

5TH
CANADIAN
EDITION

MARKETING

AN INTRODUCTION

5TH
CANADIAN
EDITION

MARKETING AN INTRODUCTION

GARY ARMSTRONG

University of North Carolina

PHILIP KOTLER

Northwestern University

VALERIE TRIFTS

Dalhousie University

LILLY ANNE BUCHWITZ

Wilfrid Laurier University

CONTRIBUTING AUTHOR: DAVID GAUDET

SAIT Polytechnic

PEARSON

Toronto

Editor-in-Chief: Claudine O'Donnell
Director of Marketing: Leigh-Anne Graham
Program Manager: Karen Townsend
Project Manager: Andrea Falkenberg
Developmental Editor: Patti Sayle
Media Editor: Nicole Mellow
Media Producer: Daniel Szabo
Production Services: Cenveo® Publisher Services
Permissions Project Manager: Joanne Tang
Photo Permissions Research: Stephanie Imhof, Q2A/Bill Smith; Kristiina Paul
Text Permissions Research: Haydee Hidalgo, Electronic Publishing Services Inc., NYC
Art Director: Jerilyn Bockorick
Cover Designer: Anthony Leung
Interior Designer: Garrett Cimms, Cenveo® Publishers Services
Cover Image: Courtesy of WestJet

Credits and acknowledgments for material borrowed from other sources and reproduced, with permission, in this textbook appear on the appropriate page within the text.

Original edition published by Pearson Education, Inc., Upper Saddle River, New Jersey, USA. Copyright © 2013 Pearson Education, Inc. This edition is authorized for sale only in Canada.

If you purchased this book outside the United States or Canada, you should be aware that it has been imported without the approval of the publisher or the author.

Copyright © 2015 2012, 2010, 2007, 2004 Pearson Canada Inc. All rights reserved. Manufactured in the United States of America. This publication is protected by copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. To obtain permission(s) to use material from this work, please submit a written request to Pearson Canada Inc., Permissions Department, 26 Prince Andrew Place, Don Mills, Ontario, M3C 2T8, or fax your request to 416-447-3126, or submit a request to Permissions Requests at www.pearsoncanada.ca.

10 9 8 7 6 5 4 3 2 1 CKV

Library and Archives Canada Cataloguing in Publication

Armstrong, Gary, author

Marketing : an introduction / Gary Armstrong, University of North Carolina, Philip Kotler, Northwestern University, Valerie Trifts, Dalhousie University, Lilly Anne Buchwitz, Wilfrid Laurier University; contributing author, David Gaudet, Southern Alberta Institute of Technology. -- Fifth Canadian edition.

Revision of: Marketing : an introduction / Gary Armstrong ...

[et al.]; contributing author, Paul Finlayson. -- 4th Canadian ed. -- Toronto : Pearson Prentice Hall, 2011.

Includes bibliographical references and index. ISBN 978-0-13-337314-1 (pbk.)

I. Marketing--Textbooks. I. Kotler, Philip, author II. Trifts, Valerie, author III. Buchwitz, Lilly Anne, author IV. Gaudet, David (Professor), author V. Title.

HF5415.M295 2014

658.8

C2013-907319-1

PEARSON

ISBN: 978-0-133-37314-1

Brief Contents

Preface xix

PART 1: DEFINING MARKETING AND THE MARKETING PROCESS 2

- 1 Marketing: Creating and Capturing Customer Value 2**
- 2 Company and Marketing Strategy: Partnering to Build Customer Relationships 42**
- 3 Sustainable Marketing Social Responsibility and Ethics 78**

PART 2: UNDERSTANDING THE MARKETPLACE AND CONSUMERS 116

- 4 Analyzing the Marketing Environment 116**
- 5 Managing Marketing Information to Gain Customer Insights 154**
- 6 Understanding Consumer and Business Buyer Behaviour 192**

PART 3: DESIGNING A CUSTOMER-DRIVEN MARKETING STRATEGY AND MARKETING MIX 236

- 7 Segmentation, Targeting, and Positioning 236**
- 8 Developing and Managing Products and Services 274**
- 9 Brand Strategy and Management 316**
- 10 Pricing: Understanding and Capturing Customer Value 350**
- 11 Marketing Channels 392**
- 12 Communicating Customer Value: Advertising and Public Relations 430**
- 13 Personal Selling and Sales Promotion 472**
- 14 Direct and Online Marketing 508**

Appendix 1: General Company Information: WestJet 546

Appendix 2: The Marketing Plan 550

Appendix 3: Marketing by the Numbers 565

Endnotes 584

Glossary 605

Index 614

Contents

Preface xix

PART 1: DEFINING MARKETING AND THE MARKETING PROCESS 2

1

Marketing: Creating and Capturing Customer Value 2

What Is Marketing? 5

Marketing Defined 6

The Marketing Process 6

Understanding the Marketplace and Customer Needs 7

Customer Needs, Wants, and Demands 7

Market Offerings—Products, Services, and Experiences 7

Customer Value and Satisfaction 8

Exchanges and Relationships 8

Markets 9

Designing a Customer-Driven Marketing Strategy 10

Selecting Customers to Serve 10

Choosing a Value Proposition 10

Marketing Management Orientations 11

Preparing an Integrated Marketing Plan and Program 14

Building Customer Relationships 14

Customer Relationship Management 14

MARKETING@WORK 1.1 Canada Goose: Authenticity Is Key to Customer Value 15

The Changing Nature of Customer Relationships 18

Partner Relationship Management 21

Capturing Value from Customers 22

Creating Customer Loyalty and Retention 22

Growing Share of Customer 23

Building Customer Equity 23

The Changing Marketing Landscape 25

The Changing Economic Environment 25

MARKETING@WORK 1.2 The New Era of More Sensible Consumption 26

The Digital Age 28

The Growth of Not-for-Profit Marketing 29

Rapid Globalization 30

Sustainable Marketing—the Call for More Social Responsibility 31

So, What Is Marketing? Pulling it all Together 31

WESTJET MINI CASE A Great Guest Experience 34

REVIEWING THE CONCEPTS 35 KEY TERMS 36 TALK ABOUT

MARKETING 36 THINK LIKE A MARKETING MANAGER 37

MARKETING ETHICS 37 MARKETING TECHNOLOGY 37 MARKETING BY THE NUMBERS 38 VIDEO CASE 38
END-OF-CHAPTER CASE CONVERSE: SHAPING THE CUSTOMER EXPERIENCE 39

2

Company and Marketing Strategy: Partnering to Build Customer Relationships 42

Company-Wide Strategic Planning: Defining Marketing's Role 46

Defining a Market-Oriented Mission 46
 Setting Company Objectives and Goals 48
 Designing the Business Portfolio 49
 Analyzing the Current Business Portfolio 49

Planning Marketing: Partnering to Build Customer Relationships 53

Partnering with Other Company Departments 54
 Partnering with Others in the Marketing System 55

Marketing Strategy and the Marketing Mix 56

Customer-Driven Marketing Strategy 57

MARKETING@WORK 2.1 Nicher Logitech: The Little Mouse that Roars 59

Developing an Integrated Marketing Mix 60

Managing the Marketing Effort 62

Marketing Analysis 62
 Marketing Planning 63
 Marketing Implementation 64
 Marketing Department Organization 65

MARKETING@WORK 2.2 The Chief Marketing Officer 66

Marketing Control 67

Measuring and Managing Return on Marketing Investment 68

WESTJET MINI CASE Building Momentum 71

REVIEWING THE CONCEPTS 72 KEY TERMS 73 TALK ABOUT MARKETING 73
 THINK LIKE A MARKETING MANAGER 73 MARKETING ETHICS 74
 MARKETING TECHNOLOGY 74 MARKETING BY THE NUMBERS 74
 VIDEO CASE 75

END-OF-CHAPTER CASE TRAP-EASE AMERICA: THE BIG CHEESE OF MOUSETRAPS 76

3

Sustainable Marketing Social Responsibility and Ethics 78

Sustainable Marketing 82

Social Criticisms of Marketing 83

Marketing's Impact on Consumers 83
 Marketing's Impact on Society as a Whole 88
 Marketing's Impact on Other Businesses 91

Consumer Actions to Promote Sustainable Marketing 91

Consumer Activism 92
 Environmentalism 93

MARKETING@WORK 3.1 Bullfrog's Green Energy 94

Public Actions to Regulate Marketing 98

Business Actions Toward Sustainable Marketing 98

Sustainable Marketing Principles 99

MARKETING@WORK 3.2 Socially Responsible Marketing: Making the World a Better Place 102

Marketing Ethics 103

The Sustainable Company 108

WESTJET MINI CASE Writing on the Wall 109

REVIEWING THE CONCEPTS 110 KEY TERMS 111 TALK ABOUT
MARKETING 111 THINK LIKE A MARKETING MANAGER 111 MARKETING
ETHICS 112 MARKETING TECHNOLOGY 112 MARKETING BY THE
NUMBERS 112 VIDEO CASE 113

END-OF-CHAPTER CASE BELL CANADA'S CLEAN CAPITALISM: COMBINING
PLANET AND PROFIT 114

PART 2: UNDERSTANDING THE MARKETPLACE AND CONSUMERS 116

4 Analyzing the Marketing Environment 116

The Company's Microenvironment 120

The Company 120

Suppliers 121

Marketing Intermediaries 121

Competitors 122

Publics 122

Customers 123

The Company's Macroenvironment 123

Demographic Environment 123

Economic Environment 131

Natural Environment 132

Technological Environment 134

Political and Social Environment 135

Cultural Environment 138

MARKETING@WORK 4.1 The Pepsi Refresh Project: What Does Your Brand Care About? 139

Responding to the Marketing Environment 143

MARKETING@WORK 4.2 When the Dialog Gets Nasty: Turning Negatives into Positives 144

WESTJET MINI CASE Blue Sky and Storm Clouds 146

REVIEWING THE CONCEPTS 147 KEY TERMS 147 TALK ABOUT
MARKETING 148 THINK LIKE A MARKETING MANAGER 148 MARKETING
ETHICS 148 MARKETING TECHNOLOGY 149 MARKETING BY THE
NUMBERS 149 VIDEO CASE 150

END-OF-CHAPTER CASE TARGET: FROM "EXPECT MORE" TO
"PAY LESS" 151

5 Managing Marketing Information to Gain Customer Insights 154

Marketing Information and Customer Insights 157

Assessing Marketing Information Needs 159

Developing Marketing Information 159

Internal Data 160

Competitive Marketing Intelligence 160

Marketing Research 162

Defining the Problem and Research Objectives 162

Developing the Research Plan 163

Gathering Secondary Data 164

Primary Data Collection 165

MARKETING@WORK 5.1 Ethnographic Research: Watching What Consumers Really Do 167

MARKETING@WORK 5.2 Listening Online: The Web Knows What You Want 174

Implementing the Research Plan 177

Interpreting and Reporting the Findings 177

Analyzing and Using Marketing Information 177

Customer Relationship Management (CRM) 178

Distributing and Using Marketing Information 179

Other Marketing Information Considerations 180

Marketing Research in Small Businesses and Not-For-Profit Organizations 180

International Marketing Research 181

Public Policy and Ethics in Marketing Research 183

WESTJET MINI CASE Old-School Data Mining Goes Social 185

REVIEWING THE CONCEPTS 186 KEY TERMS 187 TALK ABOUT
MARKETING 187 THINK LIKE A MARKETING MANAGER 187 MARKETING
ETHICS 188 MARKETING TECHNOLOGY 188 MARKETING BY THE
NUMBERS 189 VIDEO CASE 189

END-OF-CHAPTER CASE MEREDITH: THANKS TO GOOD MARKETING
INFORMATION, MEREDITH KNOWS WOMEN 190

6

Understanding Consumer and Business Buyer Behaviour 192

Consumer Markets and Consumer Buyer Behaviour 196

What Is Consumer Behaviour? 196

Characteristics Affecting Consumer Behaviour 196

MARKETING@WORK 6.1 Word-of-Web: Harnessing the Power of Online
Social Influence 203

The Buyer Decision Process 211

The Buyer Decision Process for New Products 215

Business Markets and Business Buyer Behaviour 217

Business Markets 217

Business Buyer Behaviour 219

MARKETING@WORK 6.2 Dow Performance Plastics: "If You Win, We Win" 220

WESTJET MINI CASE California Dreaming 228

REVIEWING THE CONCEPTS 229 KEY TERMS 230 TALK ABOUT
MARKETING 230 THINK LIKE A MARKETING MANAGER 230 MARKETING
ETHICS 231 MARKETING TECHNOLOGY 231 MARKETING BY THE
NUMBERS 231 VIDEO CASE 232

END-OF-CHAPTER CASE PORSCHE: GUARDING THE OLD WHILE BRINGING IN
THE NEW 233

PART 3: DESIGNING A CUSTOMER-DRIVEN MARKETING STRATEGY AND MARKETING MIX 236

7 Segmentation, Targeting, and Positioning 236

Market Segmentation 240

Segmenting Consumer Markets 240

Segmenting Business Markets 248

Segmenting International Markets 249

Requirements for Effective Segmentation 250

Market Targeting 251

Evaluating Market Segments 251

Selecting Target Market Segments 251

MARKETING@WORK 7.1 Location-Based Micromarketing Equals Macro Opportunities 255

Socially Responsible Target Marketing 257

Differentiation and Positioning 258

Positioning Maps 259

Choosing a Differentiation and Positioning Strategy 260

MARKETING@WORK 7.2 Nissan's Cube is Not Just a Car, It's a Mobile Device 263

Communicating and Delivering the Chosen Position 266

WESTJET MINI CASE Road Warriors 268

REVIEWING THE CONCEPTS 269 KEY TERMS 270 TALK ABOUT MARKETING 270 THINK LIKE A MARKETING MANAGER 270 MARKETING ETHICS 271 MARKETING TECHNOLOGY 271 MARKETING BY THE NUMBERS 271

END-OF-CHAPTER CASE Scouts Canada: Repositioning the Brand 272

8 Developing and Managing Products and Services 274

What Is a Product? 278

Products, Services, and Experiences 278

Organizations, Persons, Places, and Ideas 278

Levels of Products and Services 279

Product and Service Classifications 279

New Product Development 282

New Product Development Strategy 282

Why New Products Fail 283

The New-Product Development Process 285

MARKETING@WORK 8.1 LEGO Group: Including Customers in the New-Product Development Process 287

The Product Life Cycle 291

Stages of the Product Life Cycle 291

Styles, Fashions, and Fads 294

Product and Service Decisions 295

Individual Product and Service Decisions 296

Packaging and Labelling 297

Product Line Decisions 300

Product Mix Decisions 301

MARKETING@WORK 8.2 Adapting Products for the Biggest Market on Earth 301

Services Marketing 303

Nature and Characteristics of a Service 303

Marketing Strategies for Service Firms 304

Managing Service Differentiation 306

Managing Service Quality 307

Managing Service Productivity 307

WESTJET MINI CASE A Baby Airline is Born 308

REVIEWING THE CONCEPTS 309 KEY TERMS 310 TALK ABOUT
MARKETING 311 THINK LIKE A MARKETING MANAGER 311 MARKETING
ETHICS 311 MARKETING TECHNOLOGY 312 MARKETING BY THE
NUMBERS 312 VIDEO CASE 313

END-OF-CHAPTER CASE Graf Canada—Focused on Fit and Performance 314

9

Brand Strategy and Management 316

What Is a Brand? 320

Brand Meaning 321

Brand Relationships 322

People As Brands 323

Brand Characteristics 324

Logos 324

Brand Personality 324

Brand Equity 325

MARKETING@WORK 9.1 Sleeman's Notorious Brand 326

Branding Strategy & Management 328

Brand Name Selection 328

Brand Positioning 329

Brand Sponsorship 330

Brand Development 332

Ongoing Brand Management 334

Brand Communications 335

Brand Experiences and Touchpoints 335

Brand Icons and Characters 336

Brand Stories 337

MARKETING@WORK 9.2 What's the Story—of Your Brand? 338

Brands and Social Media 340

WESTJET MINI CASE Happy Brands 342

REVIEWING THE CONCEPTS 343 KEY TERMS 344 TALK ABOUT
MARKETING 345 THINK LIKE A MARKETING MANAGER 345 MARKETING
ETHICS 345 MARKETING TECHNOLOGY 346 MARKETING BY THE
NUMBERS 346 VIDEO CASE 346

END-OF-CHAPTER CASE CAFFEINE AND CHOCOLATE: A WINNING
COMBINATION FOR AWAKE CHOCOLATE 347

10 Pricing: Understanding and Capturing Customer Value 350

What Is a Price? 354

Major Pricing Strategies 354

- Customer Value-Based Pricing 355
- Cost-Based Pricing 358
- Competition-Based Pricing 360

Other Internal and External Considerations Affecting Pricing

Decisions 361

- Overall Marketing Strategy, Objectives, and Mix 361

MARKETING@WORK 10.1 Burt's Bees: Wilfully Overpriced 362

- Organizational Considerations 364
- The Market and Demand 364
- The Economy 366

MARKETING@WORK 10.2 Whole Foods Market: Modifying Price and Value Strategies for Changing Economic Times 367

- Other External Factors 368

New-Product Pricing 369

- Market-Skimming Pricing 369
- Market-Penetration Pricing 369

Product Mix Pricing 370

- Product Line Pricing 370
- Optional-Product Pricing 371
- Captive-Product Pricing 371
- By-Product Pricing 372
- Product Bundle Pricing 372

Price Adjustment Strategies 373

- Discount and Allowance Pricing 373
- Segmented Pricing 373
- Psychological Pricing 374
- Promotional Pricing 375
- Geographical Pricing 376
- Dynamic Pricing 377
- International Pricing 377

Price Changes 378

- Initiating Price Changes 378
- Responding to Price Changes 380

Public Policy and Pricing 382

- Pricing Within Channel Levels 382
- Pricing Across Channel Levels 383

WESTJET MINI CASE Building Value in a Bundle 385

REVIEWING THE CONCEPTS 386 KEY TERMS 387 TALK ABOUT MARKETING 387 THINK LIKE A MARKETING MANAGER 388 MARKETING ETHICS 388 MARKETING TECHNOLOGY 388 MARKETING BY THE NUMBERS 389 VIDEO CASE 389

END-OF-CHAPTER CASE FUZION WINES CATCHES THE ATTENTION OF ONTARIO WINE DRINKERS 390

11 Marketing Channels 392

Marketing and Distribution Channels 396

- What Is a Channel? 396
- How Channel Partners Add Value 397
- Types of Channel Partners 399
- Organization and Management of Channels 402
- Distribution Strategy 407

Retailing 409

- Retail in Canada 409
- Types of Retailers 411
- Trends and Technology in Retailing 412

MARKETING@WORK 11.1 Experiential Retail Goes Digital at Sport Chek Concept Store 414

- Online Retail 416
- Social Media and Mobile 417

MARKETING@WORK 11.2 Hokey Pokey Uses Social Media Marketing 418

Supply Chain Management and Logistics 419

- Warehousing and Distribution Centres 419
- Logistics Technology 420
- Third Party Logistics 421
- Environmental Impact of Logistics 421

WESTJET MINI CASE The Digital Storefront 422

REVIEWING THE CONCEPTS 423 KEY TERMS 425 TALK ABOUT MARKETING 425 THINK LIKE A MARKETING MANAGER 425 MARKETING ETHICS 426 MARKETING TECHNOLOGY 426 MARKETING BY THE NUMBERS 426 VIDEO CASE 427

END-OF-CHAPTER CASE MABEL'S LABELS: MOVING FROM ONLINE TO WALMART 428

12 Communicating Customer Value: Advertising and Public Relations 430

The Promotion Mix 433

Integrated Marketing Communications 434

- The New Marketing Communications Model 434
- The Need for *Integrated* Marketing Communications 436

MARKETING@WORK 12.1 The Shifting Advertising Universe: SoBe It! 437

Shaping the Overall Promotion Mix 440

- The Nature of Each Promotion Tool 440
- Promotion Mix Strategies 442

Advertising 443

- Setting Advertising Objectives 443
- Setting the Advertising Budget 445
- Developing Advertising Strategy 447

MARKETING@WORK 12.2 Consumer-Generated Advertising: When Done Well, It Can Be Really Good 452

Evaluating Advertising Effectiveness and Return on Advertising Investment 458

Other Advertising Considerations 458

Public Relations 460

The Role and Impact of Public Relations 461

Major Public Relations Tools 462

WESTJET MINI CASE Telling Stories 464

REVIEWING THE CONCEPTS 465 KEY TERMS 466 TALK ABOUT MARKETING 466 THINK LIKE A MARKETING MANAGER 466 MARKETING ETHICS 467 MARKETING TECHNOLOGY 467 MARKETING BY THE NUMBERS 468 VIDEO CASE 468

END-OF-CHAPTER CASE OGILVYONE: IT'S NOT CREATIVE UNLESS IT SELLS 469

13

Personal Selling and Sales Promotion 472

Personal Selling 475

The Nature of Personal Selling 475

The Role of the Sales Force 476

Managing the Sales Force 478

Designing Sales Force Strategy and Structure 478

Recruiting and Selecting Salespeople 481

Training Salespeople 482

Compensating Salespeople 484

Supervising and Motivating Salespeople 484

Selling And The Internet 485

MARKETING@WORK 13.1 B-to-B Salespeople: Who Needs Them Anymore? 486

Motivating Salespeople 488

Evaluating Salespeople and Sales Force Performance 489

The Personal Selling Process 489

Steps in the Selling Process 489

Personal Selling and Managing Customer Relationships 492

Sales Promotion 493

Rapid Growth of Sales Promotion 493

Sales Promotion Objectives 494

Major Sales Promotion Tools 494

MARKETING@WORK 13.2 Mobile Coupons: Reaching Customers Where They Are—Now 496

Developing the Sales Promotion Program 499

WESTJET MINI CASE The Profit of Loyalty 500

REVIEWING THE CONCEPTS 501 KEY TERMS 502 TALK ABOUT MARKETING 502 THINK LIKE A MARKETING MANAGER 502 MARKETING ETHICS 503 MARKETING TECHNOLOGY 503 MARKETING BY THE NUMBERS 503 VIDEO CASE 504

END-OF-CHAPTER CASE HEWLETT-PACKARD: OVERHAULING A VAST CORPORATE SALES FORCE 505

14

Direct and Online Marketing 508

The New Direct Marketing Model 512

Growth and Benefits of Direct Marketing 512

MARKETING@WORK 14.1 Amazon.com: *The* Model for Direct Marketing in the Digital Age 513

Benefits to Buyers 514

Benefits to Sellers 515

Customer Databases and Direct Marketing 516

Forms of Direct Marketing 517

Direct-Mail Marketing 517

Catalogue Marketing 519

Telephone Marketing 520

Direct-Response Television Marketing 521

Kiosk Marketing 522

Online Marketing 522

Marketing and the Internet 523

Online Marketing Domains 524

Setting Up an Online Marketing Presence 526

MARKETING@WORK 14.2 Mobile Marketing: Customers Come Calling 533

Public Policy Issues in Direct Marketing 534

WESTJET MINI CASE Visitors, Fans, and Brand Advocates 538

REVIEWING THE CONCEPTS 539 KEY TERMS 540 TALK ABOUT
MARKETING 540 THINK LIKE A MARKETING MANAGER 541 MARKETING
ETHICS 541 MARKETING TECHNOLOGY 541 MARKETING BY THE
NUMBERS 542 VIDEO CASE 542

END-OF-CHAPTER CASE EBAY: FIXING AN ONLINE MARKETING PIONEER 543

Appendix 1: General Company Information: WestJet 546

Appendix 2: The Marketing Plan 550

Appendix 3: Marketing by the Numbers 565

Endnotes 584

Glossary 605

Index 614

About the Authors

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.

VALERIE TRIFTS is an associate professor in marketing at Dalhousie University School of Business in Halifax. She received her undergraduate business degree from the University of Prince Edward Island, her MBA from Saint Mary's University, and her Ph.D. in marketing from the University of Alberta. Her primary research interests are in the area of consumer information search and decision-making. Specifically, she is interested in how firms can benefit from strategically providing their customers with information about competitors, as well as exploring individual difference variables that influence search behaviour. She integrates her research into a variety of courses she has taught, including introduction to marketing, consumer behaviour, Internet marketing, and marketing research at both the undergraduate and graduate levels. Her research has been published in *Marketing Science* and the *Journal of Consumer Psychology*, presented at numerous academic conferences, and funded by the Social Sciences and Humanities Research Council of Canada.

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 start-up 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 embracement 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".

Preface

The Fifth Canadian Edition of *Marketing: An Introduction: Creating More Value for You!*

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 show-rooming** (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*.

buys from the firm that offers the highest customer-perceived value—the customer's evaluation of the difference between all the benefits and all the costs of a market offering relative to those of competing offers. Importantly, customers often do not judge values and costs "accurately" or "objectively." They act on *perceived* value.

To some consumers, value might mean sensible products at affordable prices. To other consumers, however, value might mean paying more to get more. For example, a top-of-the-line Weber Summit E-670 barbecue grill carries a suggested retail price of US\$2,600, more than five times the price of competitor Char-Broil's best grill. According to Weber, the stainless steel Summit grill "embraces true grilling luxury with the highest quality materials, exclusive features, and stunning looks." However, Weber's marketing also suggests that the grill is a real value, even at the premium price. For the money, you get practical features such as all-stainless-steel construction, spacious cooking and work areas, lighted control knobs, a tuck-away motorized rotisserie system, and an LED tank scale that lets you know how much propane you have left in the tank. Is the Weber Summit grill worth the premium price compared to less expensive grills? To many consumers, the answer is no. But to the target segment of affluent, hard-core grillers, the answer is "yes."¹¹ (see Marketing@Work 1.1)

Customer-perceived value
The customer's evaluation of the difference between all the benefits and all the costs of a market offering relative to those of competing offers.

MARKETING@WORK 1.1

Canada Goose: Authenticity Is Key to Customer Value

In 1957, Sam Tick founded Metro Sportswear, which produced a modest line of jackets and woolen shirts in a small manufacturing facility in Toronto. The 1970s saw the business expand to include the production of custom-ordered down-filled coats for the Canadian Rangers, city police forces, and other government workers. In 1985, the company was renamed Snow Goose, and in the early 1990s it began selling its products in Europe under the name Canada Goose. By the late 1990s the modern era of Canada Goose had begun and the real expansion of the brand began. Over the past 10 years or so, Canada Goose parka sales have soared within Canada and in more than 40 other countries worldwide. In fact, Canada Goose placed 152nd on the 2011 Profit 200 list of fastest growing Canadian companies, with 3000% growth in revenues over the last decade.

How did Canada Goose achieve such phenomenal growth? A number of factors contribute to the company's success. First, Canada Goose very carefully chose spokespeople who were highly credible users of the brand. Lance Mackey, a four-time littleroad and Yukon

Quest champion, grew up in Alaska and is known as one of the best dogged mushers in the world. Ray Zahab, ultra marathon runner and adventurer, and Laurie Stessell, the first Canadian to reach the summit of Mount Everest, also joined the list of Canada Goose spokespeople. These individuals have enormous credibility with the company's core customer segment, which consists of polar expeditioners, oil riggers, and police departments alike.

Rather than using traditional advertising campaigns to build brand awareness, Canada Goose relied on consumer-driven marketing tactics to build its brand. About 10 years ago, product was placed on people who worked outside in cold environments, such as bouncers at nightclubs or doormen at hotels, who could give the brand credibility. Today, Canada Goose still employs several nontraditional forms of promotion to build brand awareness, from supplying Fairmont Hotels' doormen and valets with Expedition parkas to running a Canada Goose coat check at Toronto Maple Leafs and Toronto Raptors games where fans are offered the chance to try on parkas while checking their own garments.

Celebrities caught on camera and actors in feature films wearing the brand have also contributed to Canada Goose's success. Hayden Christensen was photographed wearing one at the Vancouver 2010 Winter Olympics. Daniel Radcliffe is often spotted wearing his Canada Goose parka. The brand has been used in the film industry for decades behind the scenes, but now appears on screen as well in such movies as *The Day After Tomorrow*, *Eight Below*, *National Treasure*, *Good Luck Chuck*, and *Whiteout*.

While Canada Goose has long been a bestseller in Europe, it has also been successful in the highly competitive US fashion market. It currently sells its products at premium department stores such as Barneys and Saks Fifth Avenue and is expanding its product offerings via collaborations with Italian cashmere and wool manufacturer Loro Piana and Japanese designer Yuki Matsuda.

Canada Goose is a company that has always chosen its own path and stayed true to its brand. As a result, it has attracted a diverse customer base who are interested in everything from function to fashion. This is perhaps the biggest reason why Canada Goose has been able

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, deeply developed, illustrated, and annotated marketing story that introduces the chapter material and sparks student interest.
- **Marketing@Work highlights.** Each chapter contains two highlight 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 facilitates 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.** Situation 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.

designed for kids? It's a matter of economics—this segment of young consumers is just too small. One leading cardiologist attributed the discrepancy to a "profitability gap" between the children's market and the much more profitable adult market for treating heart disease. While not supplying this market might make good economic sense for companies, it is of little comfort to the parents of these small patients.

MARKETING TECHNOLOGY

If you thought that getting 50 miles per gallon (4.7L/100 km) driving a Toyota Prius hybrid was good, how about 230 miles per gallon (11L/100 km)? Or 367 miles per gallon (0.64L/100 km)? Well, you are about to see a new breed of automobiles from big and small automakers tout this level of performance. In 2010, there was GM's Volt and Nissan's Leaf, but there will also be offerings from unknown start-ups such as V-vehicle, a California-based electric car company backed by billionaire T. Boone Pickens. These automobiles range from hybrids—a combination of gas and electric—to all-electric vehicles. This level of performance comes at a high price, however. Although US consumers will receive an expected US\$7500 tax credit for purchasing one of these cars, the Volt's expected US\$40,000 price tag will still cause sticker shock. Also, the lack of public recharging stations poses a significant challenge, especially for all-electric vehicles such as the Leaf,

QUESTIONS

1. Discuss the environmental forces acting on medical devices and pharmaceutical companies that are preventing them from meeting the needs of the infant and child market segment. Is it wrong for these companies to not address the needs of this segment?
2. Suggest some solutions to this problem.

which needs recharging approximately every 100 miles (160 km). And some might question the efficiency claims, especially since the Environmental Protection Agency is still finalizing the methodology that factors in electricity used when making miles-per-gallon equivalency claims.

QUESTIONS

1. What factors in the marketing environment present opportunities or threats to automakers?
2. Will it be possible for a start-up automaker such as V-vehicle to compete with big automakers such as Ford, GM, Chrysler, Toyota, Honda, Nissan, Volvo, Hyundai, BMW, and Mercedes? What factors in the marketing environment will enable or inhibit new competitors?

MARKETING BY THE NUMBERS

China and India are emerging markets that will have a significant impact on the world in coming years. With China's and India's combined population of almost 2.5 billion, they are the two most populous countries, comprising almost 40 percent of the world's population. The economies of both countries are growing at phenomenal rates as well. The term *Chindia* is used to describe the growing power of these two countries, and predictions are that these two will overtake the United States as the largest economies in the world within just a few decades.

QUESTIONS

1. Discuss a demographic and an economic trend related to Chindia's power and their impact on marketers in Canada. Support your discussion of these trends with statistics.
2. Using the chain ratio method described in Appendix 3: Marketing by the Numbers, discuss factors to consider when estimating total market demand for automobiles in China or India.

The fifth Canadian edition of *Marketing: An Introduction* provides an effective and enjoyable total package for moving you down the road to learning marketing!

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.

WESTJET MINI CASE



Happy Brands

Regardless of whether you're talking to WestJet president and CEO Gregg Saretsky, a WestJet sales super agent over the phone, or a flight attendant on board any one of WestJet's 420 daily flights, the WestJet brand is on display. But if it's Ed Bakor, vice-president of guest services, you're going to get perhaps the most impressed brand advocate. As an executive with Disney for 14 years prior to joining WestJet, he knows a thing or two about managing a powerful brand. In fact, as he recalls, it was his first experience as a WestJet guest when he noticed the similarities to Disney.

"I had just been recruited to begin work with a high-end tour operator in Vancouver, and I got on a WestJet flight, and I was referred to as a guest, not a passenger, not a customer or a traveller—a guest. And after my Disney experience, where the brand was all about the guest experience, it was obvious WestJet was the same." If Bakor's guest experience with WestJet set the first bait, it would ironically be Saretsky's experience with Bakor's tour company that would be the final lure. "Come visit our campus in Calgary, we love showing off our culture," Bakor recalls of Saretsky's invitation. "After my visit, I went home that night thinking, they're all just so happy." Bakor agreed to join the team a mere weeks after that visit.

Happy employees beget happy customers, which in turn builds brand equity. Bakor believes, however, that you can neither buy nor train "happy." "We hire for attitude," he claims. "We train for safety, we train for processes, but we expect some key unscripted things to happen. Real smiles, enthusiasm, eye contact, empathy and yes, an apology if things don't go right."

In a service-based company, the experience is the product. This is never more obvious than in the travel and tourism industry. While all WestJetters together pursue the vision of being "one of the five most successful international airlines in the world providing our guests with a friendly, caring experience," nowhere in the operation does reaching that goal weigh more heavily than in Bakor's group. "I constantly remind my team that every guest has a unique story which has brought them to our check-in counter. Whether it's a vacation they've saved a lifetime for, or a family tragedy, or a job interview—there's going to be some emotion. Our brand promise respects and reacts to those emotions. If we don't deliver on that promise, they're not coming back."

QUESTIONS

1. List all the brand touchpoints a person booking and taking a flight on WestJet encounters.
2. How would you describe WestJet's brand personality?
3. What brand development strategy did WestJet use when it introduced Encore (see the WestJet Mini Case in Chapter 8)?

APPENDIX

2

The Marketing Plan

Introduction

As a marketer, you'll need a good marketing plan to provide direction and focus for your brand, product, or company. With a detailed plan, any business will be better prepared to launch a new product or build sales for existing products. Not-for-profit organizations also use marketing plans to guide their fundraising and outreach efforts. Even government agencies put together marketing plans for initiatives such as building public awareness of proper nutrition and stimulating area tourism.

The Purpose and Content of a Marketing Plan

Unlike a business plan, which offers a broad overview of the entire organization's mission, objectives, strategy, and resource allocation, a marketing plan has a more limited scope. It serves to document how the organization's strategic objectives will be achieved through specific marketing strategies and tactics, with the customer as the starting point. It is also linked to the plans of other departments within the organization. Suppose a marketing plan calls for selling 200 000 units annually. The production department must gear up to make that many units; the finance department must arrange funding to cover the expenses; the human resources department must be ready to hire and train staff, and so on. Without the appropriate level of organizational support and resources, no marketing plan can succeed.

Although the exact length and layout will vary from company to company, a marketing plan usually contains the sections described in Chapter 2. Smaller businesses may create shorter or less formal marketing plans, whereas corporations frequently require highly structured marketing plans. To guide implementation effectively, every part of the plan must be described in considerable detail. Sometimes a company will post its marketing plan on an internal website, which allows managers and employees in different locations to consult specific sections and collaborate on additions or changes.

The Role of Research

Marketing plans are not created in a vacuum. To develop successful strategies and action programs, marketers need up-to-date information about the environment, the competition, and the market segments to be served. Often, analysis of internal data is the starting point for assessing the current marketing situation, supplemented by marketing intelligence and research investigating the overall market, the competition, key issues, and threats and opportunities. As the plan is put into effect, marketers use a variety of research techniques to measure progress toward objectives and to identify areas for improvement if results fall short of projections.

Finally, marketing research helps marketers learn more about their customers' requirements, expectations, perceptions, and satisfaction levels. This deeper understanding provides a foundation for building competitive advantage through well-informed segmenting, targeting, differentiating, and positioning decisions. Thus, the

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>, 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>.

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.

CourseSmart goes beyond traditional expectations—providing instant, online access to the textbooks and course materials you need at a lower cost for students. And even as students save money, you can save time and hassle with a digital eTextbook that allows you to search for the most relevant content at the very moment you need it. Whether it’s evaluating textbooks or creating lecture notes to help students with difficult concepts, CourseSmart can make life a little easier. See how when you visit www.coursesmart.com/instructors.

Pearson Custom Library

For enrollments of at least 25 students, you can create your own textbook by choosing the chapters that best suit your own course needs. To begin building your custom text, visit www.pearsoncustomlibrary.com. You may also work with a dedicated Pearson Custom editor to create your ideal text—publishing your own original content or mixing and matching Pearson content. Contact your local Pearson Representative to get started.

Acknowledgments

Writing a textbook, even when it is a new edition of a previous work, is a long, long process that requires a hard-working and dedicated team of people. On behalf of Gary Armstrong, Philip Kotler, and Lilly Anne Buchwitz, I would like to acknowledge the incredible team of editors, writers, and designers at Pearson without whom you would not be holding this book in your hands: Claudine O’Donnell, editor-in-chief; Deana Sigut, acquisitions editor; Patti Sayle, developmental editor; Andrea Falkenberg, project manager; Susan McNally, production editor; Leanne Rancourt, copy editor; and Leigh-Anne Graham, director of marketing.

There were many marketing instructors and professors at schools across Canada who provided valuable comments and suggestions for this edition. In particular, I would like to thank:

Lee Li, *York University*

Angelo Papadatos, *Dawson College*

Blair Lipsett, *Nova Scotia Community College – Lunenburg Campus*

Janet Bertsch, *NAIT*

Amanda Bickell, *Kwantlen Polytechnic University*

Sherry McEvoy, *Fanshaw College*

Kerry D. Couet, *Grant MacEwan University*

Don Hill, *Langara College*

Marion Hill, *SAIT*

Anne Borrowman, *Camosun College*

Wendy Tarrel, *Nova Scotia Community College*

Donna Amirault, *Nova Scotia Community College*

Lawrence Saunders, *University of Victoria*

David Moulton, *Douglas College*

We owe many thanks to our families for their constant support and encouragement. To them, we dedicate this book.

—Valerie Trifts

To all my past, present, and future marketing and advertising students at Wilfrid Laurier University, Brock University, San Jose State University, and Humber College. You make me a better teacher every day.

—Lilly Buchwitz