

DEPARTMENT OF APPLIED ECONOMICS
UNIVERSITY OF MINNESOTA

Instructor Team
Ben Senauer
Dennis Degeneffe

Fall 2009

COURSE TITLE: **Food Marketing Economics, APEC 4451 (APEC 5451)**
(Prerequisites: APEC 1101 or ECON 1101; Marketing 3001 or instructor consent, 60 credits)

Tu/Thu 3:00 – 4:15pm, 143 Classroom Office Building

COURSE URL: <http://www.apec.umn.edu/faculty/bsenauer/APEC4451.html>

INSTRUCTORS' CONTACT INFO:

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COURSE DESCRIPTION:

This course covers the development of a marketing plan/strategy for new food products, including developing a target market based on consumer trends and segmentation. The food industry at the retailing (food store and foodservice) and wholesaling levels and supply chain management are studied, including the economic impact of e-commerce on industry structure and marketing strategies. Business and marketing strategies for maximizing efficiencies in distribution along the supply chain and for dealing with food safety issues will be studied using case studies. Current ethical and public policy issues confronting the food industry are examined and considered from various perspectives. There are several written assignments and guidance on writing. This course fulfills both writing intensive, citizenship and public ethics requirements.

STUDENT PERFORMANCE OBJECTIVES:

Provide a solid understanding of food product marketing, including the creation of a marketing plan/strategy. Develop a broad working knowledge of the food industry and food marketing system. Enable students to gain an ethical perspective on public policy issues related to food and the industry. Help students improve and refine their research, professional writing, and communication skills. Learn to work in teams and make presentations.

CLASSROOM GROUND RULES:

Students are expected to demonstrate professional conduct in class. Class participation will be evaluated on four factors: attendance (being in class, being there on time, and not leaving early without prior permission), participation (ready when called on; knowing the material and not reading it in class), and attitude (open to others' ideas; not fighting the point too long). Class participation is the best way to learn this material and be successful in the course. Out of common courtesy and respect for classmates and professors, there should be no use of cell phones for any purpose or laptops during the class except during team meetings or if the instructor specifically asks for a laptop to be used. A maximum level of engagement and a minimum of disruptive behavior will serve us all well!

GRADES:

There will be two midterm exams and three major writing and presentation project assignments. The midterms will count for 40 % (20% each) of the final grade; the three major projects 45% (15% each); and 15% will be based on short assignments, quizzes, class attendance and participation in discussions and teamwork. Students will be called on by name to answer questions in class.

Students will work on the projects in small group teams, and will evaluate team members' contributions for each major project. Feedback based on faculty and peer evaluations of teamwork will be provided after the first and second major assignments. Presentations will be made by the teams whereas the papers for each assignment will be written and graded individually.

The dates of the exams are:

Midterm I	October 20
Midterm II	December 10

The major written assignments are due on:

1st Assignment	October 13
2nd Assignment	November 17
3rd Assignment	December 15

Presentations are due on:

1st Presentation

October 13

2nd Presentation

November 17

Assignment 3

December 12 & 15

UNIVERSITY GRADING STANDARDS:

- A = achievement that is outstanding relative to the level necessary to meet course requirements.
- B = achievement that is significantly above the level necessary to meet course requirements.
- C = achievement that meets the course requirements in every respect.
- D = achievement that is worthy of credit even though it fails to meet fully the course requirements.
- S = achievement that is satisfactory, which is equivalent to a C- or better.
- F (or N) = Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.
- I (Incomplete) = Assigned at the discretion of the instructor when, due to extraordinary circumstances, e.g., hospitalization, a student is prevented from completing the work of the course on time; requires a written agreement between instructor and student.

(+/- will be used in this course)

ACADEMIC DISHONESTY:

Academic dishonesty in any portion of the academic work for a course shall be grounds for awarding a grade of F or N for the entire course.

CREDITS AND WORKLOAD EXPECTATIONS:

For undergraduate courses, one credit is defined as equivalent to an average of three hours of learning effort per week (over a full semester) necessary for an average student to achieve an average grade in the course. For example, a student taking a three credit course that meets for three hours a week should expect to spend an additional six hours a week on coursework outside the classroom.

LATE WORK:

Except in the cases of valid health, family emergencies, or other legitimate excuses, credit for late work will be reduced by 50% and make-up exams will only be given if the student receives approval from the instructor before the scheduled exam. Late assignments must be submitted within one week of the due date.

WRITING & PRESENTATION ASSIGNMENTS:

1. In Assignment #1 you will develop a marketing plan for a NEW food product that you design based on demographic and lifestyle trends. It includes developing a written marketing plan and a marketing strategy for your product. A short team presentation will be made in class. You will **write your own paper** and marketing plan.2.
2. In Assignment #2 you will write a mini-case study about one food company following the format of case studies being discussed in class. The research about this company will be a joint effort with your team. We encourage you to set up a web site (or a blog) where your team members can all add ideas and findings about the company for team members to see and comment on. You will share your findings about the company with the team and make a team presentation to the class. Your written case study will be **your own work** and will be graded individually.
3. In Assignment #3 you will examine one of three current critical issues in the food industry from a citizenship and public ethics perspective. Presentations will be made as a debate between teams. You will **write your own opinion paper** based on the acts you learn.

READINGS TO PURCHASE:

- Marketing, Customized Text for Food Marketing Economics, APEC4451/5451, McGraw Hill/ Irwin, 2006 (available in the St. Paul Campus Bookstore)

MAJOR TOPICS:

- I. Consumer Trends & Product Marketing Research
Assignment: Market Plan Paper and Presentation
- II. The Food Marketing System
Assignment: Case Study Paper and Presentation
- III. Ethics and Public Policy Issues
Assignment: Ethics in Marketing Paper and Group Debates

SCHEDULES OF TOPICS, ASSIGNMENTS, AND READINGS:

**THERE MAY NEED TO BE SOME CHANGES IN THIS SCHEDULE THAT WILL BE ANNOUNCED IN CLASS*

Week 1 – Tuesday 9/8 – Ben & Dennis

Course Introduction

Vending Machine Choices – Informal Focus Group (entire class)

Assignment #1 Overview

Thursday 9/10 – Ben & Dennis

Food Industry Careers (Dennis)

Food Industry Overview – Channels & Networks: (Ben)

Supply Chain

Demand Chain

Team Assignments (Ben)

Readings: Steve Martinez, The U.S. Food Marketing System: Recent Developments 1997-2006. <http://www.ers.usda.gov/publications/err42/>

“Appendix B: Careers in Marketing”, in Marketing, pp. 404-415.

Week 2 -- Tuesday 9/15 – Ben and Dennis

Marketing Overview and Marketing Strategy (Dennis)

Developing a Marketing Plan (Ben)

Readings: Chapter 22 – “Pulling It All Together: The Strategic Marketing Process” in Marketing, pp. 581-605.

Thursday 9/17 – Ben and Dennis

Brand Development and Brand Marketing (Dennis)

Brand Equity

Paradise Kitchens Case Study – Class Discussion (Ben)

Readings: Chapter 10 – “Brands, Packaging and other Product Features” in Marketing, pp. 280-305.

“Appendix A – Building an Effective Marketing Plan” in Marketing, pp. 331-347.

Week 3 - Tuesday 9/22 – Dennis

Marketing Strategy & Consumer Targeting – Segmentation

Readings: Chapter 4 - “Market Segmentation & Marketing Analysis” in Marketing, pp. 129-163.

Assignment: *Food Institute Webinar – “Future of Food Retailing”*
Willard Bishop Consulting
9/24 - 12:00 noon – 1:30 p.m. (web link to be provided)

Thursday 9/24 – Ben and Dennis

Pricing & Pricing Practices

Promotion

Discussion of Webinar

Readings: Chapter 15 – “Pricing” & Chapter 17 – “Integrated Marketing Communication” in Marketing, pp. 416-443 & pp. 307-328.

Week 4 – Tuesday 9/29 – Dennis

New Product Development Process

Readings: Chapter 8 – “Product Planning and Development” in Marketing, pp. 230-255.

Thursday 10/1 Dennis

Marketing Research Overview – The Voice of the Consumer

Purpose
Methods

Ideation
Demonstration Focus Groups

Readings: “Marketing Research” in Marketing, pp. 195-229.

Week 5 – Tuesday 10/6 - Dennis

Opportunity Identification and Innovation

Team Focus Groups

Readings: Chapter 5 – “Buyer Behavior” in Marketing, pp. 164-193.

Thursday 10/8 – Dennis and Ben

Product Development and Commercialization

Communication & Execution

Financial Analysis and Marketing Math (**Ben**)

Readings: Chapter 9 – “Product Mix Strategies” in Marketing, pp. 257-279
“Appendix A – Marketing Math”, pp. 451-458.

Week 6 – Tuesday 10/13- Ben and Dennis

Assignment # 1 Due

Team Class Presentations

Thursday 10/15 – Ben

Food Distribution Overview

Assignment # 2 Overview

Exam Review

Week 7 - Tuesday 10/20 – Dennis

Midterm # 2

Thursday 10/22 – Ben

Retail Food Industry and Supply Chain Management

Speaker: Dale Reily- Fresh Fields: Grocery Retail (Case Topic #1)

Readings: Chapter 10 – “Information Systems and Supply Chain Management” in Marketing, pp. 378-403.

Week 8 – Tuesday 10/27 – Ben

Speaker: Old Dutch Speaker: Regional Snack Food Company (Case Topic #2)
HEB Own Brand Case – Class Discussion

Readings: “H-E-B-Own Brands” in Marketing, p. 43-65.

Thursday 10/29 – Dennis

Food Service Industry

Speaker: Sean Roberts, Channel Marketing Manager, General Mills Foodservice
Coca Cola’s New Vending Machines Case Study – Class Discussion

Reading: “Foodservice Industry: Trends and Changing Structure in the New Millennium.” TFIC Working Paper (01-02),
http://foodindustrycenter.umn.edu/Food_Supply_Chain_Practices
“Coca-Cola’s New Vending Machines (A): Pricing to Capture Value or Not” in Marketing, pp. 31-39.

Week 9 - Tuesday 11/3 – Ben

Speaker: John Rupp, Owner of W. Frost, Restaurant Management in a Recession
WalMart Neighborhood Markets – Class Discussion

Readings: “Wal-Mart Neighborhood Markets” in Marketing, pp. 102-128.
“The Wal-Mart You Don’t Know”,
<http://pf.fastcompany.com/magazine/77/walmart.html>

Thursday 11/5 – Ben

Ethics in Marketing (Ben)

Readings: Chapter 4 – “Ethics and Social Responsibility in Marketing” in Marketing, pp. 461-480.

Week 10 – Tuesday 11/10 – Fall Conference

TFIC Student Fall Conference – Local Foods

Thursday 11/12 – Ben

Discussion of Local Foods (Dennis and Ben)

Ethics in Food

Readings: “New Grub Street: How did ethics become a staple of contemporary food writing”, Christopher Shea, *Columbia Journalism Review*, May/June 2007, pp. 55-58. Available by *googling* new grub street; it’s listed as “CJR: New Grub Street”.

“Appendix 15A: Legal Issues in Retail Pricing” in Marketing, pp. 446-450.

Week 11 – Tuesday 11/17 – Dennis & Ben

Assignment # 2 Due

Case Study Class Presentations

Thursday 11/19 – Ben

Assignment # 3 (Debate)

Assign Debate Topics

Food Inc., Video

Week 12 – Tuesday 11/24 - Ben

Environmental Issues

McDonald's and the Environment Cases (A & B) – Class Discussion

Readings: “McDonald's and the Environment (A & B)” in Marketing, pp. 66-101.

Week 13 – Tuesday 12/1 – Ben & Dennis

Food Safety & Defense

Tylenol Case Study – Class Discussion

Readings: “Johnson and Johnson: The Tylenol Tragedy” in Marketing, pp. 40-42.

Thursday 12/3 – Ben

Social Issues

Hunger

Obesity

Exam Review

Week 14 – Tuesday 12/8

Midterm # 2

Thursday 12/10 – Ben & Dennis

Debates

Week 15 – Tuesday 12/15 – Ben & Dennis

Debates

Assignment # 3 Due

Course Evaluation

Last Day of Class, Wednesday, December 16