MARKETING
AN INTRODUCTION

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GARY ARMSTRONG is Crist W. Blackwell Distinguished Professor Emeritus of Undergraduate Education in the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. He holds undergraduate and masters degrees in business from Wayne State University in Detroit, and he received his Ph.D. in marketing from Northwestern University. Dr. Armstrong has contributed numerous articles to leading business journals. As a consultant and researcher, he has worked with many companies on marketing research, sales management, and marketing strategy.

But Professor Armstrong’s first love has always been teaching. His long-held Blackwell Distinguished Professorship is the only permanent endowed professorship for distinguished undergraduate teaching at the University of North Carolina at Chapel Hill. He has been very active in the teaching and administration of Kenan-Flagler’s undergraduate program. His administrative posts have included chair of marketing, associate director of the undergraduate business program, director of the business honors program, and many others. Through the years, he has worked closely with business student groups and has received several campus-wide and Business School teaching awards. He is the only repeat recipient of the school’s highly regarded Award for Excellence in Undergraduate Teaching, which he received three times. Most recently, Professor Armstrong received the UNC Board of Governors Award for Excellence in Teaching, the highest teaching honour bestowed by the sixteen-campus University of North Carolina system.

PHILIP KOTLER is S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University. He received his master’s degree at the University of Chicago and his Ph.D. at M.I.T., both in economics. Dr. Kotler is author of Marketing Management (Pearson Prentice Hall), now in its 13th edition and the world’s most widely used marketing textbook in graduate schools of business worldwide. He has authored dozens of other successful books and has written more than 100 articles in leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article in the Journal of Marketing.

Professor Kotler was named the first recipient of two major awards: the Distinguished Marketing Educator of the Year Award given by the American Marketing Association and the Philip Kotler Award for Excellence in Health Care Marketing presented by the Academy for Health Care Services Marketing. His numerous other major honours include the Sales and Marketing Executives International Marketing Educator of the Year Award; The European Association of Marketing Consultants and Trainers Marketing Excellence Award; the Charles Coolidge Parlin Marketing Research Award; and the Paul D. Converse Award, given by the American Marketing Association to honour “outstanding contributions to science in marketing.” In a recent Financial Times poll of 1000 senior executives across the world, Professor Kotler was ranked as the fourth “most influential business writer/guru” of the 21st century.

Dr. Kotler has served as chairman of the College on Marketing of the Institute of Management Sciences, a director of the American Marketing Association, and a trustee of the Marketing Science Institute. He has consulted with many major U.S. and international companies in the areas of marketing strategy and planning, marketing organization, and international marketing. He has travelled and lectured extensively throughout Europe, Asia, and South America, advising companies and governments about global marketing practices and opportunities.
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**LILLY ANNE BUCHWITZ** is an author, teacher, and expert in the field of Internet marketing and advertising who became an academic after 15 years in the professional world of high-tech product marketing and Internet services. In the early days of the Internet, she was the marketing manager for the Open Text Index, one of the original Internet search engines developed by Canadian software company Open Text; she became somewhat notorious for developing paid search advertising in 1996. She later worked for the Internet startup that became About.com, helped launch Internet advertising network DoubleClick in Canada, and was the Internet marketing manager for Chapters Online. Her professional activities eventually led her to teaching and research in the still-developing field of Internet advertising, and she recently completed her Ph.D. in marketing at Bristol Business School, University of the West of England. She is currently working on turning her dissertation, “Exploring the Life Cycle of Advertising on a New Mass Medium: A Comparison of the Histories of Internet and Radio Advertising,” into a book. She has undergraduate degrees in English literature and education from McGill University, and an MBA from Wilfrid Laurier University. She began her university teaching career at the University of New Brunswick in their emerging e-commerce program in St. John, as well as in their business education program in Beijing, China. Later, she taught marketing communications and Internet marketing at Brock University in St. Catharines, and then spent three years in the capital of Silicon Valley, as an Assistant Professor at San Jose State University. She is currently an instructor in the School of Business and Economics at Wilfrid Laurier University in Waterloo.

**DAVID GAUDET** is an instructor at SAIT Polytechnic and the University of Calgary, and an active business owner/consultant, operating in a diverse number of industries. Holding an MBA with high distinction, from the University of Southern Queensland, Australia, he develops and delivers business courses in subjects ranging from accounting to marketing. His embrace of new technologies and integration of social media into his teaching have made him an early adopter and pioneer of flipped classroom methodology, and a regular speaker at the annual NISOD Conference in Austin, Texas. Gaudet’s professional career began in broadcasting, after earning his diploma of Applied Arts in 1983. He went on to assist in the successful launch of various radio stations in western Canada, and ultimately hold down programming duties in some of the country’s most listened to stations. His passion for media converged with his entrepreneurial DNA in the early 90’s when he started his first business, a media market research company, providing listener/viewer data to clients. He has added a plethora of marketing services to his portfolio over the last 20 years, providing corporate communications, project management, business analysis, crisis communications, media training, public relations, copywriting, web design, content management and strategic planning all under his third business startup, “Triceratops Brand Logic Inc”.

The fifth Canadian edition of Marketing: An Introduction makes learning and teaching marketing more effective, easier, and more enjoyable than ever. Its streamlined approach strikes a careful balance between depth of coverage and ease of learning. The fifth Canadian edition’s brand new design enhances student understanding. And when combined with MyMarketingLab, our online homework and tutorial system, Marketing: An Introduction ensures that you will come to class well prepared and leave class with a richer understanding of basic marketing concepts, strategies, and practices.

Marketing: Creating Customer Value and Relationships

Top marketers all share a common goal: putting the consumer at the heart of marketing. Today’s marketing is all about creating customer value and building profitable customer relationships. It starts with understanding consumer needs and wants, deciding which target markets the organization can serve best, and developing a compelling value proposition by which the organization can attract, keep, and grow targeted consumers. If the organization does these things well, it will reap the rewards in terms of market share, profits, and customer equity. In the fifth Canadian edition of Marketing: An Introduction, you’ll see how customer value—creating it and capturing it—drives every good marketing strategy.

Five Major Value Themes

The text is built around the five major themes described below. These themes and the many related key concepts are brought to life through cases and examples that have been written just for this edition by Canadian authors. Indeed the WestJet cover image sets the tone for this pervasive and strong Canadian theme. In this fifth Canadian edition, you’ll find many stories about Canadian companies, such as The Running Room and RIM, and real Canadians working in fields such as marketing research and music marketing, as well as a running chapter by chapter WestJet mini-case. Each chapter also considers international marketing, both in terms of what Canadian companies are doing abroad and what interesting marketing activities foreign companies are engaging in.

The fifth Canadian edition of Marketing: An Introduction builds on five major value themes:

1. Creating value for customers in order to capture value from customers in return. Today’s outstanding marketing companies understand the marketplace and customer needs, design value-creating marketing strategies, develop integrated marketing programs that deliver value and satisfaction, and build strong customer relationships. In return, they capture value from customers in the form of sales, profits, and customer equity. This
innovative customer value framework is introduced in a five-step marketing process model, which details how marketing creates customer value and captures value in return. The framework is carefully explained and integrated throughout the text.

2. **Building and managing strong brands to create brand equity.** Well-positioned brands with strong brand equity provide the basis upon which to build profitable customer relationships. Today's marketers must position their brands powerfully and manage them well. The fifth Canadian edition provides a deep focus on brands with expanded coverage of brand strategy and management in Chapter 9.

3. **Measuring and managing return on marketing.** Marketing managers must ensure that their marketing dollars are being well spent. In the past, many marketers spent freely on big, expensive marketing programs, often without thinking carefully about the financial returns on their spending. But all that has changed—measuring and managing return on marketing investments has become an important part of strategic marketing decision-making. The fifth Canadian edition specifically addresses return on marketing investment.

4. **Harnessing new marketing technologies.** New digital and other high-tech marketing developments are dramatically changing consumers and marketers, and the ways in which they relate to one another. The fifth Canadian edition thoroughly explores the new technologies impacting marketing, from “Web 3.0” to new-age digital marketing and from online technologies to the exploding use of social networks and customer-generated marketing.

5. **Marketing in a socially responsible way around the globe.** As technological developments make the world an increasingly smaller place, marketers must be good at marketing their brands globally and in socially responsible ways. The fifth Canadian edition integrates global marketing and social responsibility topics throughout the text, specifically in Chapter 3, which is dedicated to sustainable marketing.

**New in the Fifth Canadian Edition**

We've thoroughly revised the fifth Canadian edition of *Marketing: An Introduction* to reflect the major trends and forces impacting marketing in this era of customer value and relationships. Here are just some of the major changes you'll find in this edition.

- There is greater diversity of Canadian firms featured throughout each chapter. From the chapter opening vignettes, to the examples and cases, these companies provide broader coverage of the industries (services, manufacturing, and social media industries,) that are integral to Canadian business.
- In the fifth Canadian edition, coverage of **sustainability** is now woven into each chapter.
- The fifth Canadian edition features new discussions about timely issues such as **neuromarketing** (Chapter 5) **crowdsourcing and customer-driven idea generation** (Chapter 8), a discussion on how to **engage consumers**, and not just reach them (Chapter 12), a section on the **international advertising decisions** with references to specific Canadian examples (Chapter 12), as well as a section on: **personal selling and managing customer relationships** (Chapter 13).
- The fifth Canadian edition continues to engage students with this title's most unique feature, **the comprehensive case**. Used to further illustrate a chapter's key learnings, this case runs throughout the book, and examines WestJet's marketing strategy as it relates to the content being discussed. There is a particular focus on their planned expansion into regional and trans-Atlantic destinations.
The fifth Canadian edition includes new coverage of technology woven throughout the textbook. With sections on mass mingling (Chapter 4), shoppable media and showrooming (Chapter 11), an expanded section on new marketing communications models and the impact of advances in communication technology alongside more traditional models (Chapter 12), and Selling and the Internet (Chapter 13) this text examines many of the most timely developments in marketing and technology.

The fifth Canadian edition includes new sections on Brand Communications, Brand Stories, Branded Content, Brands and Social Media (Chapter 9), and the use of brand ambassadors as with the 2009 campaign by James Ready beer, or the work of Toronto-based Campus Intercept (Chapter 6).

The fifth Canadian edition also contains a new section on the use and role of logos (Chapter 9).

(Chapter 11) has been reorganized into three major sections: Marketing Channels, Retail, and Supply Chain/Logistics. The section on marketing channels has been re-written to explain the concepts in real marketing terms and to use real examples that will resonate with students. The emphasis in the revised retail section explains the new technological trends in retail (online, social media, mobile). Finally, this chapter discusses some global brands, with particular focus on US firms doing business in Canada and Canadian firms branching out to do more business internationally.

Real Value Through Real Marketing

Marketing: An Introduction features in-depth, real-world examples and stories that show concepts in action and reveal the drama of modern marketing. In the fifth Canadian edition, every chapter contains an opening vignette and Marketing@Work stories that provide fresh and relevant insights into real marketing practices. Learn how:

- The Running Room's obsession with creating the very best customer experience has resulted in avidly loyal customers and astronomical growth.
- Nike's customer-focused mission and deep sense of customer brand community have the company sprinting ahead while competitors are gasping for breath.
- Bullfrog Power shows how an innovative new company can address issues related to sustainability while stretching a limited marketing budget through the use of powerful public relations techniques.
- Google innovates at the speed of light—it's part of the company's DNA.
- Amazon.com has become one of the best-known names on the Web and has been viewed as the model for business in the digital age.

Beyond these features, each chapter is packed with countless real, relevant, and timely examples that reinforce key concepts. No other text brings marketing to life like the fifth Canadian edition of Marketing: An Introduction.
Valuable Learning Aids

A wealth of chapter-opening, within-chapter, and end-of-chapter learning devices help students to learn, link, and apply major concepts:

- **Chapter-opening Content.** The new, more active and integrative opening spread in each chapter features a brief Previewing the Concepts section that includes chapter concepts, an outline of chapter content and learning objectives, and an opening vignette—an engaging, deepening, illustrated, and annotated marketing story that introduces the chapter material and spurs student interest.

- **Marketing Work highlights.** Each chapter contains two high-light features that provide an in-depth look at real marketing practices of large and small companies.

- **Reviewing the Concepts.** A summary at the end of each chapter reviews major chapter concepts and links them to chapter objectives.

- **Key Terms.** A helpful listing of chapter key terms by order of appearance with page numbers allows easy reference.

- **Talk About Marketing.** This section contains discussion questions that require students to think about, discuss, defend, and apply the concepts in the chapter.

- **Think Like a Marketing Manager.** A very short case gives a real-world example of one of the concepts in the chapter in action, followed by application questions.

- **Marketing Ethics.** Situational descriptions and questions at the end of each chapter highlight important issues in marketing ethics and social responsibility.

- **Marketing Technology.** Application exercises at the end of each chapter facilitate discussion of important and emerging marketing technologies in this digital age.

- **Marketing by the Numbers.** An exercise at the end of each chapter lets students apply analytical and financial thinking to relevant chapter concepts and links the chapter to Appendix 3, Marketing by the Numbers.

- **Video Case.** Short vignettes with discussion questions come at the end of most chapters. These are to be used with the set of engaging 4- to 7-minute videos that accompany the fifth Canadian edition, and can be found on the MyMarketingLab.
Comprehensive Case: WestJet®

WestJet is as authentic an example of true Canadian entrepreneurialism as there has been in the last several decades. Three forward thinking, resourceful businessmen, five planes and an idea to super-serve "guests" with value priced airfare, has gone from nothing to approximately one-third share of the Canadian domestic air travel market. In 2013, having grown to servicing 90 destinations throughout North America, Central America and the Caribbean, WestJet launched its regional subsidiary, Encore, to begin a new chapter of delivering the same WestJet brand experience to smaller Canadian communities.

We've used WestJet as our comprehensive case in the fifth edition. This case material can be found in three key areas of the text:

1. WestJet Mini Cases. At the end of each chapter is a short case about the company that illustrates how they employ the topics covered in that chapter.
2. Appendix 1 – General Company Information: WestJet. This appendix tells the story of WestJet and illustrates how its marketing strategy has been a key element of its success.
3. Appendix 2 – The Marketing Plan: An Introduction. Our second appendix contains a sample marketing plan that helps you to see how marketing concepts translate into real-life marketing strategies.
Teaching and Learning Support

A successful marketing course requires more than a well-written book. Today's classroom requires a dedicated teacher and a fully integrated teaching package. A total package of teaching and learning supplements extends this edition's emphasis on effective teaching and learning. The aids on the following page support *Marketing: An Introduction*.

**Instructor's Resource Manual.** This invaluable resource not only includes chapter-by-chapter teaching strategies, it also features notes about the PowerPoint slides and the video cases. This supplement is available through Pearson Education Canada's online catalogue at [http://vig.pearsoned.ca](http://vig.pearsoned.ca), and also available through the instructor's eText.

**Pearson MyTest.** This computerized test bank includes multiple-choice and true/false questions, plus essay and short-answer questions. All questions include the correct answer and are linked to a learning objective from the chapter. The MyTest is available through MyMarketingLab.

**PowerPoint® Presentations.** Newly designed PowerPoint slides are available with this edition and include custom infographics that help bring marketing concepts to life. The PowerPoints are also available to instructors through Pearson Education Canada's online catalogue at [http://vig.pearsoned.ca](http://vig.pearsoned.ca).

**Pearson eText**

Pearson eText gives students access to the text whenever and wherever they have access to the Internet. eText pages look exactly like the printed text, offering powerful new functionality for students and instructors. Users can create notes, highlight text in different colours, create bookmarks, zoom, click hyperlinked words and phrases to view definitions, and view in single-page or two-page view. Pearson eText allows for quick navigation to key parts of the eText using a table of contents and provides full-text search. The eText may also offer links to associated media files, enabling users to access videos, animations, or other activities as they read the text.

**MyMarketingLab**

Break through to a higher level of learning with MyMarketingLab. MyMarketingLab now allows you to assess your students at every level of learning. Features include:
- Chapter Quizzes
- Video Cases
- Marketing Mini-Cases
- Performance Reporting
- Pearson eText for Students and Instructors
Adaptive Learning

Dynamic Study Modules. MyMarketingLab makes studying more efficient and more effective for every student with the new Dynamic Study Modules. Leveraging research from the fields of cognitive psychology, neurobiology and game studies – the Dynamic Study Modules work by continuously assessing student performance and activity, then using data and analytics to provide personalized content in real-time to reinforce concepts that target each student’s particular strengths and weaknesses. The Dynamic Study Modules in MyMarketingLab are mobile! Students can study on their phone, tablet or computer.

Writing Space. Pearson’s Writing Space offers instructors powerful new tools to assign, track, and grade writing in their courses. Students can now complete and get feedback on writing assignments right within their MyLab. Writing Space assignments for this MyLab include Assisted-Graded Writing Assignments and Create Your Own Writing Assignments.

Learning Solutions Managers. Pearson’s Learning Solutions Consultants work with faculty and campus course designers to ensure that Pearson technology products, assessment tools, and online course materials are tailored to meet your specific needs. This highly qualified team is dedicated to helping schools take full advantage of a wide range of educational resources, by assisting in the integration of a variety of instructional materials and media formats. Your local Pearson Education sales representative can provide you with more details on this service program.

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