

CAREER CLUSTER Marketing

INSTRUCTIONAL AREA Economics

FOOD MARKETING SERIES EVENT

PARTICIPANT INSTRUCTIONS

PROCEDURES

- 1. The event will be presented to you through your reading of these instructions, including the Performance Indicators and Event Situation. You will have up to 10 minutes to review this information to determine how you will handle the role-play situation and demonstrate the performance indicators of this event. During the preparation period, you may make notes to use during the role-play situation.
- 2. You will give an ID label to your adult assistant during the preparation time.
- 3. You will have up to 10 minutes to role-play your situation with a judge (you may have more than one judge).
- 4. You will be evaluated on how well you meet the performance indicators of this event.
- 5. Turn in all your notes and event materials when you have completed the role-play.

PERFORMANCE INDICATORS

- 1. Describe the economic impact of inflation on a business.
- 2. Explain factors affecting pricing decisions.
- 3. Identify factors affecting a business's profit.
- 4. Describe the concept of price stability as an economic measure.
- 5. Describe the role of business ethics in pricing.

EVENT SITUATION

You are to assume the role of marketing manager of BENEDICT FOODS INC., a national manufacturer of yogurt products. The CEO (judge) has asked you to recommend a strategy that would allow BENEDICT FOODS to remain price-competitive.

BENEDICT FOODS is a manufacturer of yogurt sold in a variety of flavors targeted to the retail consumer market. Marketed under the brand name *Four Leaf*, the yogurt can be purchased in 6 ounce individual cartons or in four-packs. While *Four Leaf* is competitively priced it is by no means positioned as low-end in either price or quality. Because of inflation, caused largely by ever-rising energy costs which affect both manufacturing and transportation, BENEDICT FOODS is experiencing reduced margins in its *Four Leaf* yogurt brand.

With heavy competition in the consumer dairy products market, BENEDICT FOODS faces a difficult decision as it attempts to maintain adequate profit margins. Essentially, the company is considering three strategies in order to protect margins:

- A. Continue current product packaging practices while increasing the price. Under this option, yogurt would still contain 6 ounces per carton and would continue to be sold individually as well as in four-packs. The price would be increased by 6% on the individual cartons and 4% on the four-packs.
- B. **Reduce product size to maintain current price.** A carton of yogurt would be reduced from 6 ounces to 5.75 ounces and would still be sold individually and in four-packs. The price would be unchanged.
- C. **Keep the prices the same while increasing the number of units inside each package.** The carton will remain at 6 ounces but will no longer be able to be purchased individually. Instead, all *Four Leaf* yogurts will only be sold in multi-packs of four, six or ten cartons per package.

The CEO (judge) has asked to recommend a strategy to protect profit margins. Your presentation to the CEO (judge) of BENEDICT FOODS should address the following:

- An analysis of each of the three options which details the advantages and disadvantages to BENEDICT FOODS.
- Your recommendation regarding a course of action that BENEDICT FOODS should follow.

You will present to the CEO (judge) in a role-play to take place in the CEO's (judge's) office. The CEO (judge) will begin the role-play by greeting you and asking to hear your analysis of the options being considered as well as your recommendation. When you have concluded and have answered the CEO's (judge's) questions, the CEO (judge) will conclude the role-play by thanking you for your work.

JUDGE'S INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

- 1. Procedures
- 2. Performance Indicators
- 3. Event Situation
- 4. Judge Role-play Characterization
 Participants may conduct a slightly different type of meeting and/or discussion with you
 each time; however, it is important that the information you provide and the questions
 you ask be uniform for every participant.
- 5. Judge's Evaluation Instructions
- 6. Judge's Evaluation Form Please use a critical and consistent eye in rating each participant.

JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of CEO of BENEDICT FOODS INC., a national manufacturer of yogurt products aimed at the retail consumer market. You have asked your marketing manager (participant) to recommend a strategy that would allow BENEDICT FOODS to remain price-competitive.

BENEDICT FOODS is a manufacturer of yogurt sold in a variety of flavors targeted to the retail consumer market. Marketed under the brand name *Four Leaf*, the yogurt can be purchased in 6 ounce individual cartons or in four-packs. While *Four Leaf* is competitively priced it is by no means positioned as low-end in either price or quality. Because of inflation, caused largely by ever-rising energy costs which affect both manufacturing and transportation, BENEDICT FOODS is experiencing reduced margins in its *Four Leaf* yogurt brand.

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A. Continue current product packaging practices while increasing the price. Under this option, yogurt would still contain 6 ounces per carton and would continue to be sold individually as well as in four-packs. The price would be increased by 6% on the individual cartons and 4% on the four-packs.

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- C. **Keep the prices the same while increasing the number of units inside each package.** The carton will remain at 6 ounces but will no longer be able to be purchased individually. Instead, all *Four Leaf* yogurts will only be sold in multi-packs of four, six or ten cartons per package.

You have asked your marketing manager (participant) to recommend a strategy to protect profit margins. The marketing manager (participant) will make a presentation to you that address the following:

- An analysis of each of the three options which details the advantages and disadvantages to BENEDICT FOODS.
- His/Her recommendation regarding a course of action that BENEDICT FOODS should follow.

The marketing manager (participant) will present the ideas to you in a role-play to take place in your office. You will begin the role-play by greeting the marketing manager (participant) and asking to hear his/her ideas.

During the course of the role-play you are to ask the following questions of each participant:

- 1. What kind of resistance should we expect from our grocery store clients if we decide to package only in four, six or ten packs cartons?
- 2. Based on your opinion, should BENEDICT FOODS consider adding any additional channels of distribution? Explain.

Once the marketing manager (participant) has presented and has answered your questions, you will conclude the role-play by thanking the marketing manager (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

JUDGE'S EVALUATION INSTRUCTIONS

Evaluation Form Information

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators being demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event chairperson and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.

TOTAL SCORE _____

JUDGE'S EVALUATION FORM

FMS SAMPLE

DID THE PARTICIPANT:

Judge's Initials _____

1. Describe the economic impact of inflation on business? Little/No Value Below Expectations Meets Expectations Exceeds Expectations				
0, 2	4, 6, 8	10, 12, 14	16, 18	
Attempts at describing	Adequately described the	Effectively described the	Very effectively described the	
economic impact of inflation	economic impact of inflation	economic impact of inflation	economic impact of inflation	
were inadequate or weak.	on the business.	on the business.	on the business.	
2. Explain factors affecting pricing decisions?				
Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	
0, 2	4, 6, 8	10, 12, 14	16, 18	
Attempts at explaining	Adequately explained the	Effectively explained the	Very effectively explained the	
factors affecting pricing were		factors affecting pricing	factors affecting pricing	
inadequate or weak.	decisions.	decisions.	decisions.	
3. Identify factors affecting a business's profit?				
Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	
0, 2	4, 6, 8	10, 12, 14	16, 18	
Attempts at identifying the	Adequately identified the	Effectively identified the	Very effectively identified the	
factors affecting profit were	factors affecting the	factors affecting the	factors affecting the business's	
weak or inadequate.	business's profit.	business's profit.	profit.	
4. Describe the concept of price stability as an economic measure?				
Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	
0, 2	4, 6, 8	10, 12, 14	16, 18	
Attempts at describing the	Adequately described the	Effectively described the	Very effectively described the	
concept of price stability	concept of price stability as	concept of price stability as	concept of price stability as an	
were inadequate or unclear.	an economic measure.	an economic measure.	economic measure.	
5. Describe the role of business ethics in pricing?				
Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	
0, 2	4, 6, 8	10, 12, 14	16, 18	
Attempts at describing the	Adequately described the	Effectively described the role		
role of business ethics were	role of business ethics in	of business ethics in pricing.	role of business ethics in	
inadequate or weak.	pricing.		pricing.	
6. Overall impression and response to the judge's questions.				
Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	
0, 1	2, 3, 4	5, 6, 7	8, 9, 10	
Demonstrated few skills;	Demonstrated limited ability	Demonstrated the specified	Demonstrated skills confidently	
could not answer the judge's	to link some skills; answered	skills; answered the judge's	and professionally; answered	
questions.	the judge's questions	questions effectively.	the judge's questions very	
questions.				