

# Marketing Decision Making

Marketing personnel must make decisions whenever they perform any of the marketing functions. Marketers must continuously decide what is to be done, who is to do it, how it is to be done, and when and where are the best time and place to do it.

## How To Make Decisions

### **Step 1: Define idea or problem to be acted upon.**

Before seeking answers, you need to identify the real problem. The first step in decision making is to find out what the problem really is; only then should you work toward a solution or answer. Defining the problem is not an easy task in most cases. What appears to be the problem might at best be merely a symptom that shows on the surface.

### **Step 2: Collect, interpret and evaluate relevant information about the problem.**

Usually there are many sources from which to gather information affecting a decision. Sometimes standing orders, policies, procedures, rules, and regulations provide relevant information. Other sources of information include your own experience, company records and reports, discussion with individuals and personal observations.

### **Step 3: Develop possible alternative solutions.**

The next step is to develop alternative ways of solving the problem or taking advantage of the opportunity. Alternatives are possible courses of action that can satisfy a need or solve a problem. Usually several choices are available to the decision maker if he or she is able to identify or develop them.

### **Step 4: Select the preferred or “best” alternative.**

You have reached a point where you must make a decision. You should logically and rationally pick the alternative you think is most desirable for all concerned from an objective, ethical, and practical point of view. Sometimes the preferred alternative involves cost/benefit analysis and risk analysis.

**Cost/Benefit Analysis:** You estimate what each alternative will cost in terms of human, physical and financial resources. Then you estimate the expected benefits. Finally, you compare the two estimates and select the one with the greatest “payoff” where the ratio of benefits to cost is more favorable.

**Risk Analysis:** Risk, which is the possibility of defeat, disadvantage, injury, or loss is inherent in decision making. You should try to minimize the risks involved by effectively forecasting outcomes and considering all variables involved.

### **Step 5: Implement the decision.**

Effective decision making doesn't stop when you choose from among alternative solutions. The decision must be put into operation.

### **Step 6: Follow-up, evaluate, and make changes if needed.**

Follow-up and the evaluation of the outcome of a decision is part of the process of decision making. Follow-up and evaluation of a decision can take many forms depending on the nature of the decision, timing, costs, standards expected, personnel, and other factors.

If the follow-up and evaluation indicate that something has gone wrong or that the results have not been as anticipated, then the decision-making process must begin all over again. This may even mean going back over each of the various steps of the decision-making process in detail.

# Directions for Marketing Decision Making Competitive Event

In this competitive event activity, you will be asked to review a case problem dealing with some aspect of marketing. From the information provided in the case problem, you are to utilize your decision making skills by proposing an adequate solution to the problem.

Utilizing the Marketing Decision Making form, reach a solution to the case problem presented. Upon reaching a solution to the case problem, develop a written memorandum (form provided) of your solution to the problem. Upon completion of your memo, you will present a summary and a “defense” of your solution to a judge.

Your written memo should follow the steps of the decision making process:

1. Define the idea or problem to be acted upon.
2. Evaluation of the relevant information is about the problem.
3. Development of possible solutions.
4. Selection of the preferred or best solution.
5. Implementation strategy for the solution.
6. Evaluation plan for the solution.

Time Lines:

- 50 minutes to review case problem and develop memo.
- 5 minutes to present to judge.

Extra competitor slots MAY NOT be used in this event.

# Marketing Decision Making Form

For the given problem in this competitive event, utilize this form in reaching the decision for the problem.

1. Identify the true problem that must be acted upon.

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2. What are the important facts to be considered in this problem?

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3. What are the possible solutions to this problem?

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4. What alternative is the “best” for this problem?

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5. How would you implement this solution for the problem?

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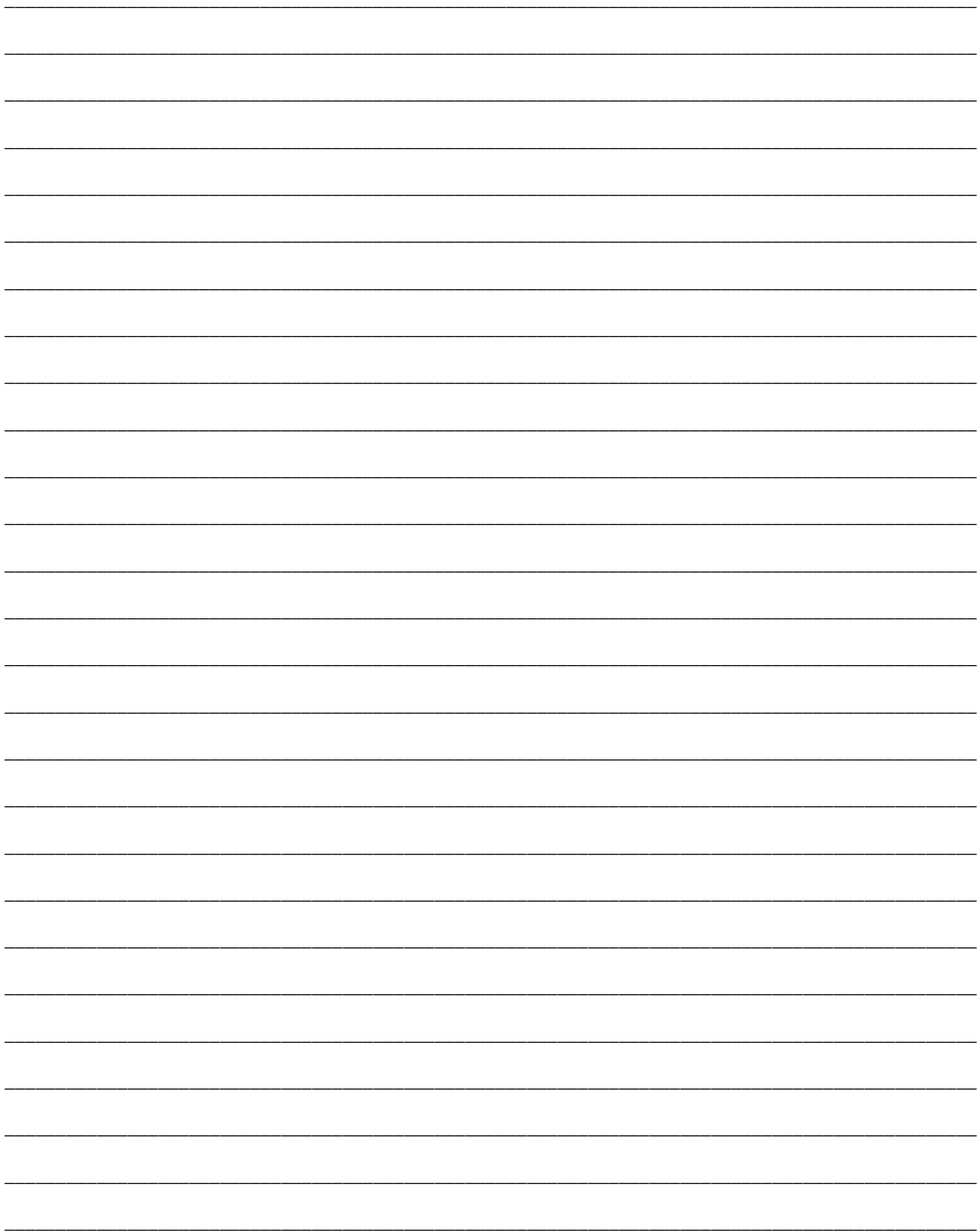
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6. How would you follow-up or evaluate the solution you recommended for this problem?

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# Evaluation Instrument

## Rating Scale:

- 4 = Exceptional (information presented in an effective way and imaginative fashion—outstanding)
- 3 = Above Average (information presented well but a few minor problems of omissions, but are not significant)
- 2 = Adequate (minimum standards of acceptability)
- 1 = Below Average (major flaws not noted or major omissions, poor writing or any other major flaw)
- 0 = Incomplete or No Evidence (information presented is of no value or does not address the problem at all)

## Written Memorandum:

1. Based on the information presented in the written memo, did the participant. . .

A. identify the true problem that must be acted upon?

4      3      2      1      0

B. identify the important facts to be considered in this problem?

4      3      2      1      0

C. generate acceptable alternative solutions to the problem?

4      3      2      1      0

D. select the most appropriate solution to the problem?

4      3      2      1      0

E. identify an appropriate implementation strategy for the selected solution?

4      3      2      1      0

F. devise an evaluation plan for the selected solution?

4      3      2      1      0

2. Did the selected solution presented by the participant indicate. . .

A. that the solution was logical?

4      3      2      1      0

B. creative insight (evidence that original thinking was applied to the chosen solution)?

4      3      2      1      0

3. The participant's memo was written in a(n):

A. logical and coherent manner.

4      3      2      1      0

B. acceptable manner in terms of grammar, spelling, and punctuation.

4      3      2      1      0

**Oral Presentation:**

The participant's oral presentation:

A. was logical and coherent

4      3      2      1      0

B. was effective in presenting the problem and solution.

4      3      2      1      0

C. showed the evidence of conviction to the proposed solution.

4      3      2      1      0

**Overall Evaluation of the Participant's Memo and Oral Presentation:**

4      3      2      1      0

**Total Score = 56      Participant's Score = \_\_\_\_\_**

Exceptional      =      56  
Above Average =      55-42  
Adequate      =      41-28  
Below Average =      27-14  
Incomplete      =      13-0

**Tie Breaker:**

In the case that judges do not break a tie, the competitor receiving the most points for:

1. Overall Evaluation of the participant's memo and oral presentation
2. Oral Presentation - Item B
3. Written Memorandum - Item 2B
4. Written Memorandum - Item 1E
5. Oral Presentation - Item C
6. Oral Presentation - Item A