
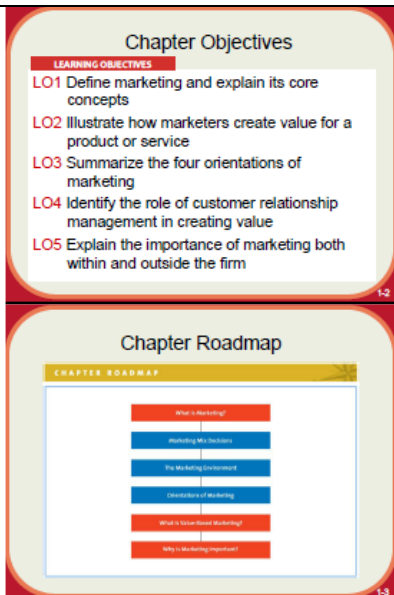
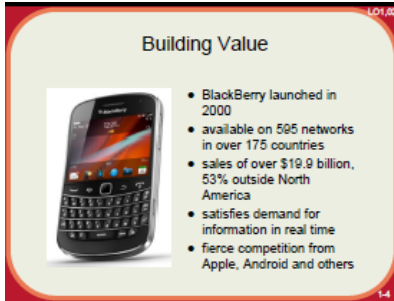





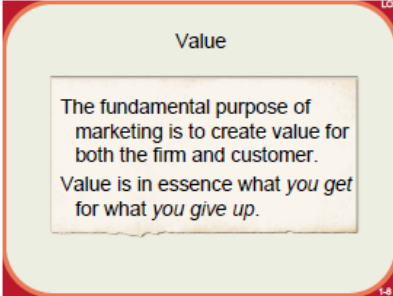
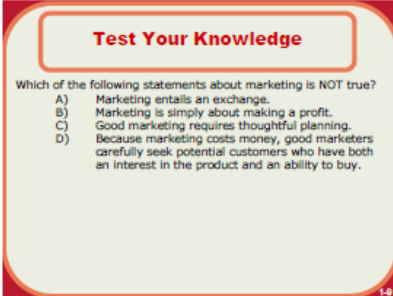
Chapter One: Overview of Marketing


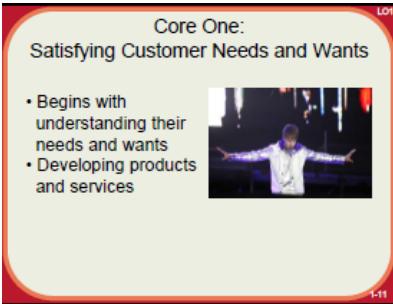

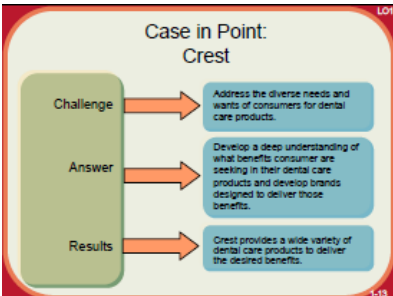
Chapter Objectives:


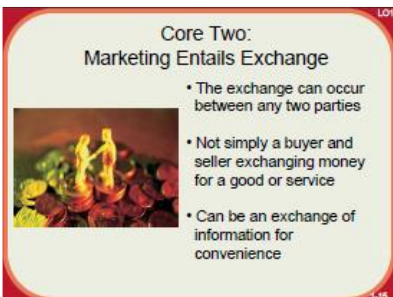

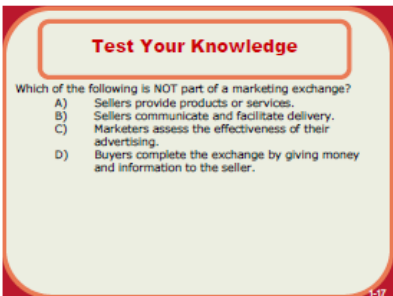
1. Define marketing and explain its core concepts
2. Discuss how marketers create value for a product or service
3. Explain the four orientations of marketing
4. Discuss the role of customer relationship management in creating value
5. Discuss the importance of marketing both within and outside the firm



Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
		
		<p>The chapter objectives and roadmap are intended to help students understand the content to be discussed.</p>
<p>Opening Vignette: BlackBerry</p> <p>RIM's BlackBerry is one of Canada's successful and innovative products. The BlackBerry is more than just a cool gadget; it is a truly innovative service that not only changed the way</p>		<p>Ask students: Describe the value RIM's BlackBerry provides users. What do you consider are the main reasons for RIM's growth and success?</p> <p>Answer: (1) It enables access key corporate information and connects with their coworkers in real time from anywhere, anytime;</p>


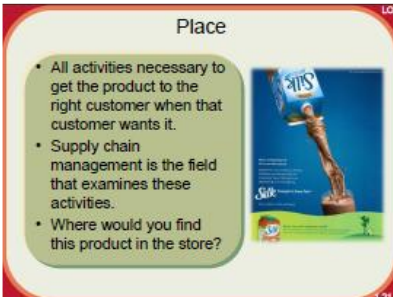

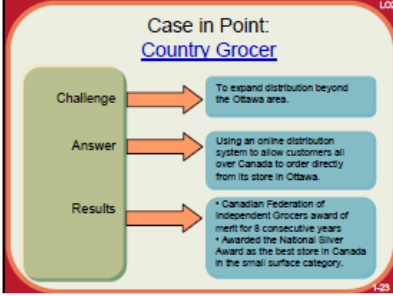
Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>business executives, managers, professionals and sales people globally communicate and work but also the speed and timeliness with which crucial business decisions are made and implemented.</p>		<p>(2) efficiency of decision-making through timeliness of information access; (3) excellent customer service; and (4) it is a sleek all-in-one device – mail, phone, organiser, GPS, Internet browser, and media player. Its growth and success lies in its extraordinary value of its service to customers.</p>
<p>Topic One: What is Marketing?</p> <p>I. Marketing is a set of business practices designed to plan for and present an organization's products or services in ways that build effective customer relationships (The Canadian Marketing Association)</p> <p>A. The marketing plan specifies marketing activities for a specific period of time.</p>	 <p>The image shows a PowerPoint slide with a red border. The title is 'What is Marketing?'. Below the title, there is a text box that reads: 'Marketing is a set of business practices designed to plan for and present an organization's products or services in ways that build effective customer relationships.' The slide is numbered '1-6' in the bottom right corner.</p>	<p>Point out that the Canadian Marketing Association definition differs from the American Marketing Association which says “Marketing is an organizational function and a set of processes for creating, capturing*, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” Some people feel that the AMA definition is controversial, because it includes everything within marketing.</p> <p>Ask students: Do you agree?</p> <p>The Canadian definition notes that good marketing is not a random activity; it requires thoughtful planning with an emphasis on the ethical implications of any of those decisions on consumers and society in general.</p>


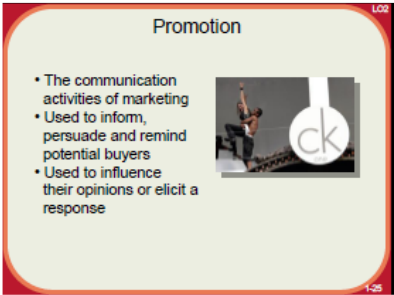
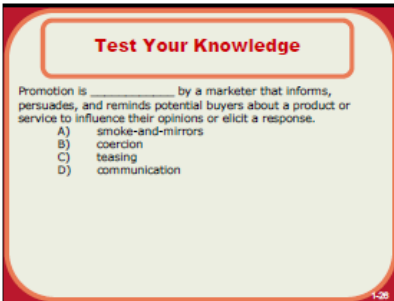

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>***Extension of textbook material.</p>		<p>Group activity: The chapter opens by pointing out that people engage in marketing every day as both buyers and sellers. Have students make a list of all marketing transactions in which they were involved today. List the types of activities on the board and categorize them as buy or sell.</p>
<p>***</p>		<p>There is a strong ethics orientation in this book. At the start of the semester, stress that marketers' actions have ethical implications that must be understood and addressed.</p>
<p>***This discussion occurs later in the chapter but is introduced here because value is the theme of the text.</p>		<p>Discuss how the same product can provide lots of value to one consumer but little or no value to another. Use the example of a recent movie that split the audience (e.g., people either loved or hated Will Farrell's Talladega Nights: The Legend of Ricky Bobby. Why?)</p>
		<p>Answer B.</p>



Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>B. Marketing consists of six core aspects that work together to create value for customers and the firm.</p>	 <p>The diagram shows 'Marketing' at the center, surrounded by six aspects: Marketing helps create value, Marketing is about satisfying customer needs and wants, Marketing entails an exchange, Marketing requires product, price, place, and promotion decisions, Marketing can be performed by both individuals and organizations, and Marketing occurs in many settings.</p>	<p>For a shorter lecture, just review the pieces of this slide. More detailed slides follow.</p>
<p>II. Marketing Is About Satisfying Customers' Needs and Wants</p> <p>A. The marketplace can be defined as the world of trade or more narrowly defined by segments.</p> <p>B. It is often not practical to sell the firm's product to everyone, so marketers focus on the groups or segments that are most profitable.</p>	 <p>The slide lists two bullet points: 'Begins with understanding their needs and wants' and 'Developing products and services'. It includes a small image of a person with arms raised.</p>	<p>Ask students if they have ever thought about the number of brands and types of toothpaste available.</p> <p>Group activity: Ask students to list the types and brands of toothpaste they know. Then ask: Why do you think there are so many? Point out that the benefits of each one differ. Ask: Are these differences based on needs or wants or a combination of both?</p>
<p>Case in Point Series:</p>	 <p>The slide asks: 'How does a company address the diverse needs and wants of consumers for dental care products?' and includes an image of dental products.</p>	<p>Firms must first understand how customers vary in their purchase behaviour. What motivates purchase? Fresh breath? Sensitive teeth? The next slide considers a specific firm that must meet this challenge.</p>
	 <p>The diagram shows a flow from Challenge to Answer to Results. Challenge: Address the diverse needs and wants of consumers for dental care products. Answer: Develop a deep understanding of what benefits consumers are seeking in their dental care products and develop brands designed to deliver those benefits. Results: Crest provides a wide variety of dental care products to deliver the desired benefits.</p>	<p>Crest designs products on the basis of consumers' needs and positions them in multiple segments: children's dental needs, sensitive teeth, whitening, fresh breath, denture care, and so forth. Are all these needs met through the products offered?</p>


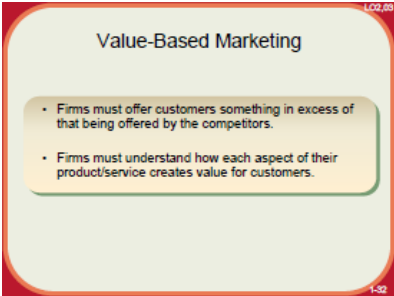
Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
		<p><i>This image shows a wide array of Crest products designed to fill the needs of different segments in the marketplace.</i></p> <p><i>To extend this discussion, click on the hyperlink and visit the Crest Web site.</i></p>
<p>III. Marketing Entails an Exchange.</p> <p>A. Exchange refers to the trade of things of value between the buyer and seller so that each is better off as a result.</p>		<p>Ask students to discuss how these exchanges occur in nonprofit settings. What is the exchange at a museum or a lecture?</p> <p><i>You might also use the example of a swap or barter page. (An excellent example of swaps can be found on the First Canadian Barter Exchange website http://www.barterfirst.com/page121.htm).</i></p>
		<p><i>Each party to the exchange gives up something of value: The customer gives up not only money but also time and information, and the firm gives up the good or service. The exchange in the end is mutually beneficial.</i></p> <p><i>Note: click on CHAPTERS.ca in the photo at the left to link to the website. (http://www.chapters.indigo.ca/)</i></p>
		<p>Answer C</p>

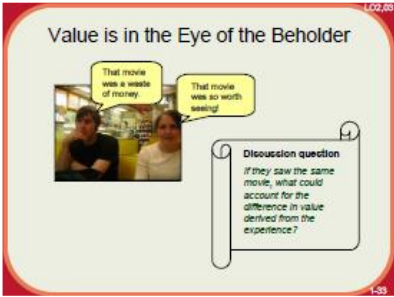
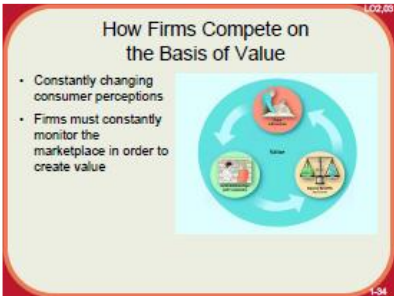
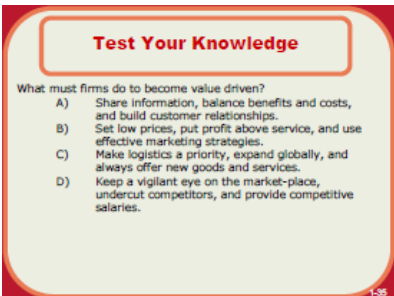
Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>IV. Marketing Requires Product, Price, Place and Promotion Decisions</p> <p>A. The marketing mix (4Ps) of product, price, place, and promotion refers to the controllable set of activities the firm uses to respond to the wants and needs of its target market.</p>		<p><i>Stress that the concept of the 4Ps is fundamental to marketing. Remind students that “4Ps” and “the marketing mix” may be used interchangeably to refer to product, price, place, and promotion.</i></p>
<p>B. Products: Creating value</p> <ol style="list-style-type: none"> 1. The fundamental purpose of the firm is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy consumer needs. 2. Goods are items that you can physically touch. 3. Services are intangible customer benefits produced by people or machines that cannot be separated from the producer. 4. Ideas include thoughts, opinions, philosophies, and intellectual concepts that also can be marketed. 		<p><i>Students often can relate to goods and services, but the marketing of ideas is a new concept to them. Use the example of drunk driving prevention; ask: How is that idea marketed? Organizations such as Mothers Against Drunk Driving or Students Against Drunk Driving often receive support from brewers and distillers in promoting responsible drinking and safe driving.</i></p> <p>Ask students: What is the exchange these groups are asking consumers to enter?</p> <p><i>Answer: They want you to consume alcohol in a manner that is consistent with safety, which means giving up some consumption or drinking responsibly – do not get behind the wheel if you drink.</i></p>


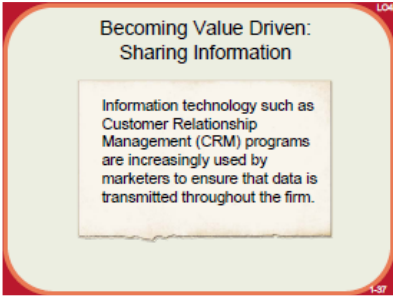

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>C. Price: Transacting value</p> <p>Price refers to everything the buyer gives up—money, time, and energy—in exchange for the product.</p>		<p><i>This is a good opportunity to remind students that the price paid is more than cash. Also tell them that later in the semester, you will look at how marketers view price, which often differs from the conceptions they may have been taught in finance courses about how to determine price.</i></p>
<p>D. Place: Delivering value.</p> <p>1. <i>Place</i> includes all activities undertaken to get the product to the right customer when that customer wants it.</p>		<p><i>Of all the areas in marketing, place is the least recognizable in relation to marketing. Students tend not to think about the importance of getting goods from manufacturers to consumers, which currently requires global approaches.</i></p> <p><i>This semester, they will learn about marketing's role in this crucial process.</i></p>
		<p><i>Distribution strategy can be complex and requires consideration of many factors, as well as a high level of coordination. This topic appears in greater detail later in the chapter, but we provide a "Case in Point" now.</i></p>
<p>Case in Point Series</p>		<p><i>This example from the text illustrates how distribution management can assist a firm in growing its market. Country Grocer reaches remote northern communities with its online website.</i></p>

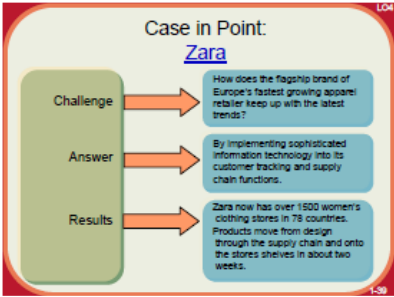

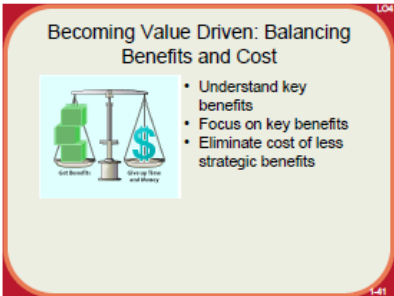

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
		<p><i>The Internet has allowed Country Grocer to reach the market outside Ottawa, but without efficient distribution systems for its product, it could not make a sale. The product must remain fresh, which means fast delivery.</i></p>
<p>E. Promotion: Communicating value <i>Promotion</i> is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service to influence their opinions or elicit a response.</p>		<p>Ask students to identify the target audience for this advertisement for Jet Blue. What value proposition is it offering and to which audience?</p> <p><i>Answer: This ad is targeted at frequent business travelers. Jet Blue adds value by promising travelers they will never miss a game.</i></p>
		<p>Answer D.</p>
<p>F. Marketing is Shaped by Forces and Players External to the Firm</p> <p>Marketing is shaped by external forces such as social, technological, economic, competitive, and regulatory changes.</p> <p>The firm's relations with suppliers, distributors, other intermediaries, and advocacy groups influence its marketing activities.</p>		



Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>VI. Marketing Can Be Performed by Both Individuals and Organizations</p> <ul style="list-style-type: none"> A. B to C: Business-to-consumer marketing. B. B to B: Business-to-business marketing. C. C to C: Consumer-to-consumer marketing. 	 <p>The slide is titled 'Core Four: Marketing Can Be Performed by Both Individuals and Organizations'. It features three main points with corresponding images: <ul style="list-style-type: none"> B2B: Wholesaling is often only Business to Business. (Image of a warehouse) B2C: All retailing is Business to Consumer selling. (Image of a person at a computer with an eBay logo) C2C: Swap Meets, eBay, yard sales, etc. (Image of a person at a swap meet) </p>	<p><i>Students often fail to consider that the products they purchase have changed hands before. Offer them the following example: The computer you recently purchased from Best Buy (B to C) was purchased by Best Buy from the manufacturer (B to B). If you sell your computer to your roommate, you have engaged in C to C selling. Thus, the same product might be a part of all three types of marketing.</i></p>
<p>V. Marketing Occurs in Many Settings</p> <ul style="list-style-type: none"> A. Both for-profit and not-for-profit entities use marketing. B. Developing economies can benefit from marketing. C. Entire industries can benefit from marketing. 	 <p>The slide is titled 'Core Five: Marketing Occurs in Many Settings'. It lists three bullet points: <ul style="list-style-type: none"> Both profit and non-profit entities Developing economies Entire industries There are two small images on the right side of the slide: one showing a person in a red shirt and another showing a person in a blue shirt. </p>	<p><i>An interesting example of a nonprofit that makes extensive use of marketing is Heifer International (http://www.heifer.org/site/c.edJRKQNiFiG/b.183217/). Consumers choose from a series of options, ranging from a goat to an ark full of animals, to donate to a family in need, who uses the donation as a source of both income and food, which means the recipients have access to new marketing opportunities.</i></p>
<p>Sustainable Marketing 1.1 Greening your Marketing Practices</p>		<p><i>Sustainability is becoming an important aspect of business and marketing practices. However, it seems to mean different things to different people.</i></p> <p><i>Ask students what sustainability means to them and to indicate 2 practices that they observe companies are doing.</i></p>


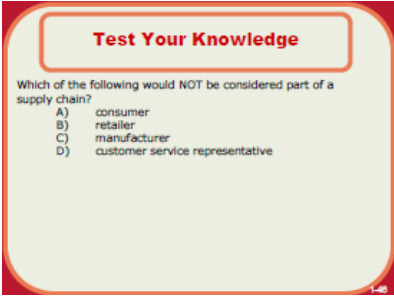
Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>VI. Marketing Helps Create Value</p> <ul style="list-style-type: none"> A. Production-oriented era: Belief that the product would sell itself. B. Sales-oriented era: Overcapacity led to a focus on personal selling and advertising. C. Market-oriented era: Manufacturers focus on what consumers want and need before design or production. D. Value-based marketing era: Value entails the relationship of benefits to costs, or what you get for what you give up. 	 <p>The diagram titled 'Core Six: Marketing Helps Create Value' shows a timeline of marketing eras. At the top, it lists 'Time of the product' with icons for a candle, a telephone, a handshake, a factory, and a person. Below this, a horizontal arrow points from left to right, labeled 'Production', 'Sales', 'Marketing', and 'Value-based marketing'. Underneath the arrow are four boxes: 'Production-oriented era', 'Sales-oriented era', 'Market-oriented era', and 'Value-based marketing era'.</p>	<p>Ask students to consider each incarnation of the telephone presented in the slides. How has each been an improvement? Walk students through the eras and discuss how the firm's focus went from the needs of the firm to the needs of the market.</p>
<p>Topic Two: What is Value-Based Marketing?</p> <ul style="list-style-type: none"> • Consumers make trade-offs between the perceived benefits of a product or service and their costs. Customers seek options that provide the greatest benefits at the lowest costs. • Firms must understand what customers view as the key benefits of a given product or service. 	 <p>The diagram titled 'Value-Based Marketing' contains two bullet points: 'Firms must offer customers something in excess of that being offered by the competitors.' and 'Firms must understand how each aspect of their product/service creates value for customers.'</p>	<p>Hotels provide a great example for a discussion of how firms create value.</p> <p>These two discussion questions set up general value keys plus how these keys differ for two different segments.</p> <p>General Value Keys for hotels include: service quality, hotel personnel, convenience of booking, room comfort, restaurant quality, location, rewards program, free internet service</p> <p>Value Keys for Business Travellers: location, service quality, room comfort, rewards program, free internet service. A business traveller might value the business centre, the proximity to a meeting location, and so on.</p> <p>Value Keys for Vacationers: service quality, hotel personnel,</p>


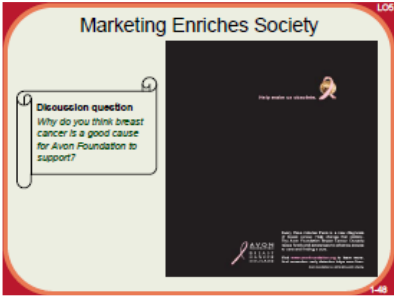

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
		<p>room comfort, restaurant quality, location. A family on vacation might value a pool, family suites, proximity to tourist attractions, and so on.</p>
		<p>This slide provides an opportunity to discuss the subjective nature of value. Each person has his or her own perception.</p>
<p>I. How Do Firms Compete on the Basis of Value? Marketers must keep a vigilant eye on the marketplace so they can adjust their offerings to meet customer needs and keep ahead of the competition.</p>		<p>For firms to compete, they must constantly assess consumers' perceptions of value. The advent of sophisticated databases has made it easier for firms to track consumers.</p>
		<p>Answer: A</p>

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<p>Entrepreneurial Marketing 1.1</p>	 <p>Entrepreneurial Marketing</p> <ul style="list-style-type: none"> • Carmen Creek Gourmet Meats based in Calgary • specializes in grade A Canadian bison • distributes in Canada, US and Europe • brings value to consumers, retailers and food service businesses 	<p><i>Carmen Creek Gourmet brings value to consumers, retailers, and food service businesses by providing each group with different services in addition with their special Canadian Grade A Bison meat. In so doing, the firm creates value for itself as witnessed by its growth – revenues and markets.</i></p>
<p>II. How Do Firms Become Value Driven? A. Share information about customers and competitors across the organization and supply chain.</p>	 <p>Becoming Value Driven: Sharing Information</p> <p>Information technology such as Customer Relationship Management (CRM) programs are increasingly used by marketers to ensure that data is transmitted throughout the firm.</p>	<p><i>The ability to collect, store, and classify customer data has been a primary contributor to the growth of value-based marketing. The example of Circuit City and Best Buy demonstrates how a market leader can lose position and then struggle to get it back. Playing catch up to Best Buy, Circuit City relied on extensive IT: “Circuit City's strategy hinges on a robust IT infrastructure that makes information readily accessible to decision-makers who need it. In fact, everything the company is currently doing to improve its business—from developing more effective promotions to deciding which products should be displayed at the ends of aisles in stores—hinges on data. ‘This is heavy analytical work. It's fact-based, data-driven,’ says Philip Schoonover, Circuit City's new president who was hired in October 2004, ironically, came from Best Buy”</i> (http://www.cio.com/archive/070105/circuit.html).</p>
	 <p>Sharing Information</p> <p>Why is sharing and coordinating information such a critical success factor for any firm?</p>	<p><i>How can sharing and coordinating information transmit into success? For Zara, information is crucial to being able to meet the needs and wants of customers.</i></p>

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Case in Point Series		<p>Ask students: How many of you have shopped at Zara?</p> <p><i>Zara is a Spanish clothing retailer that has aggressively expanded in recent years.</i></p>
		<p><i>Zara has been able to offer customers the latest fashions in a timely manner by reducing the time it takes to get goods from the manufacturer to stores. The retailer's methods allow for quick replenishment of fast moving items.</i></p>
<p>B. Balance customers' benefits and costs. Use customer data to find opportunities to serve customers better and develop long-term loyalties.</p>		<p><i>With information the firm can understand what are the key benefits customers seek, focus on those and eliminate the cost of providing other less strategic benefits.</i></p> <p><i>To follow up on the Zara example, note that its ability to meet the needs of the market consistently has created loyal customers, because customers know they can always find the latest fashions at Zara.</i></p>
<p>C. Build relationships with customers</p> <ol style="list-style-type: none"> 1. A <i>transactional orientation</i> regards the buyer–seller relationship as a series of individual transactions. 2. A <i>relational orientation</i> suggests buyers and sellers should develop long-term relationships. 		<p><i>In early conceptions of marketing (before value-based marketing), firms often viewed the closing of the sale as the termination of their relationship with the customer. Today, firms strive to create lifetime value among customers, hoping they will return to the firm for all their future needs.</i></p>

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>3. Customer relationship management (CRM) is a business philosophy and set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers.</p>		
<p>Topic Three: Why is Marketing Important? Marketing has evolved into a major business function that crosses all areas of a firm or organization.</p>		<p><i>This slide introduces the next series of slides or can be used as in or shortened lecture.</i></p>
<p>I. Marketing Expands Firms' Global Presence The same skills for understanding customers that allow marketing to be successful in the home country market may allow for global expansion as well.</p>		<p>Group activity: Starbucks is one of the fastest expanding global firms. Ask students to brainstorm why Starbucks has been so successful globally. Then click through the links on the slides and identify products being promoted in all of the identified markets. (NOTE: This list varies by season.) Ideas include type of product (beverages are universal), customer need (luxury and convenience items), local product adaptations, etc. Ideas include type of product (beverages are universal), customer need (luxury and convenience items), local product adaptations, etc.</p>

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>Power of Internet 1.1. Internet Marketing: Past, Present and Future</p>		<p><i>The internet has evolved from static websites to a dynamic platform for personalized, multi-channel and mobile marketing that is integrated with a wide range of information and communications technologies.</i></p>
<p>II. Marketing Is Pervasive Throughout the Organization The marketing department must work seamlessly with other functional areas of the company to design, promote, price, and distribute products.</p>	<p>http://www.scion.com/#home</p>	<p><i>The success of Toyota's Scion relied on the ability of the company's various departments to work together. For example, engineering had to focus on creating a car that met the target market's expectations for style yet still remained affordable.</i></p>
<p>III. Marketing Is Pervasive Across the Supply Chain. A. <i>Supply chain</i> refers to a group of firms that make and deliver a given set of goods and services. B. To provide value, the members of the supply chain must establish long-term relationships and cooperate to share data, make forecasts, and coordinate shipments.</p>	 <p>The slide titled "Marketing As Pervasive Across the Supply Chain" contains two bullet points: "Each step in the supply chain involves marketing" and "All members in the chain must ultimately focus on creating value for their customer and the end user consumer." Below the text is a diagram showing a four-step supply chain process: Raw Material Suppliers (gear icon), Manufacturer (factory icon), Wholesaler (box icon), and Customer (shopping cart icon), connected by arrows.</p>	<p>Ask students: Have you ever considered how products from all over the world get to your home town?</p> <p><i>Each step in the supply chain takes the good and increases its value by either improving it or delivering it to the end consumer. Remind students that each step involves an exchange.</i></p>
	 <p>The slide titled "Test Your Knowledge" asks: "Which of the following would NOT be considered part of a supply chain?" with four options: A) consumer, B) retailer, C) manufacturer, and D) customer service representative.</p>	<p>Answer D</p>

Annotated Chapter Outline	PowerPoint Slides	Instructor's Notes
<p>IV. Marketing Makes Life Easier and Provides Employment.</p> <p>A. Consumers obtain product and service choices, as well as information about those choices.</p> <p>B. Employees must possess a variety of skills, including creative talents, analytical skills, and communication abilities.</p>	 <p>The slide is titled "Marketing Makes Life Easier and Provides Employment Opportunities". It contains two bullet points: "Choices of products and services choices as well as information about those choices" and "Employment in diverse fields such as research, sales, promotions, global marketing". There are two images: one showing a person's hand pointing at a document and another showing a person standing in a store aisle.</p>	<p><i>Remind students to visit career services available on campus to get more information about careers in marketing as well as internship opportunities and so forth.</i></p>
<p>V. Marketing Enriches Society</p> <p>Many firms now recognize that their business's strong social orientation provides a sound strategy in the best interests of both themselves and their customers.</p>	 <p>The slide is titled "Marketing Enriches Society". It features a "Discussion question" box that asks: "Why do you think breast cancer is a good cause for Avon Foundation to support?". There is also an image of the Avon logo and a small image of a woman.</p>	<p><i>The Avon Breast Cancer Crusade is an excellent example of how a firm uses its knowledge of marketing to benefit society. Avon has long supported breast cancer awareness and prevention and, through its distributor network, has been able to educate women about the importance of early detection. Because of its primarily female sales force, Avon's work was truly women helping women.</i></p>
<p>VI. Marketing Can Be Entrepreneurial</p> <p>Marketing sits at the centre of the successes of numerous ventures initiated by entrepreneurs, or those people who organize, operate, and assume the risk of a business venture.</p>	 <p>The slide is titled "Marketing Can Be Entrepreneurial". It contains the text: "Though important to large firms, marketing is equally important to the success of small ventures—especially new ventures." There are two images: one of a man in a suit and another of a woman in a white dress.</p>	<p>Ask students: <i>Why is marketing so important for entrepreneurs? How has Oprah Winfrey used marketing in her career?</i></p> <p><i>Oprah is a great example of how an entrepreneur can use marketing to create value. She introduces new products—a magazine, a TV production company, a Broadway company, films, and so on—and extends her brand through good marketing practices.</i></p>

Concept Review

Generally, the concept questions are designed to achieve a single purpose – to encourage students to test their knowledge and understanding of the theoretical content of the chapter. These questions encourage recall and reflection, which will better prepare students to answer the marketing applications questions based on their understanding of the theory.

1. What is marketing and why is it important?

Marketing is a set of business practices designed to plan for and present an organization's products or services in ways that build effective customer relationships. Marketing is important because it helps create value for firms.

2. Is the marketing mix (4Ps) enough to guarantee successful marketing? Explain.

The controllable set of interrelated decisions known as the marketing mix, (Product, Price, Place, and Promotion) is central to all marketing activities. However, they are never a guarantee of successful marketing. Making the right marketing decisions and executing them properly simply maximize a product or company's potential for success. Marketers can substantially increase their chances for success if they have a deep understanding of their environment and their competition, build strong relationships with suppliers, customers, and other marketing intermediaries, establish a corporate culture that places the customer at the centre of the firm's marketing activities, and above all, offer customers products and services that satisfies their needs and wants, i.e. deliver strong value.

3. Explain how a strike at one of the company's supplier firms or a new technology would influence the company's marketing efforts?

Marketing is shaped by external forces and players. A supplier strike or a new technology might change how the company deliver value to its customers. A strike at a supplier plant may lead to shortage of inputs – raw material or parts – that could restrict the ability of the company to produce

sufficient quantity of products to meet demand. For example, a prolonged strike at a parts supplier may reduce the ability of Ford or GM to manufacture enough vehicles to meet demand because they don't have necessary parts for their vehicles. Technology can have both positive and negative effects on a company's marketing efforts. Some types of technology may render a company's existing technology obsolete while creating opportunities for companies with the new technology. For example, the Internet has changed the way marketers interact and communicate with their customers, suppliers and other companies.

4. Discuss the main elements of value-based marketing. List four ways in which marketing helps to create value.

There are two main elements to value-based marketing: value, and cost. The central goal is to provide consumers with value or benefits that are perceived to be much greater than their costs. Value can mean different things to different people and is constantly changing in today's marketplace. Depending on the product, it may include size, speed, convenience, colour, or taste. Costs often reflect time, effort and money sacrificed.

Ways in which marketing helps to create value include, 1) coordinating across the organisation, 2) coordinating across the supply chain, 3) expanding a firm's global presence, 4) making life easier, 5) providing employment opportunities and 6) enriching society.

5. Explain the relationship between customer value and customer satisfaction.

Customers naturally seek options that provide the greatest benefits at the lowest costs. A satisfied customer is one who has received value greater than the costs incurred. Value is derived from the 4Ps: product creates value, price transacts value, place delivers value and promotion communicates value. Costs to a customer can include the price paid, information given or time lost. Customer value is the difference between the benefits earned and cost paid. Customer satisfaction is when a customer's expectations of value or benefits are met – usually when costs are less than benefits derived, and in a

fair way. Customer satisfaction may be described in two ways – satisfaction with individual transactions or satisfaction derived over a period of time from an accumulation of transactions.

6. Generally, all companies are in business to generate profits and increase shareholder value. Yet, the Canadian Marketing Association definition of marketing given on page 2 does not explicitly mention profits or shareholder value. Why do you think these are not included in the definition? Should they be included?

Profits and value to the shareholder are not included because they define success too narrowly as monetary profits – and do not account for all aspects of value. The marketing function can create value that is not reflected in dollars and cents, such as building strong, trust-based relationships with loyal customers, or performing detailed market research that uncovers new consumer wants, needs and behaviours. Marketing can often be a cost centre whereas sales is a profit centre, and therefore profit need not be included as part of the definition of marketing. Moreover, the definition implies that firms that consistently deliver good value to customers and build strong relationships will eventually become successful and profitable.

7. Today, many marketers are not interested in selling their products and services to everyone who wants it, but only to selected target markets. What do you think the main reasons are for targeting specific market segments?

In order to plan and execute marketing communications that reached and attracted every single consumer, one would require a budget so large it would not be feasible. Although marketers would prefer to sell their products and services to everyone, it is not practical to do so. Companies identify target groups who they expect to respond to their marketing efforts similarly. By targeting specific market segments a company can develop marketing programs that specifically address the needs and wants of each chosen segment, thereby increase the chance of success of their marketing programs. This way also, marketers can ensure their scarce resources are allocated and used maximally.

8. Give reasons why you think understanding customer needs and wants is fundamental to marketing success. How can marketers go about understanding customer needs and wants?

Customer needs and wants are fundamental to marketing success because they are the primary motivator for action. When an unsatisfied need is recognised, the customer desire is to go from their actual, needy state to a different, desired state. Understanding customer needs help marketers develop marketing mixes to satisfy those needs in ways customers prefer. Building strong relationships with customers is important to obtaining information, creating value and is the central concept of the relational orientation. This is known as customer relationship management (CRM), and maximizes the long-term value of the buyer-seller relationship rather than trying to maximize the profit from each transaction. CRM often includes collecting customer information in order to target specific promotions or offers to customers who would benefit most. Generally, market research discussed in greater detail in Chapter 4 describes the range of methods marketers use to better understand customer needs and deliver strong value when trying to satisfy those needs.

9. Which marketing orientation would most likely help a company build strong customer relationships that are profitable? Why?

Value-based marketing allows for the strongest relationships to be built with customers. This is because it starts with understanding what customers needs and want and delivering strong value to satisfy those needs/wants. In this respect, the value-based orientation encourages the collection and organisation-wide sharing of customer information, balancing benefits with costs, and strives to develop strong customer relationships. Keeping close contact with customers in an attempt to encourage customer-marketer dialogue, customer satisfaction and customer loyalties are fundamental to the value-based orientation. The value-based orientation does not view each customer-marketer contact as a series of individual transactions where the marketer must maximise profits. Rather, each customer-marketer contact as an opportunity to satisfy the customer and strengthen their

relationships, which over the long-term will generate customer loyalty and ultimately increased profitability.

10. Explain how customer value is created or increased when the company's marketing department works closely with other departments within the firm as well as with the firm's suppliers and customers.

In value-based marketing firms, the marketing department works seamlessly with other functional areas of the company to design, promote, price, and distribute products. As well, for the supply chain to provide significant value to the ultimate customer, the parties must establish long-term relationships with one another and cooperate to share data, make joint forecasts, and coordinate shipments. Effectively managing supply chain relationships often has a huge impact on a firm's ability to satisfy the consumer, which results in increased profitability for all parties. The more the marketing department can work closely with other departments, and share information across the supply chain, the more the firm can understand and better satisfy the needs and wants of its customers, therefore increasing the value to the customer.

Marketing Applications

- 1. When apparel manufacturers develop marketing strategies, do they concentrate on satisfying their customers' needs or wants? What about a utility company? A cellular phone company?**

Instructor's Notes: This question is intended to make students think about the difference between customer needs and wants, as well as how companies might address one or both. It also challenges students to explore whether different types of companies address the needs and wants of consumers differently. An apparel company might focus more on a customer's wants while providing for the customer's basic clothing needs—for example, a coat designer might cover the basics of a customer's need for a coat by offering one appropriate for the season but strongly appeal to that customer's wants by offering many seasonal coat selections in unique colours and styles that provide more fashion-forward

coat choices. Firms also must respond to competitors' offerings. An electric utility company might have a strong imperative to satisfy customers' needs for reliable electricity but not focus as much on customer wants because it faces little market competition.

- Example answers:
 - For an apparel manufacturer to develop a successful marketing strategy, it must take into account both needs and wants of customers. The degree to which the apparel manufacturer fulfills both needs and wants heavily influences whether it successfully sells its products.

Example #1	
Product	Crest toothpaste
Place	Drugstores, grocery stores, wholesale clubs (Shoppers Drug Mart, Loblaws, Costco)
Promotion	Newspaper and magazine advertisements, supported by moderate TV and cable advertising. "Healthy beautiful smiles for life" (www.crest.com) → promotes beauty, vitality, and life-long benefits
Price	Suggested retail price, but with price promotions depending on retail channel and new product release schedule (e.g., newspaper coupon inserts for new products)
Example #2	
Product	Honda Civic sedan
Place	Honda dealerships, preowned vehicle dealers
Promotion	Heavy TV and cable advertising, as well as full-colour magazine advertisements. "Evolution. Revolution. This is no time to stand still—the all-new Honda Civic is ready to take you places you've only imagined" (www.honda.com) → promotes freshness of design, speed, and dream fulfillment.
Price	Manufacturer's recommended pricing, with potential promotions at the dealership level. "Build-your-own-Civic" functionality via the Honda Web site, which allows customers to see the price of a car with their own option selections.

- A utility company might consider its customers' needs more (e.g., reliable water or electric supply to homes and businesses) but also consider customers' wants (e.g., how

they wish to receive the service, how they prefer to be billed) to achieve higher customer satisfaction and provide offers that go beyond basic needs.

- A cellular phone company must focus on both the customers' needs (e.g., basic, reliable service) and wants (e.g., providing the latest, hottest phones, Internet access) to market its products successfully in today's highly competitive cellular phone market.

2. Choose a product that you use everyday. Describe its 4Ps.

Instructor's Notes: This question is designed to personalize the four major marketing elements for students. Choosing a product that he or she uses everyday and analyzing its 4Ps (product, price, place, and promotion) forces the student to think about how the four elements might come together to make it attractive. This exercise takes the product away from the realm of something that the student simply uses and enjoys and into a better understanding of what makes the product appealing to the student personally.

- Example answers:

McDonalds

- Product: burgers, fries, soft drinks, milk shakes, Combo meals, etc.
- Price: low cost to appeal to target markets
- Place: widespread distribution in all major cities in the world
- Promotion: uses a mix of advertising, sales promotion (e.g. Happy Meals), public relations (Ronald McDonald charities), personal selling (at the point of purchase)

3. Provide examples of three firms that are involved in both B2C and B2B marketing.

Instructor's Notes: Students probably can very easily identify B2C companies, because these firms are parts of the student's everyday life, but it might be more difficult for them to think of B2B firms. Hence the challenge of this question: Students must think beyond their everyday life and comfort zone.

- Example answers:

- General Motors promotes its vehicles to both retail customers (B2C) and other companies for fleet vehicle leasing or rental car sales (B2B).

- Microsoft Corporation sells its software applications to home computer users (B2C) and also promotes its IT consulting services to other corporations (B2B).
- Disney promotes fun, family-friendly vacations to individual consumers (B2C) and offers convention services and catering to other businesses (B2B).

4. Pick a firm that you believe provides its customers with good value. Justify your answer by explaining how the firm competes on value.

Instructor's Notes: This question encourages students to think not only of a firm that they believe provides good value but also about the source of that value and how the firm delivers value. After all, value can be a subjective criterion that potentially differs for each student. Even if different students pick the same firm, they might attribute value to different aspects of the same product or service. If the student can identify a firm, probe him or her to explain what provides the value and how he or she realizes that value, as delivered by the firm.

- Example answer:

- Apple, through its best-selling iPod devices and iTunes online music store, creates value through a fun, easy-to-use, unique design and by offering a vast selection on iTunes, including both standard and "iTunes exclusive" music and video options. By using iTunes, customers achieve several potential benefits: they need not drive around looking for music at retail outlets, they can buy individual songs rather than a whole album, and they can manage their music and video library from a single computer interface rather than cumbersome CD cases or videotapes.

5. Assume you have been hired by the marketing department of a major consumer products manufacturer, such as Colgate-Palmolive. You are having lunch with some new colleagues in the finance, manufacturing, and logistics departments. They are arguing that the company could save millions of dollars if it just got rid of the marketing department. Develop an argument that would persuade them otherwise.

Instructor's Notes: This scenario forces students to think about the purpose and value of marketing in an organizational context and allows for a variety of justifications. For example, a student could use an internal or external perspective and argue that finance, manufacturing, and logistics tend to worry less

about the customer and more about internal processes, whereas the marketing and sales functions constantly focus outward on the customers the company serves. Using this argument, the student might question whether other departments are willing or prepared to take on customer relations and develop an understanding of how and why customers buy the company's product or service. Another argument might simply demand how customers will even know about the company's products if the marketing department doesn't broadcast their features, benefits, and value outward.

- Example answer:
 - Marketing is a necessary function for three reasons:
 - It focuses on understanding what the company's customers actually want and need, as well as how to derive value from the company's products and services. A department dedicated to this function frees other departments to focus on what they do best—be it finance, manufacturing, or logistics.
 - It can act as a buffer between external customers and internal company functions, save other departments from customers' direct demands, and cut down on the amount of churn within the organization.
 - It understands how to communicate the breadth and value of the company's products to an external audience and ensures the audience knows that the company and its products even exist. Without this communication and the subsequent knowledge gained by the customer, there would be no sales revenue and, consequently, no company!

6. Why do marketers find it important to embrace societal needs and ethical business practices? Provide an example of a societal need or ethical business practice being addressed by a specific marketer.

Instructor's Notes: *This question centres on the role of social and ethical issues in a marketing context.*

Students might mention efforts such as keeping the environment clean and offering fair wages to workers, then argue why a marketer should be concerned about those issues.

- Example answers:

- Ben & Jerry's donate a percentage of its proceeds from certain products to worthy causes.
- Starbucks Coffee promotes its fair trade coffee blends and bottled water sales that support third-world water purification programs.
- The Body Shop commits to no animal testing for its cosmetics line.

7. Visit the website of Rogers Communications (<http://rogers.com/>) and compare the 4Ps marketing mix for its BlackBerry Bold Series and BlackBerry Tour Series. What factors might explain the differences you observe?

Instructor's Notes: This question encourages students to not only identify the 4Ps from the tons of information on a company's website but also to think how a company develops marketing mixes for different market segments. They must also be able to link the differences in the marketing mix to the characteristics or needs/wants of the different customer segments.

- Example answer:

4Ps	BlackBerry Bold	BlackBerry Tour
Product	Design and features - more business/professional look, feel, and functionality	Design and features - more consumer look, feel, and functionality
Price	From \$169.99 plus charges for rate plans	From \$149.99 plus charges for rate plans
Promotion	Websites of RIM, Rogers Communications, and national newspapers, network TV business channels	Websites of RIM, Rogers Communications, newspapers, local TV stations
Place	Available through Rogers Communications and Telus	Available through Rogers Communications and Telus
Users	Business Professionals	Consumers and small business owners

8. For many consumers the difference between Dasani water made by Coca-Cola (<http://www.dasani.com/>) and Aquafina made by Pepsi (<http://www.aquafina.com/>) is hardly noticeable. However, both companies and their loyal customers would argue that there are

many differences between these two brands of water. What is your view? Explain how customer perceptions and emotions may influence the way they value a company's product.

Instructor's Notes: This question centres on the subjective bases consumers use to assign and evaluate value to competing products and services. Students will realise that value is not always determined by objective measures such as product features, prices, etc.

- Example answers:

Students' answers may vary but focus on ideas such as loyalty to a brand, company reputation, look and feel of product, experience, attitude to bottled water, and pricing. Generally, the stronger and more positive the customer's feelings, emotions and experiences with a particular brand, the more likely they will assign a greater value to that brand of water.

9. As described in this chapter, customer relationship management is a very important aspect of value-based marketing. Pick any one of Canada's major retailers, e.g. The Bay (<http://www.hbc.com/>), Loblaws (<http://www.loblaws.ca/>), or Shoppers Drug Mart (<http://www.shoppersdrugmart.ca/>), and explain how they go about building strong customer relationships with their customers.

Instructor's Notes: This question asks students to think about the ways in which marketers try to build strong customer relationships. Students should discuss how the techniques identified are actually used by marketers to build customer relationships and to what extent they think these measures are successful in influencing their own individual purchasing behaviour.

- Example answers:

Students may identify a variety of methods based on their individual experiences. However, most will likely focus on customer loyalty programs (and the many variations) as well as various marketing communication that are either general in nature or personalised. Ask students to discuss to what extent their purchase decisions are influenced by these techniques and whether or not they think they benefit from the various methods. Real practical examples should be solicited from the students.

10. Apple's iPhone is seen by many industry analysts as a competitor to RIM's BlackBerry Pearl. Visit Apple's website (<http://www.apple.com/>) and Rogers Communications website (<http://rogers.com/>) to learn more about these two products. What do you think the main

value proposition is for each product? Which company do you think will come out as the winner and why?

Instructor's Notes: This question encourages students to think about the value proposition of competing products from two highly reputable global companies – one Canadian and one American. Most students would have experience with Apple's products but not likely with RIM's products. This could be an interesting avenue to explore in terms of how this experience influence their thinking about value proposition beyond price as well as which company will likely come out the winner.

- Example answers:

Students will compare these two products on things such as look and feel (design), features, price, company's reputation (for quality products and services, reliability, innovation, etc.), compatibility with their iPods and other devices, etc. Students may even rate the products differently based on various tasks, e.g., iPhone maybe better than the BlackBerry for browsing the web and as a pocket organiser but the BlackBerry Pearl maybe better for text messaging because of its keyboard may be easier to use than iPhone's.

Net Savvy

1. **Happy Planet (<http://www.happyplanet.com/>)**, a Vancouver-based organic juice producer is an emerging player in the organic beverage market supplying all of Canada and some of the U.S. with organic juice. Visit its Web site and describe how it delivers value above and beyond that provided by traditional grocery retailers. Describe the ways in which the company communicates this value through its Web site.

Instructor's Notes: This exercise allows students to analyze how a socially responsible grocery retailer creates value and communicates that value to its customers. Students might examine the images and words Happy Planet uses to express its message, the breadth of the appeal of those elements to different customer segments, which elements appear most prominently on the Web site, and what that selective prominence says about the priority of value being expressed.

- Example answers:
 - The company gives an overview of not just the nature of the company but also its social values. To reinforce that message, the company has chosen to include its mission statement in the centre of its homepage and discusses its contribution to the community through its *Community Partners Program*.

2. **Montreal's Biodome (<http://www2.ville.montreal.qc.ca/biodome/site/site.php?langue=en>)** has developed an excellent reputation in international scientific and cultural circles for the diversity of its collection. Visit its Web site and describe the ways in which it creates value for patrons.

Instructor's Notes: This exercise is intended to get students to determine the value non-profit organizations offer their patrons.

- Example answers:
 - The Biodome provides its patrons with a wide variety of animals (292 species), plants (288 species) and birds from across the world, which they can observe on a visit to the Biodome. In addition, the Biodome provides a wide variety of interactive activities for patrons, especially kids and younger children, to learn about the planet and the world's ecosystem. It offers shows and demonstration activities. The facility is modern and offer all the convenience needed for a family day out or a school tour. Its website offers a wide

variety of information – text, audio, and videos - about its collection. It offers a range of affordable pricing plans for entry to the facility. The service is very friendly and professional.

End-of-Chapter Case Study:

Tablet War: RIM's PlayBook versus Apple's iPad

1. Who do you think the PlayBook's primary customers were at the time of its launch? Who were the customers for the iPad.

Instructor's Notes: This question challenges students to think about who the primary target for the respective devices was. Most students probably will choose retail (individual) consumers because of the devices similar functionality and use. However, ask students to think a bit deeper into their answers to see if they understand that the unique stage of each company's evolution and strategy led them to target different segments, at least initially.

- Example answer:
 - RIM's PlayBook was primarily targeted to its existing business enterprise customers while Apple' iPad was targeted at individual consumers. The main reason for this is that RIM was dominant in the business market while Apple was dominant in the retail or consumer market. Thus, the devices were targeted to their existing customer base. It is usually easier for companies to develop new products for their existing customers in order to retain them and serve their growing needs.

2. Do you think both devices provide adequate value to their customers? Which of these two devices do you prefer?.

Instructor's Notes: This question asks students to analyze the two devices and indicate their preferences. The answers they provide for their preferences may reveal a lot about how they think about the companies, the devices, and their own shopping habits, experiences and preferences.

- Example answers:

- Students should be able to compare the two devices on the 4Ps as outlined in Exhibits 1.10, 1.11, and 1.12 of the case. In terms of preferences, their answers can range from their experiences with the respective products, to loyalty, the image associated with owning the products and other factors that go beyond price and convenience.

3. What main factors do you think RIM considered before it priced the PlayBook lower than the iPad? Do you think the lower price will entice customers to purchase the PlayBook instead of the iPad?

Instructor's Notes: This question asks students to think about how being a follower in the market (market timing) could influence competitive strategy. Students are also challenged to think about the extent to which pricing strategies influence customer purchases of consumer electronics. For some people, the lower prices may serve as an incentive to purchase the PlayBook, if they feel that it is a comparable product to the iPad . For loyal Apple customers, the lower prices would not be sufficient to lure them away. We can use this question to tie-back to the concept of value and customer loyalty.

- Example answer:

The main factors that may have affected RIM's decision include (1) that it was one year late entering the market, (2) the excitement for the device was not there compared to the iPad, (3) Apple had already sold over 20 million iPads and it was seen as the market leader, (4) the PlayBook was seen as follower but not with the same features and benefits, e.g. the number of Apps for the iPad far exceeded that of the PlayBook, (5) it was an attempt to protect its enterprise market from competition from Apple, and (6) the PlayBook was viewed by the market as an incomplete product that was rushed to the market.

4. Media reports suggest that the launch of the PlayBook was low-key. Why do you think RIM opted for a low-key launch? Do you think this strategy was appropriate, or should RIM have tried to create greater buzz?

Instructor's Notes: This question asks students to think about the importance of a company's launch (marketing communications) strategy for this type of product. RIM's main competitor, Apple, launched its products including the iPad with much fanfare and hype, which generated a lot of publicity and media

attention. The reason for RIM's approach is not clear but we can speculate that much of it is based on the factors listed in the previous question. Regarding whether RIM should have tried to create buzz, the answers may vary widely but some students may venture that RIM knew that the PlayBook was not a superior product to the iPad or because it was not targeted to consumers but enterprise customers and thus, there was no need to create hype among the consumer segment.

- Example answer:

RIM may have chosen this strategy for several reasons including: (1) that the device was targeted to existing enterprise consumers or BlackBerry users and therefore, there is no need to create hype, (2) it has traditionally not tried to create hype for its product launch and so it sees no need to change that, (3) that it has very limited Apps for consumers and if they raise expectations too high, they may create too many unsatisfied consumers. Was it an appropriate strategy? This is question for debate.

5. What marketing strategies could RIM use to expand its customer base?

Instructor's Notes: This question asks students to think about the various strategies and tactics RIM could use to increase its customer base, basically, selling more to its existing enterprise customers and targeting retail (individual) consumers. Students' answers are likely to vary quite a bit but they should all relate to market penetration and market development strategies described in chapter 2.

- Example answer:

In terms of market development, RIM should pursue more aggressively the consumer market by positioning its PlayBook as a device for this segment. This market segment is growing and RIM's presence is weak, thus this could be an opportunity for RIM. For its existing retail consumers, it can play up the additional capabilities of the PlayBook with the BlackBerry, showing the improved functionality and performance. It may be able to use these customers as a base to further penetrate the consumer market. In terms of penetration of its enterprise market, RIM should position the PlayBook as a natural extension to the BlackBerry with much greater functionality, flexibility, and seamless integration through its tethering function.

6. Which features of the PlayBook offer the most value to customers and its partners (e.g., advertisers)?

Instructor's Notes: This question asks students to think specific features that are targeted to specific customer segments and partners. The market can be broadly segmented into two groups – business or enterprise users and retail or individual consumers. Students' perceptions of the benefits may vary. For RIM's partners, the PlayBook offers them higher margin than the iPad.

- Example answer:

For consumers, the PlayBook offers compatibility with Google's Android, which means consumers can have access to a far larger set of apps that RIM currently offers for the PlayBook. The multi-media (flash) capability of the PlayBook is also a feature that is not on the iPad but which many retail consumers use extensively. For enterprise consumers, flash and presentation capabilities, its smaller size, and its ability to serve as an extension to the BlackBerry are all features that offer value to enterprise customers.

7. RIM's critics suggest that RIM has missed the emerging tablet trend because the PlayBook launched a year after the iPad, after almost 20 million iPads had already been sold. Why do you think RIM seems to have initially missed the emerging tablet trend?

Instructor's Notes: This question ask students to think about how a very innovative, market-oriented company have missed such a huge trend. The answers may vary but should focus on issues such as complacency (RIM invented the smartphone and was the market leader from the inception and so it did feel pressured to do much), its focus on playing catch-up with the iPhone in the consumer segment, which it had neglected for years, and a lack of focus on product development – its focus was on developing incremental products - and its senior executives (the founders) were focusing on other goals such as wanting to purchase a hockey team.

- Example answer:

RIM's excessive focus on playing catch-up with the iPhone in the consumer market where it did not have a strong presence and where its initial foray did not go well. Also, it failed to conduct effective market research, which would have indicated that its enterprise customers could have benefitted

significantly from offering a product that could extend its BlackBerry capability. Also, its failure to follow and understand technological trends.

8. Do you think that the PlayBook will ever dethrone the iPad in the tablet market? If you were hired to engineer a strategy to dethrone the iPad, what would you do and why?

***Instructor's Notes:** This question asks students to think about strategies and tactics to improve a company's competitive position to such an extent that it can dethrone the current market leader. Most students will argue that the PlayBook will never be able to overtake the iPad but they can be challenged to propose strategies and tactics to increase its market share. The answer will vary widely.*

- Example answer:

Possible strategies and tactics may include (1) improving the number of Apps for the PlayBook, (2) provide substantially more features at lower price points, (3) increase its capabilities for enterprise customers, (4) engage in an aggressive marketing campaign, (5) launch subsequent versions of its PlayBook before the iPad in order to change the "follower" or "second place" perception of the market i.e. recapture the innovator perception, and (5) give more focus to the consumer segment where the buzz is – battle for the minds and hearts of consumers and where perception of market leader is reinforced.

Video Activities

Video: The Bottled Water Industry

Learning Objective: LO 2

Page Number in Text: 8

Description: This video demonstrates how marketers have taken a widely available product which is free and have turned it into a product sought after by consumers by applying various marketing principles and tactics. It shows the value-based principles of marketing: satisfying consumers needs/wants while generating benefits for the firm.

Key Words: bottled water; marketing mix; segments; social trends; advertising; marketing channels; and distribution.

Activity: Ask students to select a simple product like carbonated drinks or energy drinks or energy bars. Now ask students to (1) identify what consumer needs and wants these products satisfy; (2) list the

market segments their chosen product is targeted to; (3) list all the different versions (e.g. size, flavour) of their chosen product and the price associated with each version; (4) list the different types of advertising and promotions they have seen for their chosen product; (5) list all the different places where their chosen product is sold; and (6) list the factors that they think account for the success of their chosen product.