per worker, often measured per hour. When labor exceeds a certain percent of sales, layoffs or simply sending someone home early one day may be necessary to keep expenses down and productivity in line with company expectations. Depending on a store's technology, productivity may be measured at any time on computer.

Other methods of improving productivity are advanced employee training or new, easier-to-use advanced equipment. Training can enable employees to work quicker and smarter in less time."

5. Determine the impact of business cycles on business activities

"During times of a healthy economy, measured by low unemployment and low inflation, customers tend to have discretionary income which allows them to continually shop for fashion, keeping up with the latest trends. Discretionary income is money left after all necessities and taxes are paid. Since employment is at all-time highs during prosperity, most people are working full-time and have substantial discretionary incomes.

During times of economic slow-down, measured by rising prices and layoffs, people may be less interested in items of want and more interested in items of need. They may be looking for items with durability, not the latest 'trend.' Additionally, businesses are reluctant to invest in promotional ideas that may not have a strong ROI. The four business cycles measured by economists are prosperity, recession, depression, and recovery."

Performance Indicator Ideas & Answers
Marketing Management

Instructional Area: STRATEGIC and HUMAN RESOURCE MANAGEMENT

1. Describe the nature of managerial control

"Controlling is measuring what is actually being accomplished with what was planned to be accomplished. Standards and evaluations are a part of controlling and should always be compatible with the mission of the organization."

2. Explain the concept of management

"Some people think of management only as leadership to our business and motivation to our employees, but management also involves planning, organizing and coordinating, controlling and monitoring. These activities are always in line with our mission and the long-term and short-term goals and objectives of our business."

3. Orient New Employees

"Employees are oriented on computer and one-on-one through staff training. The orientation period is 3-6 weeks and this is a probationary period. During this time the new employees must learn what their position requires and the expectations of the company. By combining both types of training, we believe employees have the best training and are well prepared to work independently after the 3-6 weeks orientation."



4. Explain the concept of staff motivation

"Getting people excited about their work, giving employees a sense of pride, and rewarding for a job well done may be methods of motivating staff. The key to any morale builder, or motivator is to find out what is important to those who need motivation. If money seems to be the primary motivator, then contests, bonuses or commissions may serve the purpose. In all instances, building pride and making work rewarding should have a positive effect."

5. Develop a positive working environment

"The working environment may include the actual physical conditions, such as cleanliness, good lighting, appropriate facilities, and well-maintained equipment. Additionally, the working environment includes the attitudes of the management and employees.

When management is honest and operates under the 'open-door' policy, where employees can voice opinions and give suggestions, the environment may be a positive place to work.

6. Describe the nature of risk management

"Risk management is necessary to provide protection from devastating results from economic, natural, and human risks. Some risks may be prevented through training competent employees and maintaining safe and secure working environments. Some risk may be transferred through the purchase of insurance.

Ultimately some risk must be assumed and not all risk is avoidable. It is safer and more responsible to be proactive instead of reactive."

Performance Indicator Ideas & Answers Marketing Management

Instructional Area: INFORMATION & MARKETING INFORMATION MANAGEMENT

1. Describe the nature of business records (INFORMATION MGMT)

"Business records are extremely important and are referenced not only at year end for the purpose of the IRS and taxes, but also by management on a regular basis to control productivity and to predict trends in purchasing and expansion plans. Balance sheets, income statements, cashflow projections, daily sales, and inventory data are conveniently stored on computer with secure access from a variety of locations. This data may be used to create multiple sources of information."

2. Identify ways that technology impacts business (INFORMATION MGMT)

"Ms. Smith, I'm pleased to report that productivity has been greatly improved with the advances in technology over the last 10 years. Our company is able to record information related to customers, sales, and inventory as it occurs, instead of data entry being necessary at day or month end. Expenses related to data entry and outsourcing related jobs have been reduced by 25%. Inventory is totally automated now, which also helps determine purchasing levels. The information at our fingertips about consumers is also beneficial because we are able to meet the demand of our customers more efficiently. We are in a position to expand into new geographical locations due to our advances and be a viable competitor."

3. Explain the nature of marketing-information management (MARKETING INFO MANAGEMENT)

"Marketing-information management is a fancy term for managing data and information about customer attitudes and development of new products. Marketing research can be done on a formal or informal basis within small and large companies. For large businesses that utilize formal research, the procedures and outcomes must be organized so the business can make sense of the findings and benefit from the research.

Data collected may be secondary or primary and may come from sources within or outside the business. Methods of collecting new information include surveys, observation, and experiments. Once new information and data are obtained, it must be analyzed for the business to use. For this reason, management of the data is necessary."

4. Explain the concept of market and market identification (MARKETING INFO MANAGEMENT)

"The market is the customer group identified for a product, such as teens or women. Specifically identifying customer demographics and information about preferences and lifestyles enables our company to better meet the needs of our customers. If we tried to sell to everyone, we really wouldn't be able to sell to many. For each unique product, market identification will optimize promotional efforts, sales, & profit."

Performance Indicator Ideas & Answers Marketing Management

Instructional Area: PROMOTION

1. Explain the role of promotion

"Promotion is among several functions categorized under the umbrella of marketing and it is known as one of the 4 P's of the marketing mix. Its role may be to create awareness, persuade, or remind, or enhance relations and our image by communicating a message from our company to a specific group in the public/community, among our customers, our employees, or our stockholders."

2. Identify the elements of the promotional mix

"Advertising creates public awareness of our store or product. Sales promotion compliments and reinforces advertising efforts and stimulates sales. Publicity builds an image in the public's mind about our product or company. The only personal form of promotion, personal selling has the goal of finalizing 'the sale.'

All four forms of promotion should be coordinated to achieve our company's goals. For example, our new art deco office furniture is advertised in the newspaper and we also have it displayed with appropriate accessories."

3. Explain the nature of a promotional plan

"A promotional plan is designed to coordinate all forms of a company's promotion. For example, sales promotion should compliment advertising, and local advertising should also correspond to national advertising.

The plan provides direction and goals for a business, but also gives flexibility to unplanned opportunities. Depending on the ownership and size of a business, the promotional plan may be formally written out, or be an informal plan in the mind of the owner."

4. Describe the use of business ethics in promotion

"Truth in advertising" is policed by the Federal Trade Commission. Advertising must be truthful and non-deceptive; advertisers must have evidence to back up their claims; and advertisements cannot be unfair. An advertisement is considered deceptive if it is likely to mislead consumers acting reasonably under the circumstances; and is "material" - which means, important to a consumer's decision to buy the product.

Our company takes strict measures to ensure all content and messages delivered through promotional activities are ethical and keeps us off the FTC's black list."

5. Describe considerations in using databases in advertising

"Our business maintains a database for each of our customer groups. This enables us to better promote information to each individual based on their product needs and wants. For example, we can easily send promotional messages to customers who have credit accounts with our company to promote the use of the credit card. Zip code information also saves money on mailings due to bulk rates.

Gender is also a category of interest to our company when planning promotions. During a Valentines Day promotion, we can target a specific group of men or women."

Performance Indicator Ideas & Answers ***Marketing Management***

Instructional Area: MARKETING & PRICING

1. Explain marketing and its importance in a global economy (MARKETING)

"Marketing is the total sum of activities to provide goods and services to meet the wants and needs of customers. Many companies have products with global appeal and will benefit by expanding internationally. The marketing concept directs the company to identify the target market and plan all details of the expansion around the needs and wants of the new prospective customer group. Legal, cultural, and technological issues all must be taken into every global marketing decision."

2. Describe marketing functions and related activities (MARKETING)

"Functions of marketing include distribution, marketing-information management, pricing, promotion, product/service management, and selling. Each function has specific objectives in the overall mission of our company to serve our customers. Making and maintaining a profit by maximizing sales and reducing expenses is the ultimate goal. Any activity which does not qualify as production, but relates to the satisfaction of customers and the profitability of the company may be categorized as a marketing activity."



3. Explain the nature and scope of the pricing function (PRICING)

"Pricing involves the value of money placed on a product or service. The function of pricing involves the strategies used to set prices of products, pricing computations such as discount and markups, and the overall relationship between pricing and the company's profitability."

4. Explain legal considerations for pricing (PRICING)

"There are both federal and state laws protecting consumers from unfair pricing practices. Price fixing is an agreement between competitors to fix a price and eliminate competition. Price discrimination is unfair price differences between similar customers. Manufacturers are limited on their requirements of retailers to charge certain prices through the Consumer Goods Pricing Act. Unit pricing has been required in some states to make it easier for consumers to compare consistent prices of products priced in different quantities. These considerations are all based on fairness for the consumer, and ethical considerations are the basis of each law."

5. Explain factors affecting pricing (PRICING)

"Pricing depends on the objectives of price as it relates to the businesses profitability. The image of the business, supply and demand, the stage of the product life cycle, and the expense related to the product are all considerations."

Performance Indicator Ideas & Answers ***Marketing Management***

Instructional Area: BUSINESS LAW

1. Describe legal issues affecting businesses

"Legal advertising and marketing issues related to FTC guidelines include more than traditional broadcast and print communications. It includes infomercials, product packaging, statements in product manuals, and in-store and online promotions. Federal and state laws apply to e-commerce and telemarketing campaigns. New legislative and regulatory initiatives arise every day, addressing the privacy, security, and identity risks that can accompany electronic campaigns. This is only a small fraction of the legal issues we face."

2. Describe the nature of legally binding contracts

"Contracts are made for a variety of purposes and to be enforceable, a contract must specify definite terms, be accepted by both sides and be signed by people with delegated authority to enter into the agreement. Protecting copyright, know-how and trade marks as well as database and design rights require confidential contracts among businesses. When a company sells or purchases a business, needs property management services, liquidates commercial property, and has shareholder agreements, legally binding contracts ensure fairness in these operations or business transactions and formalize the expectations of each party. With a legal contract, each party is accountable to those expectations or must answer to a court of law."

3. Explain types of business ownership

"Ownership in most industries includes single proprietorship or two or more forming a partnership who may form an LLC for legal protection and taxation benefits, or a corporately owned company."

4. Explain the nature of personnel regulations

"Companies with many employees are wise to have someone with knowledge regarding the diverse issues surrounding personnel. Today personnel regulations are broad ranging from payroll, taxes, and benefits, to insurance and non-discrimination issues. The IRS is the source of the US employer responsibilities regarding taxes and the EEOC is the regulating authority of many unfair and discriminatory practices. We have clear policies in place and make those clear to all employees upon hire."

For more info, go to:

ADA—American's with Disabilities Act usdoj.gov/crt/ada/
EEOC—Equal Employment Opportunity Commission
eoc.gov

5. Explain the nature of workplace regulations (including OSHA, ADA)

"Our company works to assure the safety and health of our employees by following the standards set by OSHA and the ADA. We provide funds to eliminate workplace dangers and reward safety practices that will help our employees stay safe and healthy on the job."

For more info, go to:

OSHA—Occupational Safety and Hazards Admin. osha.gov
ADA—American's with Disabilities Act usdoj.gov/crt/ada/

Performance Indicator Ideas & Answers

Marketing Management

Instructional Area: PRODUCT/SERVICE MANAGEMENT

1. Explain the nature and scope of product/service management function

"Product management includes developing a product plan, which includes defining goals and objectives, specifying tasks or how goals will be achieved, what resources are needed, and associating budgets and timelines for completion. It also includes implementing the plan, along with careful controls to stay on the "critical path", that is, to ensure the plan is being managed according to plan. Product management usually follows major phases with various titles for these phases, including feasibility study, product planning, implementation, evaluation and support/maintenance."

2. Identify the impact of product life cycles on marketing decisions

"During the introductory phase of a product's life cycle compared to the decline phase of a product, marketing decisions will vary greatly regarding price and the money spent on promotions of all types including placement in stores and advertising."

With products that have a very short life cycle, introductory pricing to the close out sale prices may be mandated by the seasons, by customer's demand, and advances in technology. The customer's demand for the items will direct the decision related to future purchasing. During the growth phase of a product, marketing may determine additional styles, colors, and features should be added to a product to maximize its profitability. Production will then respond to the request of marketing and management and provide the additional products."

3. Identify product opportunities

"We constantly look for new opportunities to add to our service/product mix. Ideas can come from many sources, for example: complaints from current customers, requests for additional products, modifications to current products, and suggestions from employees, customers, suppliers, etc."

Trips to the 'buyer's market' offer a method of seeing new merchandise lines and determining what will compliment our existing product line. Having good rapport with sales reps may provide helpful information about new items. We also subscribe to the on-line research sites which specialize in predicting trends."

4. Explain warranties and guarantees

"Warranties are an important element of product planning. This extended feature of a product focuses on the customer and it may be the reason a customer decides to purchase a particular product over another. The term guarantee is used in advertising messages, but the term warranty is the actual document outlining the companies promise to the customer on behalf of the product."

5. Explain the concept of the product mix

"Goods and services make up the product mix of a company. The product width is the scope of different lines of merchandise and product depth is the variety within each line of merchandise."

Performance Indicator Ideas & Answers

Marketing Management

Instructional Area: OPERATIONS

1. Explain the nature and scope of purchasing

"My responsibility as a purchasing agent is to routinely inventory supplies and approve requisitions from all departments. Buying basic supplies in bulk saves a great deal of money due to quantity discounts and shipping expenses. For larger equipment needs, I use comparison shopping or get bids from numerous suppliers. The nature of purchasing in operations primarily involves routine straight re-buys and modified re-buys."

2. Describe crucial elements of a quality culture

"The working culture may include the actual physical conditions, such as cleanliness, good lighting, appropriate facilities, and well-maintained equipment. Additionally, the working culture includes the attitudes of the management and employees. This all impacts the workflow of productivity. Specialization and customized training, as well as procedures specially developed for each department within a business may enhance work productivity. The overall environment will have a major influence on the quality of the working culture."

When management is honest and operates under the 'open-door' policy, where employees can voice opinions and give suggestions, the culture will also be affected in a positive way."

3. Explain the employee's role in expense control

"Management believes that the goal of controlling expenses is a responsibility to be undertaken by everyone. Employees must understand their actions have a direct impact on the electricity bill, telephone bill, and overall productivity. When they have this working knowledge, they become part of the solution, not part of the problem."

Small actions such as turning off appropriate lighting, not making long distance phone calls on company phones, and conserving water all help to keep expenses down. Additional actions such as watching for shoplifting, being aware of labor costs, and looking for ways to save the company money all contribute to expense control."

4. Explain routine security precautions

"Safety precautions include using security personnel or electronic surveillance, planning effective store layouts, screening potential employees, posting safety procedures and having regularly scheduled employees' meetings covering relevant security & safety topics."

5. Explain the nature of overhead/operating costs

"Operating expenses include both variable and fixed expenses of operating a business. Fixed, or overhead expenses, include insurance, rent, fixed salaries, depreciation, and office equipment. Variable expenses include advertising, supplies, telephone, and utility expenses, all fluctuating monthly. Products ordered for resale are not considered operating expenses, but are considered 'cost of goods sold.'"

Performance Indicator Ideas & Answers

Marketing Management

Instructional Area: COMMUNICATIONS & PROFESSIONAL DEVELOPMENT

1. Explain the nature of effective written communications (COMMUNICATION)

"Although the sales staff may be more focused on verbal communications, being able to send a clear message in written form is important to many positions within our business. Written communication needs to be organized so it clearly relays the message and leaves very little chance for confusion. The message must have a clear subject, with additional information communicating the necessary details. Dates, times, places, and the clear purpose of the message are usually important information to double check. The sender's contact information must be clearly identified so the receiver has the opportunity to respond or make necessary contact. The nature of effective written communications can not be underestimated."

2. Explain the nature of staff communication (COM)

"Two-way communication between management and employees is a characteristic of an effective company. Employees who feel they are important and have the opportunity to speak with their supervisors will contribute more effectively to a company than those who question their right to communicate concerns. Additionally, employees often have ideas that may enhance the operations of the business. Management will obviously have expectations necessary for the employees to be aware of and this communication may occur in the form of emails, memos, one-on-one talks, or group meetings. Ideally, thought should go into making the message clear and effective."

3. Explain employment opportunities in business (PROFESSIONAL DEVELOPMENT)

"Employment opportunities within our company are very similar to those in other businesses. We offer entry-level jobs which provide the chance to gain experience with our company and our industry. With experience, lateral moves within the company may occur to similar paying jobs, or upward movement is possible to management level jobs. Some of the positions available with our company include sales clerk, customer service representative, account executive, department manager, bookkeeping and payroll positions, receiving and freight workers and managers, store manager, and human resources manager."

4. Identify skills needed to enhance career progression (PROFESSIONAL DEVELOPMENT)

"Personal drive and motivation combined with a passion in our industry will enhance opportunities for someone serious about advancement. Negotiation and communication skills, and knowledge of trends in our industry will also improve your chances for the position you are hoping for."

5. Use networking techniques for professional growth (PROFESSIONAL DEVELOPMENT)

"Numerous industry associations, both domestic and international, offer conferences and on-line communities within our industry to network. This provides information related directly to our careers. Local networking through the chamber of commerce and clubs benefit our local relationships and success."

Performance Indicator Ideas & Answers

Marketing Management

Instructional Area: FINANCIAL ANALYSIS

1. Explain the time value of money

"The time value of money is based on the premise that receiving a certain amount of money today, rather than the same amount in the future, is more attractive. Money received today is more valuable than money received in the future by the amount of interest the money can earn. If \$90 today will accumulate to \$100 a year from now, then the present value of \$100 to be received one year from now is \$90."

2. Explain the purpose and importance of credit

"Credit gives the customer more purchasing power. Credit falls under the category of possession utility. It is a convenience to the customer and in many instances, enables a customer to buy a product at a time of need that could not be obtained any other way than with credit. Businesses also rely on credit for daily operations."

3. Discuss considerations when selecting a financial service provider

"Mr. Smith, the selection of the best financial service provider requires some research and probing as well as personal intuition. I would recommend asking about the institution's or personal advisor's credentials, how many years experience the provider has, does this provider specialize in offering services which meet your personal needs, what are the fees for services, and what is the track record of this provider. Then ask yourself if you would feel comfortable sharing confidential information with this institution or person."

4. Describe the concept of insurance

"Ideally, insurance provides a company or individual peace of mind and the financial freedom from the devastation of unforeseen occurrences resulting from natural, human, or economic disasters. Some risks may be transferred in the form of insurance. Risk can not be eliminated, but insurance can save a business financially in the event of something such as a tornado, or on-site accident that causes a lawsuit."

5. Describe the nature of budgets

"A budget provides allowances for personal or business spending based on money available. These allowances are specific amounts to be spent for various necessities, wants, and savings plans. A budget can help people meet savings goals and businesses meet profit goals."

6. Protect against identify theft

"Ms. Wilson, although identify theft is on the rise, many people don't realize the basics of protection against this crime wave. You must shred or burn papers with credit card or bank account numbers, Social Security numbers, etc.; don't put your Social Security number on anything, including checks, unless it is legally required. If the license bureau routinely uses your Social Security number, check with the DMV to see if they offer another option. Don't carry numerous credit cards, and check your credit report once or twice a year to make sure it doesn't have accounts you don't know about. I hope these tips help you secure your identify because you are certainly one-of-a-kind!"

Performance Indicator Ideas & Answers Marketing Management

Instructional Area: SELLING

1. Explain the selling process

"Selling is the personal form of promotion that enables the customers wants and needs to be known to the company. Industrial salespeople ideally will be knowledgeable about their potential customer or clientele before coming into contact. Once the contact is made, the salesperson uses skill and strategy to effectively present features and benefits of the products and handle questions and objections from the customer, and eventually attempt to close and finalize the transaction. This process can be thought of as a problem identification and problem solving process, in an attempt to help the customer.



2. Explain the nature and scope of the selling function

"Personal selling in the many industries varies regarding levels of interaction with the customer. Stores that attract customers interested in exclusive, 'pricey' items have sales personnel to not only help customers make buying decisions, but also make customers feel important. Stores that promote a discount image may have a limited sales staff who offer little service beyond checking out at the cash register....."

3. Explain key factors in building a clientele

"Ms. Wilson, I'm glad you are curious about building clientele because as you know, it is easier to keep a satisfied customer than it is to obtain a new customer. Building clientele is all about listening to the customers needs, addressing those needs, and delivering the necessary suggestions and or products that will meet those needs. The delivery of our services needs to come from a level of appreciation, never taking the client for granted. When we show our customers we value them, we are investing in their loyalty. Loyalty programs are one of the #1 ways to keep our clientele."

4. Explain business ethics in selling

"Ethical selling is essential to career longevity for each salesperson. When you are honest with your customers, helping them truly find the best selection for their needs, they will appreciate that level of trust and professionalism. Anytime unethical practices are used to get ahead, they will soon catch up and put you behind. The challenges imposed on society today make dishonestly often times luring, but the sales staff who honors the Golden Rule will win in the end."

5. Explain the nature of sales management

"The sales manager must be someone who is mature and experienced in sales. Salespeople are often those who love talking to people, but may not like to do paperwork, watch quotas, or set and meet goals. The managers job is to motivate each individual to perform to their highest abilities and to monitor and control the sales activity to meet company expectations."

Performance Indicator Ideas & Answers Marketing Management

Instructional Area: DISTRIBUTION

1. Describe ethical considerations in distribution

"Shippers, carriers, consultants and third-party logistics companies should be dedicated to continuing education and committed to raising the professional standards in supply chain management and the distribution industry. Following transportation guidelines as set by the DOT, transporting and warehousing items adequately, keeping proper inventory records for taxes, and fair wages all involve ethical responsibility."

2. Explain the nature and scope of distribution

"Distribution involves the physical transportation of merchandise, storage, and handling. With all the expenses involved with physical distribution, it can be among our company's biggest expenses. Materials, cost of goods sold, and labor are usually the only other expenses to exceed distribution. Our company must keep inventory costs minimized, so timing of transported merchandise must be in accord with promotions, making the merchandise available when our store has peak selling times and sales. We rely on 'just in time delivery.'



3. Describe the importance of maintaining inventory levels

"Inventory involves a huge investment of capital to the business. When too much merchandise is ordered and needs to be stored, money is tied up that could be working capital for the business. In addition to the actual cost of the merchandise, extra money has to be spent on storing this abundance.

A business must anticipate the demand of any product in order to maintain an optimal amount of inventory. This involves trying to take advantage of any quantity discounts, but at the same time, not ordering too much."

4. Explain types of unit inventory control systems

"Two methods of unit control are perpetual inventory and physical inventory. Many businesses use both methods. The perpetual is as the name implies, ongoing. On a daily basis, sales, new merchandise arrivals, and returns are recorded. This enables the business to know throughout the year how much capital is tied up in inventory. Then, at the end of the year, a physical count of inventory is made, checking the accuracy of the perpetual system.

Point-of-sale systems have made tracking inventory much more efficient. Technology has enabled businesses to save time and money regarding inventory. The less money tied up in inventory, the less businesses have to borrow to pay other bills."

5. Explain the receiving process

"When our business receives a shipment of merchandise, it is recorded on our receiving log. Each box of merchandise is checked against the packing slip. Any discrepancies are reported to our regional office. Since our store is owned by a franchise, the merchandise has already been priced. The merchandise is placed on the floor, just as the regional office has directed for the merchandising floor layout."

Use charts and graphs to explain any function of distribution when appropriate.



Industry News & Information Marketing Management

Leisure Travelers' Most Wanted In-Flight Services

In-flight entertainment (IFE) helps keep fidgety fliers calm. US leisure airline passengers want their IFE to support vegging out at 35,000 feet, and they're willing to pay for services like movies on demand, live TV, and Web surfing. In addition, 64% of leisure passengers own portable devices like laptop computers, smartphones, or handheld game devices. These entertainment-technology-toting (ETT) passengers are hip, well-to-do, and will pay for entertainment that improves their flights. To capture them, airlines must install standard electrical outlets at each seat, partner with top entertainment firms, and use in-flight mobile phone service to reach travelers under 35, who are both addicted to texting and less likely to be brand loyal.

Information Source: www.forrester.com

Ad Ratios and Budgets Grow

Total ad spending is projected to increase 8.6% this year to \$333.60 billion and by 8.6% next year to \$362.28 billion. Last year, total ad spending was up 7.7%.

Schonfeld's report found that the average ad-to-sales ratio is projected to be 2.2% this year. Consumer products advertisers will have the greatest ad-to-sales ratio this year, spending 9.6% of total net sales on advertising. Also, consumer products advertisers will have projected ad spending growth of 6.6% and sales growth of 5.9% this year.

Within consumer products, the specific industry categories (based on Standard Industrial Classification numbers) with the highest projected ad-to-sales ratios this year are wood household furniture (18.4%); distilled and blended liquor (16.8%); and food and kindred products (11.9%).

Other categories that are projected to have higher than average ad-to-sales ratios this year are health care (3.6%); services excluding health care (3.4%); communication products and services (3.4%); construction and real estate (2.5%); and electronics and scientific instruments (2.3%).

The computer and software category will have an estimated 1.9% ad-to-sales ratio this year, with 7.9% ad growth and 7.2% sales growth.

Projections

Schonfeld also gave projections for ad spending in its report.

Automotive is expected to be the highest-spending industry next year, increasing 5.3% to \$30.6 billion. The pharmaceutical industry will be another big spender, increasing 10.5% to \$24.9 billion, driven in large part by direct-to-consumer advertising, Schonfeld predicted.

Ad spending by telecommunication service companies will be up 6.6%, reaching \$24.2 billion, while ad spending for wireless communications services will rise an estimated 8.5% to \$12.4 billion, according to Schonfeld's forecast. PC manufacturers will increase ad spending 5.3% to an estimated \$2.4 billion next year, while advertising growth for prepackaged software will rise 9.1% to \$4.5 billion.

"Although some traditional advertising media are seeing a decline, the variety of newer advertising channels has resulted in increased total marketing activity," Greenhut said. (Taken from resource in 2006)

Information Source: www.tbtonline.com



Industry News & Information Marketing Management

Marketing management

...is a business discipline focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities. Marketing managers are often responsible for influencing the level, timing, and composition of customer demand in a manner that will achieve the company's objectives.

There is no universally accepted definition of the term. In part, this is due to the fact that the role of a marketing manager can vary significantly based on a business' size, corporate culture, and industry context. For example, in a large consumer products company, the marketing manager may act as the overall general manager of his or her assigned product category or brand with full profit & loss responsibility. In contrast, a small law firm may have no marketing personnel at all, requiring the firm's partners to make marketing management decisions on a largely ad-hoc basis.

In the widely used text *Marketing Management*, Philip Kotler and Kevin Lane Keller define marketing management as "the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value."

From this perspective, the scope of marketing management is quite broad. The implication of such a definition is that any activity or resource the firm uses to acquire customers and manage the company's relationships with them is within the purview marketing management. Additionally, the Kotler and Keller definition encompasses both the development of new products and services and their delivery to customers.

Noted marketing expert Regis McKenna expressed a similar viewpoint in his influential 1991 *Harvard Business Review* article "Marketing is Everything." McKenna argued that because marketing management encompasses all factors that influence a company's ability to deliver value to customers, it must be "all-pervasive, part of everyone's job description, from the receptionists to the Board of Directors."

This view is also consistent with the perspective of management guru Peter Drucker, who wrote: "Because its purpose is to find and keep customers, the business enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are 'costs.'"

Marketing, as suggested by the American Marketing Association, is "an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". Another definition, perhaps simpler and more universal, is the process of moving people closer to making a decision to purchase or repurchase a company's products. Simply, if it does not facilitate a "sale" then it is not marketing.

Information Source: www.wikipedia.com

Industry News & Information
Marketing Management



Professional Trade Associations

Here's just a few of the many professional trade associations you can research. As your judge, I'll be impressed if you refer to the trends, legislative issues, or networking opportunities that are supported or offered through a relevant trade association! Simply type marketing management industry in your internet search engine and begin researching.

Marketing Management focuses on strategic issues that marketing managers face every day.



Published six times a year, Marketing Management covers brand management, CRM, product innovation, ROI, marketing effectiveness, and B2B — to help managers keep pace with this rapidly changing field. www.marketingpower.com



The Marketing Management Association (MMA) is an international association dedicated to developing more effective marketing educators and scholars. Founded in 1977 as an educator group affiliated with the MBAA, the association has grown to include 400 academic members from across the nation and around the world. MMA provides programming and opportunities for career success in marketing higher education.



Launched in 2004, the Henry Stewart Marketing Operations Management ("MOM") Symposium is the definitive meeting place for those charged with bringing efficiency, transparency and accountability to marketing processes.

MOM encompasses the end-to-end marketing value chain, from planning and budgeting, through sourcing of marketing content and automation of creative workflows, to worldwide execution, and analysis.

The MOM Symposium is also the industry event for Marketing Resource Management ("MRM") and Enterprise Marketing Management ("EMM") technologies; platforms which link siloed marketing processes and applications to provide real time "marketing dashboard" performance insights.

www.momsymposium.com/

The last section of the booklet is a review of general marketing concepts.

Graphic organizers from "The Marketing Web™" are included, representing concepts of Marketing & Business.



Marketing Info . . .



An effective method of remembering vocabulary words is to understand how they are related to one another. Trying to memorize was always difficult for me, but I could remember terms if they made sense to me. The graphic organizers help make sense of a large amount of information, and they make it easy to see several concepts all at once.

If you don't have "The Marketing Web" in your classroom, teach yourself this method of understanding marketing. It is much easier to compete in a marketing event if you know how every aspect of marketing is related.

Along with the graphic organizers there's a bit of related, but brief information. This booklet is only designed to be a review tool and give you some ideas for competition. As your judge, I strongly recommend that you turn to additional resources to prepare for competition.

Good Luck & I hope to see you at Nationals!

The Marketing Web™: Economics



Every country has an economic system due to scarcity. Scarcity is the limitation and shortage of resources. An economy is designed to make use of its countries resources efficiently. Depending on the governments choice of economy, either the people, or the government make decisions regarding the usage and distribution of resources.

The United States has a Free Enterprise System as its form of economy. The people dictate the choices made about the usage of resources by their buying habits. In the US economy, competition exists and profit is an incentive, therefore, businesses strive to utilize resources most efficiently. This increases the opportunity to earn profit.

Supply and demand of any product has an effect on its price to be offered for sale. If the demand for the product is inelastic, price changes may not have a drastic effect on the demand. If the demand is elastic, small price changes will have an effect on the demand. The key to pricing is to find the equilibrium point, where consumers and suppliers are both satisfied.

Even in our Free Enterprise System, our government has some control of the economy. The government protects competition by guarding against monopolies. It promotes competition through agencies such as the SBA. All economies are really 'mixed,' all having some amount of government intervention.

Taxes provide public sector services such as fire and police protection and equate to the communities wealth. Private sector entities provide individual goods and services, and create individual wealth.

The Marketing Web™: Business



Business has four functions: finance, management, production and marketing.

Because the cost of production is usually high, many businesses engage in only the function of marketing products. Nearly all businesses engage in finance and management activities.



Basic forms of business ownership are: sole proprietorship, partnership, and corporation. A franchise enables a business to expand into other geographical areas.

A non-profit organization is formed for other purposes than earning a profit, such as education, religion, or philanthropy.

The economic business cycles are: prosperity, recession, depression, and recovery. Depending on the products the business sells will determine how the economy effects the businesses profitability. Goods in need may have an inelastic demand, whereas goods which are only desired and not essential staples, may have an elastic demand which means a change in price greatly effects the demand.

Today, consumers expect many businesses to be socially responsible and to operate within a code of business ethics. Green marketing is a tactic used by businesses when considering the environment in their decisions.

JFK's Consumer Bill of Rights protects consumers from unethical practices in business. This 'act' was a result of a growing movement known as consumerism.

The Marketing Web™: Marketing



Marketing is the coordination of business activities to provide goods and services to meet the needs and wants of customers.

Customers are buyers; consumers are product 'users.' The term 'product' is used to refer to both tangible goods and intangible services.

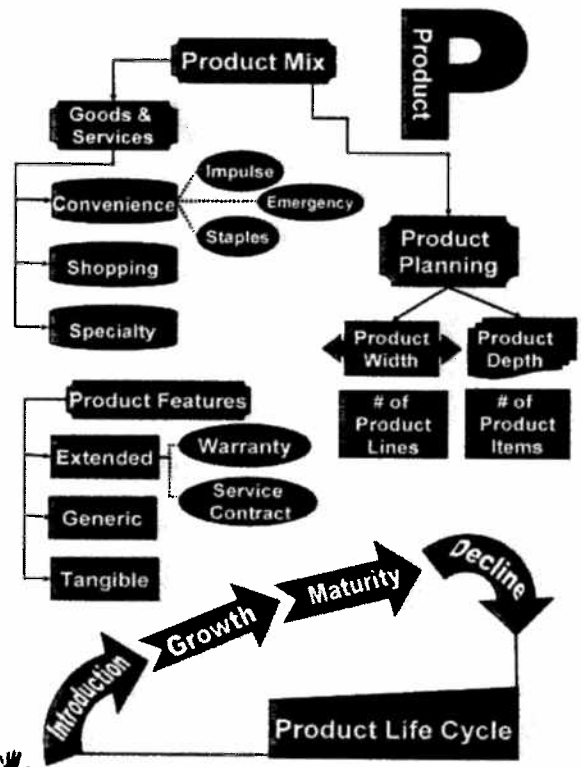
Since most products don't appeal to every person; mass marketing is not often used. Instead a process of identifying characteristics of a specific group of customers creates a market segment. Products may then be specially adapted to meet the customers wants and needs.

Target markets of businesses may be within the industrial market or the consumer market. When targeting the industrial market, businesses sell to businesses. In the consumer market, businesses sell to the final-end user of a product. (B2B / B2C)

Through marketing research, a business knows who makes up its target market. The business then can analyze exactly what their target market wants. New and better products are continually made because of marketing research. Marketers must constantly be aware of changes in their consumers' attitudes toward their product. Once a product is positioned among its competitors, marketers must watch the response of buyers and its competitors.

Business decisions regarding marketing can be categorized into the 4 P's of the marketing mix. The marketing mix is made up of: product, place, price, and promotion. All decisions made must be with the target market in mind.

The Marketing Web™: Product



Decisions regarding a company's products are very important to the overall marketing mix.

The products which are made or sold by a company make up the company's product mix.

Product decisions include: packaging, brand names, labels, warranties, and guarantees. The product plan enables the company to add complimentary products and eliminate products no longer selling.

The product life cycle determines when a company should consider changing its product mix.

New products are added by: surveying focus groups, brainstorming ideas about the customer's needs and wants, putting new product ideas to the test, developing or adding the tested product, introducing it to the public, and finally evaluating the customer response.

Product width and depth are expanded to increase sales and profits. Other reasons are to appeal to other markets and to enhance the company's image.

Building brand recognition is a huge objective of product advertisements. The brand is the recognizable name, design, or symbol of a product. The brand, once recognized by customers is indispensable to the company. Customer loyalty is built through brand recognition.

National brands are associated with big manufacturers. Private brands are associated with the seller's of the product: wholesaler and/or retailer. Generic brands are known for their low cost and being a "no-name" brand.

The Marketing Web™: Price



When pricing, one should decide on the company's objective. Is it to beat the competition, maintain the company's image, or only to make a profit?

To price an item, its cost must be known and its demand estimated. Competition should be considered as well. Once the price is established, sales should be monitored. As the product moves through the product life cycle the price may need to be adjusted.

When a business places a price on its product, the markup should be sufficient enough to cover the expense and the desired profit.

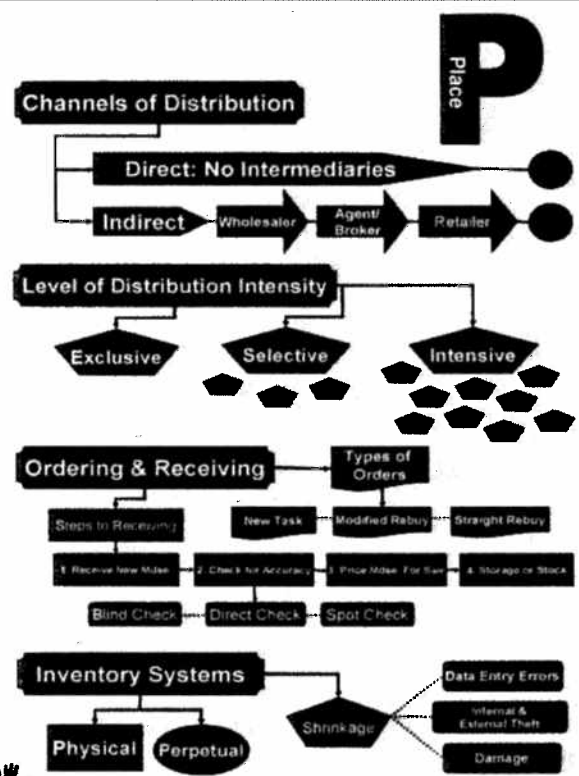
$$\text{cost} + \text{markup} = \text{retail price}$$

When an item is marked down the difference between the cost of the item and what it actually sells for is known as the maintained markup.

Once enough of any product has been sold to cover the expense of making and selling it, the break-even point has been met. Every product that sells after that point is making a profit for the company.

The Federal Trade Commission establishes pricing guidelines. Price fixing, when competitors collaborate upon fixing the price of an item, and price discrimination, when different prices are charged to similar customers, are both illegal pricing strategies.

The Marketing Web™: Place



Deciding where customers will buy a company's product is categorized under 'place' in the marketing mix.

Getting products from the manufacturer to the marketplace is accomplished through physical distribution. Not only is transportation involved but handling and warehousing the products too.

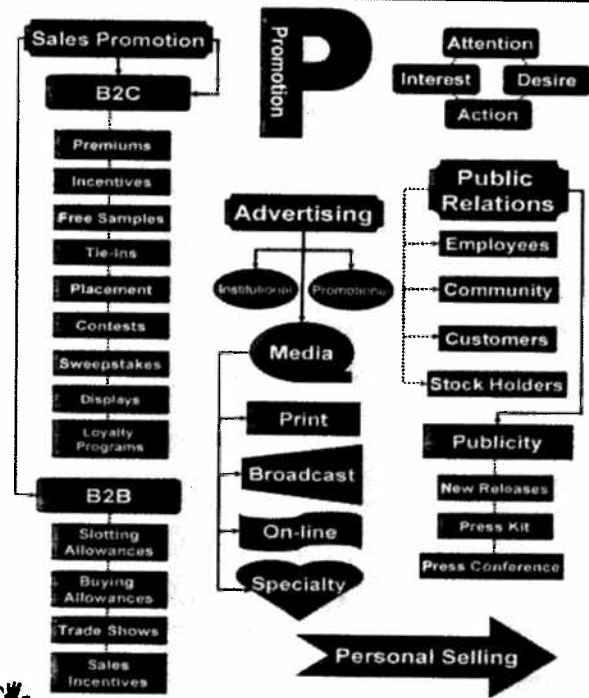
The old saying, 'Location, Location, Location,' forecasted the importance of 'place' decisions today. Being conveniently located is an advantage to many business. Today, much business is conducted through the phone and over the internet and physical location isn't important, but the placement of advertising must be kept.

Place decisions involve more than deciding where the business is actually located. Place also involves physical distribution of products from the manufacturer to the consumer. Manufacturers must decide how they want to distribute their products.

Decisions must be made about the channels of distribution. If the manufacturer wishes to sell directly to the consumer, the company will probably have a retail outlet, use direct marketing, or employ a sales staff. Otherwise, middleman, such as wholesalers, brokers, agents, or retailers may be involved in the distribution to the final consumer.

The manufacturer will also decide on the level of distribution intensity of the product. Using mass marketing, an intense level of distribution may be implemented. On the other hand, if the business only wishes to offer its product to niche markets through select outlets, an exclusive channel will be established.

The Marketing Web™: Promotion



Promotion is used to inform, persuade, or remind people of a business or a product. Promotion is one of the four P's of the marketing mix, and has its own mix, known as the promotional mix.

Forms of non-personal promotion include: advertising, public relations activities and sales promotions. These methods of communication with potential buyer's are one-way, and do not allow interaction between the buyer and seller. Personal selling, is another form of promotion. It does allow two-way interaction.

