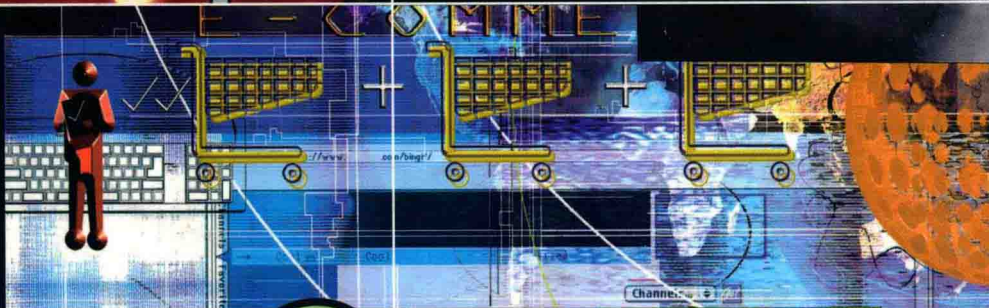


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E-COMMERCE

Lamb, Hair, McDaniel

Marketing

# marketing

SIXTH EDITION

**Charles W. Lamb, Jr.**

M.J. Neeley Professor of Marketing  
M.J. Neeley School of Business  
Texas Christian University

**Joseph F. Hair, Jr.**

Alvin C. Copeland Endowed Chair of Franchising  
and Director, Entrepreneurship Institute  
Louisiana State University

**Carl McDaniel**

Chairman, Department of Marketing  
College of Business Administration  
University of Texas at Arlington

**SOUTH-WESTERN**  
  
**THOMSON LEARNING**

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Publisher/Team Leader: Dave Shaut  
Acquisitions Editor: Pamela M. Person  
Developmental Editor: Jamie Gleich-Bryant  
Marketing Manager: Marc Callahan  
Production Editor: Kelly Keeler  
Manufacturing Coordinator: Sandee Milewski  
Internal Design: Michael H. Stratton  
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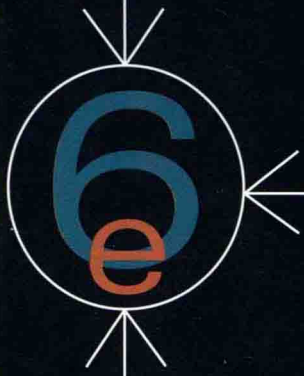
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To Julie Baker  
—*Charles W. Lamb, Jr.*

To my loving and  
supportive wife  
Dale and my son  
and his wife Joe, III  
and Kerrie  
—*Joseph F. Hair, Jr.*

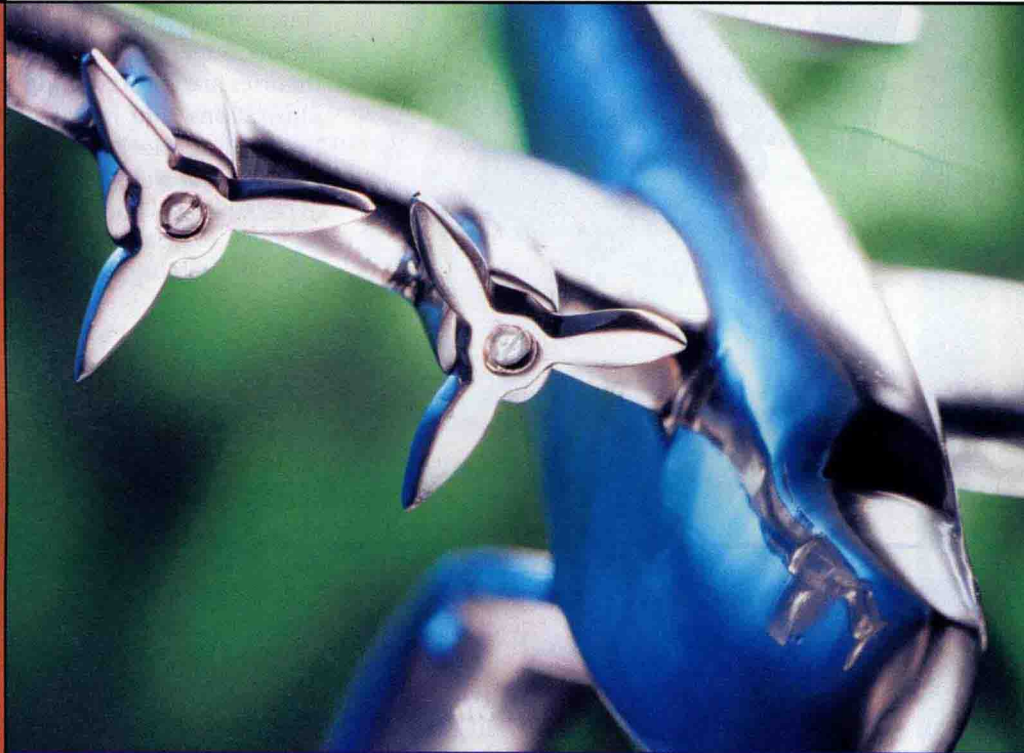
To the kids: Raphaël,  
Michèle, Sébastien,  
Chelley, and Mark  
—*Carl McDaniel*





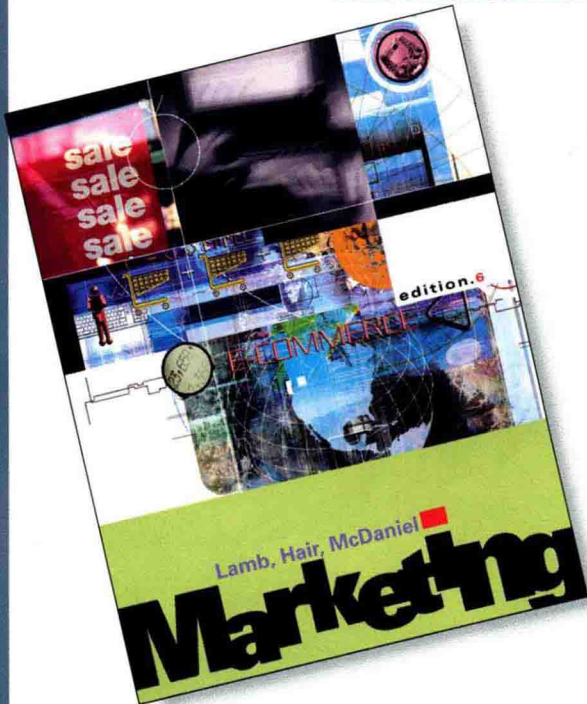
# Marketing

## Preface



You are holding a text that has dramatically increased in number of users and universities with each edition. We are very grateful to the hundreds of professors that selected our text to give college students their very first exposure to the dynamic world of marketing. We are honored that a vast majority of professors stay with our text edition after edition. Our research gives us an indication why this is true. Students find *Marketing*, by Lamb, Hair, and McDaniel, the most exciting, readable, and enjoyable text of their college career.

### *What Makes Marketing, 6th Edition, so Popular?*



We have done extensive research to provide a comprehensive, up-to-the-minute introduction to the field of marketing. Principles and concepts are illustrated by literally hundreds of new, fresh examples. Our text has been called “lively” and “interesting” many times. You should know that this never means “superficial” or “shallow.” The latest concepts and theories are covered in detail in a lucid manner with numerous illustrations. Our responsibility is to continue to build your trust by pursuing excellence not only in the text but in all the ancillaries as well. Our goal is to add value far beyond your expectations in each edition.

### **V**alue-Driven Innovations for the 6th Edition

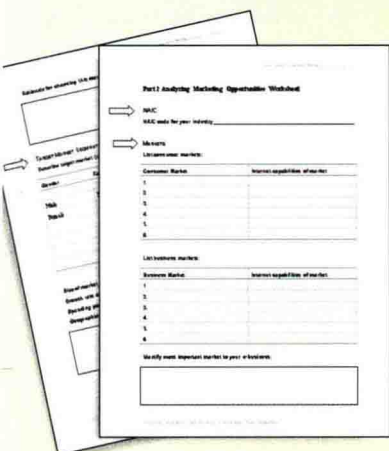
#### *We Have Streamlined the Text.*

We have moved most of the material on competitive intelligence (CI) to the CD that accompanies the 6th edition. At your suggestion, we introduce the topic of competitive intelligence in Chapter 8, Decision Support Systems and Marketing Research. Here your students receive a short overview on CI and, for those instructors seeking additional depth, CI material on the CD-ROM can be assigned. We offer you maximum flexibility on treating this hot topic.



*We have focused on technology.*

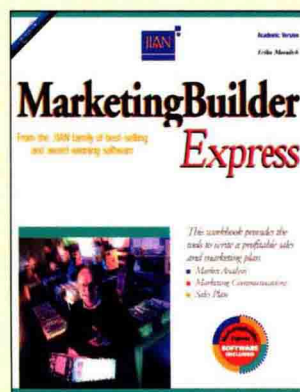
## E-Marketing Planning Activities



Chapter 2 discusses the purpose and components of a marketing plan. As chapter topics such as market segmentation and consumer behavior are discussed, the corresponding end-of-part exercises direct students to create the related portions of their marketing plan. Students will find activities loaded with on-line resources to help build a marketing plan for either an Internet-only venture or a traditional business. We provide student worksheets on the CD-ROM to accompany the e-marketing planning exercises at the end of each of the seven text parts. Never have your students had access to so many resources for building a marketing plan.

## Marketing Builder Express

An “express” version of JIAN’s popular MarketingBuilder software, this tool contains everything students need to develop a marketing plan. Students can complete the end-of-part marketing plan activities using the shorter MarketingBuilder Express software templates or using the original Academic Version of MarketingBuilder.



## Student CD-ROM

Our CD-ROM provides two new video cases on Enterprise Rent-A-Car and Celestial Seasonings. Each case is followed by a series of questions to challenge your students to think about the marketing strategies of each company and how they can be altered to increase marketing effectiveness. The CD also includes the E-marketing planning activities and worksheets described above. To help your students master the material in *Marketing*, 6th edition, we offer interactive quizzes on each chapter. Wrong answers prompt students to go back to a specific page and reread the material. The CD features PowerPoint™ slides with instructions for making Power Notes. Rather than constantly taking notes, students can listen and absorb your lectures.

## Internet Activities and Real-Time Examples

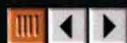
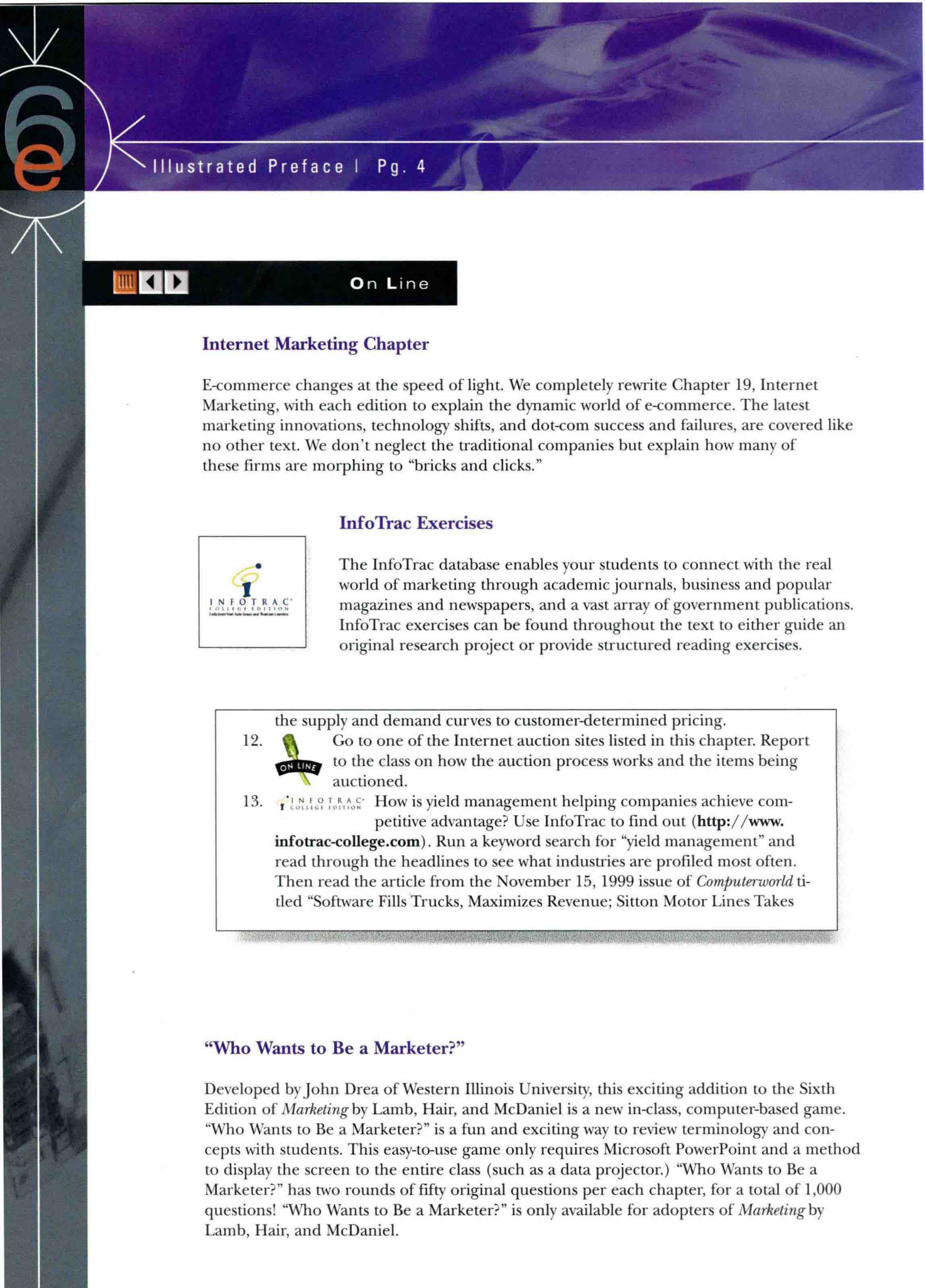
Each chapter contains Internet activities with URLs, tied to organizations mentioned in the text. For example, as students read about how McDonald’s segments and target markets, they are directed to real-time examples on McDonald’s Web page. Because each activity calls for student production, you can use these mini-exercises as additional homework or quizzing opportunities. In addition, we conclude each chapter with additional Internet activities that relate to chapter content. Students find valuable on-line resources and learn to analyze current Internet marketing strategies. Links to all URLs in the book are located on the text’s Internet site at <http://lamb.swcollege.com>. We have kept the best URLs from the 5th edition and added many new ones to each chapter. Should a URL listed in the book become obsolete, it will be replaced with a new one that still fits the particular context of the activity.

### Starbucks

How does Starbucks use its Web site as a loyalty marketing program? Visit the site and see.  
<http://www.starbucks.com>

On Line







## Internet Marketing Chapter

E-commerce changes at the speed of light. We completely rewrite Chapter 19, Internet Marketing, with each edition to explain the dynamic world of e-commerce. The latest marketing innovations, technology shifts, and dot-com success and failures, are covered like no other text. We don't neglect the traditional companies but explain how many of these firms are morphing to "bricks and clicks."

### InfoTrac Exercises



The InfoTrac database enables your students to connect with the real world of marketing through academic journals, business and popular magazines and newspapers, and a vast array of government publications. InfoTrac exercises can be found throughout the text to either guide an original research project or provide structured reading exercises.

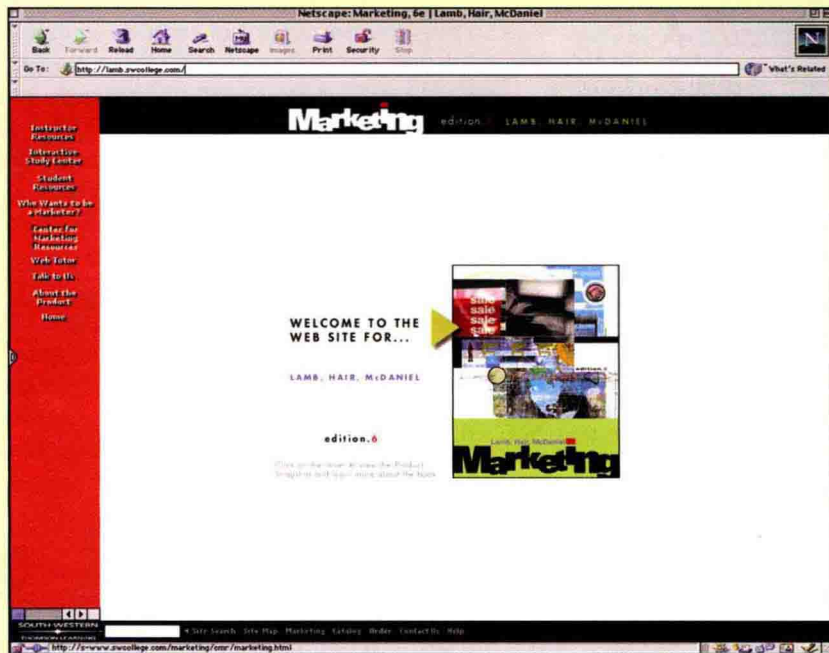
- the supply and demand curves to customer-determined pricing.
12.  Go to one of the Internet auction sites listed in this chapter. Report to the class on how the auction process works and the items being auctioned.
  13.  How is yield management helping companies achieve competitive advantage? Use InfoTrac to find out (<http://www.infotrac-college.com>). Run a keyword search for "yield management" and read through the headlines to see what industries are profiled most often. Then read the article from the November 15, 1999 issue of *Computerworld* titled "Software Fills Trucks, Maximizes Revenue; Sitton Motor Lines Takes

### "Who Wants to Be a Marketer?"

Developed by John Drea of Western Illinois University, this exciting addition to the Sixth Edition of *Marketing* by Lamb, Hair, and McDaniel is a new in-class, computer-based game. "Who Wants to Be a Marketer?" is a fun and exciting way to review terminology and concepts with students. This easy-to-use game only requires Microsoft PowerPoint and a method to display the screen to the entire class (such as a data projector.) "Who Wants to Be a Marketer?" has two rounds of fifty original questions per each chapter, for a total of 1,000 questions! "Who Wants to Be a Marketer?" is only available for adopters of *Marketing* by Lamb, Hair, and McDaniel.



## Marketing, 6th Edition Web Site



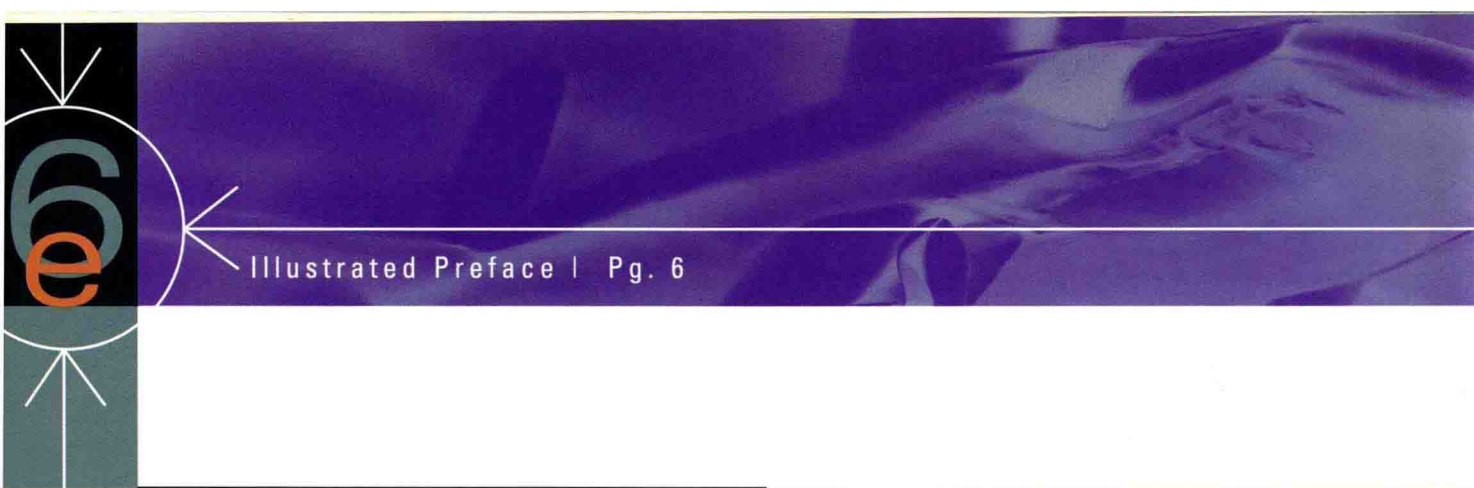
### Comprehensive Web Site

Lamb, Hair, McDaniel's Web site contains a wide array of supplementary products for instructors to use in enhancing their course material and presentations, and guiding students down the path to a clear understanding of the concepts presented within the text. It also offers students Web pages dedicated to students' needs and geared toward helping them succeed.

The instructor's site includes: a sample Test Bank and Study Guide chapter, the Instructor's Manual in its entirety, The Fifth and Sixth editions of "Great Ideas in Teaching Marketing", The entire PowerPoint™ presentation available in viewable and printable formats, new to this edition "Who Wants to be a Marketer?", and a features archive of boxes and vignettes from the Fifth Edition.

Student resources include:

- ✓ Marketing "on-line" segments directly from the new edition
- ✓ Sample chapters of "Who Wants to be a Marketer"
- ✓ Ten interactive study guide questions to quiz students' retention of key concepts
- ✓ Full PowerPoint™ presentation in printable and viewable formats
- ✓ Career Appendices and a Marketing Resource Center
- ✓ Marketing Project Plan—a contest which asks students to take the knowledge and understanding they have acquired from the textbook and put it to use in developing a marketing plan for an actual existing company
- ✓ Study Break with fun links and games



## Fresh Content Throughout

*We have thoroughly updated and added to our proven features.*

We have thoroughly revised the 6th edition with new features and content throughout the text. You will find:

- ✓ New content on competitive advantage
- ✓ An expanded section on poverty of time and how it influences consumers and marketers
- ✓ A new section on technological and resource factors that affect marketing efforts
- ✓ A new section on fears of globalization and trade
- ✓ A new section on the impact of the Internet on global marketing
- ✓ A new section on e-commerce:
  - B2B
  - Consumer e-relations tool
  - E-commerce is for all sizes of business
  - Benefits of e-commerce
- ✓ An updated section on age segmentation
- ✓ An updated section on ethnic segmentation
- ✓ An updated section on perceptual mapping
- ✓ A new section on secondary information available on the Internet
- ✓ Updated lists and descriptions of search engines and sites of particular interest to marketing researchers
- ✓ A fully updated section on Internet surveys
- ✓ A fully updated section and new material on supply chain management
- ✓ A fully updated section on technology in supply chain management
- ✓ An updated section on global logistics
- ✓ A fully updated section on on-line retailing
- ✓ An updated section on the Internet as a public relations tool
- ✓ A new section on on line promotions
- ✓ A new section on the impact of technology on personal selling
- ✓ A new section on yield management
- ✓ A fully updated section on the impact of the Internet on pricing
- ✓ A new section on pricing penalties

### Cross-Functional Connections

No marketer is an island. Marketing professionals work with every functional area of the company. Cross-functional connections explore the give and take between marketing and other business functions. We present cross-functional connections in a thoroughly revised format at the beginning of each section. Solutions to the topical questions are provided at the end of each section so that students can test their understanding of how marketing is integrated with the other functions of business.



# Entrepreneurship Cases

Entrepreneurship, whether in the newest dot-com or in America's largest corporations, is what has fueled the greatest period of expansion in American history. Our new entrepreneurship cases highlight the challenges facing entrepreneurs in the 21st century. As you might expect, many of these all-new cases focus on Internet companies such as Ebay, Planet Feedback, Napster, Lycos, and Entrypoint.com. But we also recognize that entrepreneurial activities take place across the Fortune 500, so we profile industry giants like W. W. Grainger, which offers over 600,000 maintenance, repair, and operating items, and Ford Motor Company. Both have used a highly entrepreneurial approach in launching their e-commerce programs. Your students will find these cases an exciting and challenging aspect of each chapter.

## Use It Now!

Students are often heard to comment, "Yes, I can use this information when I graduate and get into my career but what take-away value can I get right now?" We followed up on this cue by adding a new feature at the end of each chapter entitled, "Use It Now!" This material covers a topic related to the chapter that the student can put to work today. For example, in Chapter 4, Developing a Global Vision, "Use It Now" tells how students can find a job overseas and also offers tips on changing money abroad.

## Expanded Coverage

of Integrated Marketing Communications

We listened to your suggestions to add more coverage on integrated marketing communications (IMC). Chapter 14 is now solely devoted to the introduction of IMC. Chapter 15 (new) covers advertising and public relations. Chapter 16 concludes the section with sales promotion and personal selling. The additional chapter gives students more detailed coverage across the spectrum of IMC.

### Case

## entrepreneurship

### Encirq: Protecting Privacy on the Web



The rapid development of the Internet and e-commerce in the past couple of years has not come without serious growing pains. This new networking and communication medium created a whole new way for marketers to identify, track, collect information about, and offer targeted messages to consumers. Advertisers can monitor consumers who are surfing for pleasure even if they do not buy anything or divulge any personal information. With just a person's e-mail address and a cookie (an electronic tag that identifies a user's computer with a numeric code), an on-line ad server can easily track users as they click across the Internet landscape. Tracking a consumer's surfing habits enables servers of on-line advertisements to place very targeted ads in front of users. On the surface, this may seem like a benefit to both the advertiser and to the consumer, but there is often an unrealized downside to all of that.

What consumers have been generally unaware of is that these ad serving networks and companies collect and store all of that information on private servers and sell it to other marketing companies and retailers at a handsome profit. Selling on-line profiles seriously compromises a user's privacy, and it almost always happens without that person being aware of it. If Net users are aware of this information brokering, they generally

suit generated mass awareness of the practices of Double-click and other similar ad serving networks and fueled public intolerance of such activities. Online marketers began to suffer from the loss of specific information needed to serve targeted content and advertisements. Most Internet users became extremely guarded about sharing any kind of personal information on-line.



The Encirq Corporation, which at present has the only available solution of its kind, hopes to once and for all resolve the problem that limits marketers and compromises personal privacy. Founded by Mark Vogel and David Posner, Encirq has developed a software application from two unique and perfectly complementary insights. Vogel dreamed of a way for an Internet user's personal information to remain housed on his or her own individual computer. In this way, personal information would be fully protected and controlled by the consumer. Posner had designed a small database that would launch within a user's computer at the exact moment an Internet user connected with a Web server. Driven to solve the privacy problem outlined above—and the marketing problem that analyzing clicking habits on-line created only a thumbnail sketch of buying habits and history—Vogel and Posner devised a product that could be the perfect solution to both.

### Use it Now!

#### Study the Role of a Global Manager

As business becomes more global, chances are that you may become a global manager. Start learning right now what this means and if it's right for you. The life of a global manager can be hectic, as these examples illustrate:

As president of DoubleClick International, a unit of the New York Internet advertising company, Barry Saltzman spends about 75 percent of his time traveling. He takes a laptop and four battery packs so he can wade through the 200 e-mail messages he averages daily. Welcome to the world of global management. It's a punishing pace, but it's the only way Mr. Saltzman knows how to manage his network of thirteen offices worldwide.

Global managers spend proportionately more of their energy combating the sense of isolation that tends to gnaw at employees in remote offices. Mr. Saltzman conducts a conference call every Monday morning for international managers in Canada, Europe, and Asia. Only those who are flying somewhere are excused. "We try to maintain voice contact," he says. "We lose that with computers and e-mail."

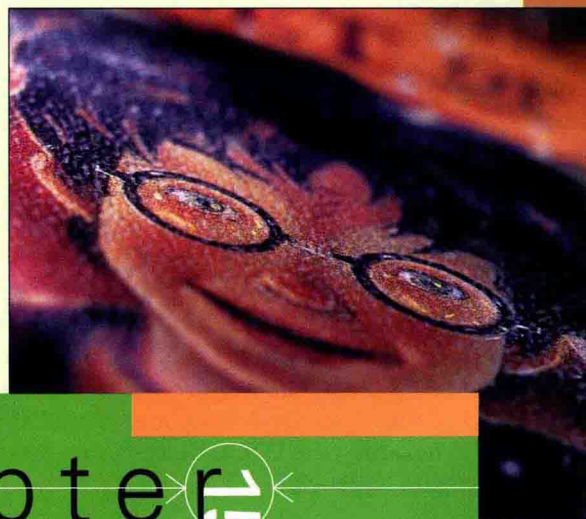
Top overseas performers at Secure Computing, a San Jose, California, software developer, are treated to a dinner for two by Christine Hughes, senior vice president of marketing and business development. Ms. Hughes supervises a twenty-four person staff in North and South America and Asia. One of her missions on trips is to combat the tendency

of foreign-based employees to think the organization is "U.S.-centric," she says. Because they take much longer flights than the typical corporate road warrior, global managers wind up turning airplanes into offices. When she is overseas, Ms. Hughes has her office ship her a package of paperwork overnight, so she can work on the flight home. Mr. Saltzman considers flight time some of his most productive; he uses it to answer e-mail and review contracts.

Indeed, a global manager's workday never really ends. Wherever they are, it's still business hours somewhere else. When she's working in Australia, Ms. Hughes usually ends her day in a hotel room, talking with someone at the home office. "I'm on the phone until two in the morning dealing with issues," she says. "You just have to accept that."

One way to see if you might be cut out to be a global manager is to spend some time abroad. The ideal situation is to find a job overseas during the summer months. This experience will help you decide if you want to be a global manager. Also, it will look good on your resume. One source of international jobs information is <http://www.internationaljobs.org/>.

If you can't find a job overseas, save your money and travel abroad. Seeing how others live and work will broaden your horizons and give you a more enlightened view of the world. Even international travel can help you decide what you want to do in the global marketplace.



# chapter 5



Item #5 p.61

### The Marketing Environment and Marketing Ethics

Ah, the vast Canadian wilderness. If someone could just capture that spirit of the Great White North, package it, and launch a marketing campaign. Someone has: two American guys, Michael Butman and Don Green, transplanted from Detroit, nostalgic for their days at summer camp.

Evoking the rugged imagery of outdoor Canada, Roots Canada Ltd. sells such gear as \$800 elkskin jackets, leather bags and shoes, casual wear, and even woody home furnishings. The company, with annual sales of about \$170 million, has grown to 160 stores—including ninety-five in Asia, where Canada's famed wilderness holds considerable allure.

Now, the apparel chain plans a \$70 million, five-year expansion drive in the United States and Europe. Having already laid down roots in New York, Aspen, Beverly Hills, and other cities

and other local comedians. The friendships later helped the company win contracts to supply varsity-style jackets and other merchandise for the cast of *Saturday Night Live* and other television shows.

Roots is hoping its celebrity connections will give it an edge as it expands in the hotly contested U.S. market for casual wear. It is also stocking its U.S. stores with a larger proportion of leather goods, including jackets, bags, and accessories, than its stores in Canada carry. "Club Monaco, Banana Republic, Gap—if you look at stores like that, it's basically all clothing," says Marshall Myles, Roots's executive vice president. "At Roots, it's always been the leather products that people remember."

Competitors are watching. "Their fits are very trendy, very funky, very tailored," says Deborah Cragger, man-

### Boxed Items

Each chapter features two completely new boxes. The "Global Perspectives" feature describes the experiences of real companies doing battle in the global marketplace. This boxed feature is in addition to the myriad of global examples found throughout the text. Every chapter, of course, is written with a global vision. Our second box tackles the often sticky issue of what is right or wrong in marketing. Our "Ethics in Marketing" feature offers provocative examples of how ethics come into play in many marketing decisions. Is it ethical to

### Opening Vignettes

Each chapter begins with a new, current, real-world story about a marketing decision or situation facing a company. These vignettes have been carefully prepared to stimulate student interest in the topics to come in the chapter and can be used to begin class discussion. A special section before the chapter summary called "Looking Back" answers the teaser questions posed in the opening vignette and helps illustrate how chapter material relates to the real world of marketing. A few of the companies featured in the 6th edition are: LL Bean, Ralston Purina, Target, Williams-Sonoma, and Kinkos.

### MARKETING MISCUES

#### DoubleClick's Consumer Tracking Capabilities Backfire

DoubleClick is a global Internet advertising company that delivers more than 5 billion on-line ads per month via its fourteen country networks. Through these sophisticated country networks, advertisers can reach computer users in over eighty countries with one ad purchase. These ads, which include sponsorships, pop-ups, and banners, can target users in any country in their native language. The company's yearly sales revenue was almost \$200 million in 1999. However, this was only a small portion of industry on-line ad revenue of \$3 billion in 1999—a market that is growing and expected to reach \$12 billion by 2003.

DoubleClick, a 1995 entrepreneurial start-up based in New York, does not perform the creative aspects of advertising. Rather, the company sells and manages ads that appear on a network of around 1,500 Web sites that represent nearly 50 percent of all Web traffic.

teering that personal information was other companies. While tracking by "cookies" allow for the monitoring of on the Internet, user habits are not in name and address. The potential for Abacus to link specific individuals at habits (site visits, purchases) is enormous to DoubleClick having the most consumer database in the world.

Consumers as well as consumers (such as the American Civil Liberties for Democracy and Technology, and vacy and Information Center) were DoubleClick would even think about invading Internet users in this manner. The of accompanying negative publicity DoubleClick's stock value. Additional partners, Altavista and Kozmo, announced they would either withdraw ads linked to

### Ethics in Marketing

FOR THE RIGHT PRICE, THESE DOCTORS TREAT THEIR PATIENTS AS PRECIOUS

Garrison Bliss and Mitchell Karton, like many doctors, were tired of insurance companies telling them how to care for their patients. Looking for a way around the bureaucracy, the two physicians discovered the price people will pay for peace of mind. Their practice, Seattle Medical Associates, is an unusual medical consultancy, where people pay for a doctor's know-how. For a range of fees, patients get unlimited access to a doctor they know who will guide them through the maze of hospitals and medical specialists they may encounter if they do get sick. There are unlimited office visits, an annual physical and X-rays as needed, but no ties to the insurers and health-maintenance organizations that most Americans now en-

counter. SMA doesn't take Medicare or Medicaid either. Instead, it promises the kind of personal, around-the-clock attention that people used to associate with their family doctor. Many of their longtime patients had to think hard about paying almost \$800 more a year on top of other health costs, and a lot of their old patients have left. Others are happy that they stayed. "It's expensive, but this matters," says Julie Blacklow, a fifty-year-old freelance television producer who recently called Dr. Karton at 1 a.m., complaining of chest pains that she feared signaled a heart attack. He talked her through her symptoms, then told her—correctly—not to worry. "To give someone access, that may be the best medicine of all," Ms. Blacklow says. "That's priceless."

Maybe. But such added prices are too high for many Americans and point the way to a multi-tiered medical system in which the quality of care might depend even more than it does today on the thickness of the patient's wallet.<sup>8</sup> Is there anything you see as unethical about what Bliss and Karton are doing? Would it be unethical if the federal government implemented such a system? When the practice converted to the new pricing system, they lost one-third of their patients. Do the doctors have any obligation to them?

<sup>8</sup> Anita Sharp, "For the Right Price, These Doctors Treat Patients as Precious," Wall Street

create huge databases about people's private lives? What about marketing to children? Students will consider these and many other hotly debated ethical questions.

### Marketing Miscues

Mistakes can have tough consequences, but they also offer great lessons. This is especially true in marketing. At the end of each part you will find all new cases that describe good and bad ideas that couldn't make it in the rough and tumble marketplace. Often amusing and always interesting, these cases will help your students avoid the same mistakes. A few highlighted firms are: Double Click, IBM, Just for Feet, PETA, and Burger King.

### Critical Thinking Cases

Making smart decisions is at the heart of successful marketing. Critical Thinking Cases at the end of each part put your students in the role of decision maker. They will evaluate the marketing plans of well known organizations including the U.S. Military, Disney, Coca Cola, Priceline, and Starbucks.

### CRITICAL THINKING CASE

#### Redefining Prices at Priceline

Founded by forty-six-year-old Jay Walker in 1998, Priceline.com is not a typical dot-com business. From a dot-com selling perspective, the company is the pioneer in the e-commerce system referred to as "demand collection." Basically, Priceline.com matches consumer demand (at a price set by the consumer) with a supplier willing to provide the product or service at the price named by the consumer. It is very unlike bricks and clicks companies that place their catalogs on the Web. From an organizational perspective, company executives are not twenty-somethings wearing jeans and T-shirts. Executives, recruited from companies such as Citigroup and AT&T, often wear suits to work. Additionally, the company is not located in the hotbed of dot-com companies on the West Coast. Rather, company headquarters are on the eastern seaboard of the United States in a suburban office park.

services through affiliated co and Perfect YardSale.

The purchasing of travel is one of the earliest e-commerce services. Travelocity.com and Expedia.com are the mid-individual travel providers (epanies, and hotels) began to systems. By 2000, travel was gory on the Internet. Of the \$ billion were airline reservatio rooms, and \$630 million were. However, only around 3 percent were made on-line.

It was estimated that 5 million empty each week, with 100,000 seats weekly. Priceline included hotels in 1,200 locations. The company's hotel

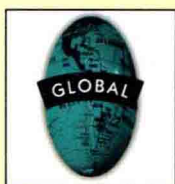


## Classic Features Have Been Updated and Enhanced



### Internet Coverage

The Sixth Edition focuses on technology. In addition to all of the innovations described above, we have highlighted Internet coverage throughout the text with the special icon in the margin.



### Global Marketing Concepts Throughout the Text

Today most businesses compete not only locally and nationally, but globally as well. Companies that have never given a thought to exporting now face competition from abroad. "Thinking globally" should be a part of every manager's tactical and strategic planning. Accordingly, we address this topic in detail early in Chapter 4. Numerous global examples within the body of the

text are identified with the icon shown in the margin.

Global marketing is fully integrated throughout the book, cases, and videos, as well. Our "Global Perspectives" boxes, which appear in nineteen chapters, provide expanded global examples and concepts. Each box concludes with thought-provoking questions carefully prepared to stimulate class discussion. For example, the box in Chapter 7 describes how office supply giant Office Depot fumbled as it tried to establish itself in Japan. Students are asked to identify ways Office Depot could have more effectively segmented the Japanese market.



### Small Business and Entrepreneurship Are Emphasized in Every Chapter

Many students will either work for a small business or strike out

on their own to form an organization. For this reason, a new "Entrepreneurship Case" and an "Application for Entrepreneurs" appear at the end of each chapter. The "Entrepreneurship Cases" apply general marketing concepts to the world of start-ups and small business. The "Applications" are mini-cases designed to illustrate how small business can create strategies using the material in the chapter. In addition, small business examples throughout each chapter are identified by the icon in the margin.



#### Global Perspectives

##### BIG BOY'S ADVENTURES IN THAILAND

With his checkered overalls, cowlick curl, and penchant for double burgers, Big Boy seemed an unlikely fit for Bangkok. "People thought he was a little, well, creepy," says Peter Smythe, the head franchisor for Big Boy restaurants in Thailand. "They kept asking me, 'Is he a Chinese Ronald McDonald?'" Eventually, a few Thai visitors decided Big Boy was a religious icon and laid bowls of rice and incense at his feet.

Now that giants like Burger King and McDonald's have saturated markets around the world, the more obscure fast-food companies are heading overseas. In 1998, the minichains, such as Big Boy and Schlotzky's, opened nearly 800 new restaurants abroad, giving them more than 12,000 units overseas, according to Technomic Inc., a Chicago food-business consultancy. Asia, with more than a billion young consumers, is the prime target.

Still, for the little guys of the business—who don't have the money, supply networks, or global wisdom of a Hamburger University—venturing abroad can be a messy business. Culture clashes, food shortages, and government run-ins are common. Consider the story of Big Boy.

Mr. Smythe, who was living in California at the time, got a call in 1995 from his Thai brother-in-law. They met with a businessman who was looking for an American franchise to bring to Thailand. Smythe found Big Boy, a franchise that seemed a natural for expansion. The first restaurant opened in 1996, but no one came. After interviewing hundreds of customers, Smythe found a number of reasons why people were not coming to his restaurant. Some said the restaurant's "room energy" was bad. Others said the Big Boy statue spooked them. Many explained that they would rather get a sweet satay, noodle bowl, or grilled squid on the street for one-fifth the price of a greasy burger. "It suddenly dawned on me that here I was trying to get a 3,500-year-old culture to eat sixty-four-year-old food," says Smythe.

Big Boy placed a few cheap Thai items on the menu, and customers started trickling in. Today, Smythe owns four Big Boys in Thailand, three in Bangkok, and one in the southern beach town of Pattaya. Sales have doubled since last year, and the larger two are pulling in more than \$13,000 a month—about one quarter the average for an American store, but still profitable because of their lower costs.

The menu is a work in progress. Smythe studied the customers who were walking past his restaurants and discovered that they fell into two broad categories: European tourists and Thai young people, including a large number of the young women who work in nearby bars. With help from a Swiss chef, Smythe filled the menu with German specialties like spatzie, beef, and chocolate cake. For the Thais, he added country-style specialties like fried rice and pork omelets. He also added sugar and chili powder to Big Boy's hamburgers to better match the Thai taste buds. The restaurants now make over half their money from Thai food and the rest from European dishes and the occasional milk shake or burger.

"We thought we were bringing American food to the masses," says Smythe. "But now we're bringing Thai and European food to the tourists. It's strange, but you know what? It's working."

Evaluate Big Boy's marketing strategies in Thailand. What lessons can you derive from the Big Boy story?

\* Robert Frank, "Big Boy's Adventures in Thailand," *Wall Street Journal*, April 12, 2000, pp.



### Focus on Ethics

In this edition we continue our emphasis on ethics. The “Ethics in Marketing” boxes, complete with questions focusing on ethical decision making, have been revised in each chapter. Questions and cases designed to highlight ethical issues, such as the Ben and Jerry’s and Encirq cases appearing at the end of Chapter 3, give students a sense of the complexity of ethics as the cases lead them to look at the issues from all sides.



### Customer Value and Quality are Emphasized in Every Chapter

Delivering superior customer value is now key to success in an increasingly competitive marketplace. We have integrated examples throughout the text that show how issues of value and quality affect marketing decisions at every level. The icon in the margin identifies the placement of these examples.

<http://lamb.swcollege.com>

### Careers in Marketing

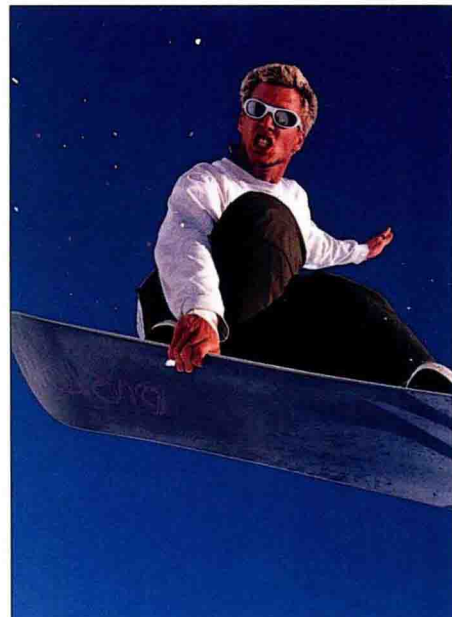
The Careers Appendix is still a key feature of the Sixth Edition Web site. It presents information on a variety of marketing careers, with job descriptions and career paths, to familiarize students with employment opportunities in marketing. This appendix also indicates what people in various marketing positions typically earn and how students should go about marketing themselves to prospective employers. A self-assessment questionnaire, a sample résumé and cover letter, and interviewing checklists are only some of the tools we have provided to help your students enter the marketing field.

### Popular BusinessLink Video Cases

Twenty videos are available with the Sixth Edition of *Marketing*. Each video is enhanced by text material at the end of appropriate chapters. The companies we feature are ones that both you and your students will recognize: Burton Snowboards, Ben and Jerry’s, the Toronto Blue Jays, and many more. Detailed video teaching notes preview each clip and key it to the chapter content for easy integration. Previewing, viewing, and follow-up activities help you present the content through the video, making the marketing experience real for your students.

**There you have it!**

Proof-positive that *Marketing*, 6th edition offers the freshest material to be found in any textbook.





## Value-Driven Pedagogy Holds It Together

Our pedagogy has been developed in response to what you told us delivers value to you and your students. You told us that current examples are important to you, so we have included all-new opening vignettes, new examples throughout the text, and new boxed material in every chapter. You told us that cases that students find relevant are important to you, so we have revised our “Cross-Functional Connections” feature and replaced all of the “Marketing Miscues” and “Critical Thinking Cases” at the end of each part. You said that many of your students planned a career in small business, so we have incorporated numerous new small business examples, updated the entrepreneurship exercises, and added an “Entrepreneurship Case” at the end of each chapter. Finally, you told us that the Integrated Learning System helped you organize your lectures and helped your students study more effectively, so we have retained that important feature.

### Fully Integrated Learning System

The text and all major supplements are organized around the learning objectives that appear at the beginning of each chapter to provide you and your students with an easy-to-use Integrated Learning System. A numbered icon like the one shown in the margin identifies each objective in each chapter and appears next to its related material throughout the text, Instructor’s Manual, Test Bank, and Study Guide. In other words, every learning objective links the text, Study Guide, Test Bank, and all components of the Instructor’s Manual. The system is illustrated on the inside front cover of the text.

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Chapter learning objectives are the linchpin of the Integrated Learning System. They provide a structure for your lesson plans—everything you need to assure complete coverage of each objective icon. Do you want to stress more on learning objective 4, Chapter 11, “Explain why services marketing is important to manufacturers?” No problem. Go to the Instructor’s Manual, objective 4, Chapter 11, and you’ll find supplemental material. Do you want to emphasize the same objective on an exam? Go to the correlation table at the beginning of every chapter in the Test Bank. Here you will find under Chapter 11, learning objective 4, a matrix that lists question types and level of difficulty. Now you can test on objective 4 by type of question and degree of difficulty. This value-driven system for you, the instructor, delivers what it promises—full integration.

The integrated system also delivers value for students as they prepare for exams. The learning objective icons identify all the material in the text and Study Guide that relate to each specific learning objective. Students can easily check their grasp of each objective by reading the text sections, reviewing the corresponding summary section, answering the Study Guide questions for that objective, and returning to the appropriate text sections for further review when they have difficulty with any of the questions. Students can quickly identify all material relating to an objective by simply looking for the learning objective icon. And now every chapter concludes with a detailed study tip to help students master marketing concepts.




### Still Shaky? Here’s a tip

Studying for comprehensive exams doesn’t have to be a chore. Form a study group. Photocopy the *Marketing 6e* glossary and cut it into strips, one term per strip. Put all strips into a large bowl. Divide into teams and draw out one strip at a time. Quiz the opposing team and then read the correct answer. You can do the same with the summary sections at the end of each chapter. You can tabulate points, but you’ll all win!



## Text Pedagogy That Adds Value, Excites Students, and Reinforces Learning

Pedagogical features are meant to reinforce learning, but they need not be boring. We have created teaching tools within the text that will excite student interest as well as teach.

- **Opening Vignettes, Revisited at Chapter Conclusions:** Each chapter begins with a new, current, real-world story about a marketing decision or situation facing a company. A special section before the chapter summary called "Looking Back" answers the teaser questions posed in the opening vignette and helps illustrate how the chapter material relates to the real world of marketing.
- **Key Terms:** Key terms appear in boldface in the text, with definitions in the margins, making it easy for students to check their understanding of key definitions. A complete alphabetical list of key terms appears at the end of each chapter as a study checklist, with page citations for easy reference.
- **Chapter Summaries:** Each chapter ends with a summary that distills the main points of the chapter. Chapter summaries are organized around the learning objectives so that students can use them as a quick check on their achievement of learning goals.
-  **Discussion and Writing Questions:** To help students improve their writing skills, we have included writing exercises with the discussion questions at the end of each chapter. These exercises are marked with the icon shown here. The writing questions are designed to be brief so that students can accomplish writing assignments in a short time and grading time is minimized.
-  **Team Activities:** The ability to work collaboratively is key to success in today's business world. End-of-chapter team activities, identified by the icon shown here, give students opportunities to learn to work together.
-  **Application for Small Business:** These short scenarios prompt students to apply marketing concepts to small business settings. Each scenario ends with provocative questions to aid student analysis.
- **End-of-Chapter Cases:** All chapters conclude with a new Entrepreneurship case and a video case. Marketing concepts are illustrated through the stories of well-known companies and situations.

## Innovative Student Supplements

*Marketing*, 6e, provides an excellent vehicle for learning the fundamentals. However, for students to gain a true understanding of marketing, it's best if they can apply the principles to real-life situations. Included are a variety of supplements that help students apply concepts through the use of hands-on activities.



**The GradeMaker Study Guide and Workbook** (ISBN 0-324-06863-8) has been updated for the Sixth Edition. The Study guide questions are linked to the learning objectives by numbered icons. Every chapter includes application questions in a variety of formats to help students master the concepts. Study Guide questions are designed to be similar in type and difficulty level to the Test Bank questions. By careful review of the Study Guide, students can dramatically improve their test scores. Each chapter opens with a pre-test, and several review tools are provided throughout the text including chapter outlines with definitions, summarized key points as well as vocabulary practice.

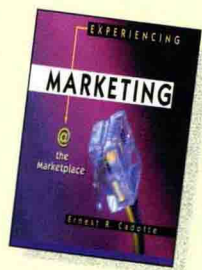


### Free Student CD-ROM



An interactive CD is packaged free with every copy of *Marketing*, 6e.

It contains valuable resources such as two all-new video segments on Enterprise Rent-A-Car and Celestial Seasonings. Each segment has an accompanying case. Also on the CD are E-Marketing Planning worksheets to help students with activities at the end of each part, review quizzes for each chapter, PowerPoint slides created specifically for the Sixth Edition as well as a sampling of complementary extra content to ensure your students' success.



### Cadotte: Experience Marketing at the Marketplace

This CD-ROM based exercise will challenge students to make tough marketing-based decisions in a competitive, fast-paced market where the customers are demanding and the competition is working hard to increase market share. Theory comes alive as students learn to manage a new business venture, increase profit, improve customer satisfaction, and capture dominant market share.

## Innovative Instructor's Supplements

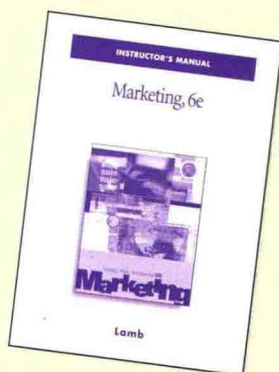
All components of our comprehensive support package have been developed to help you prepare lectures and tests as quickly and easily as possible. We provide a wealth of information and activities beyond the text to supplement your lectures, as well as teaching aids in a variety of formats to fit your own teaching style.

### Instructor Resource CD-ROM



Managing your classroom resources is now easier than ever. The new Instructor Resource CD-ROM (ISBN 0-324-06867-0) contains all key instructor supplements—Instructor's Manual, Test Bank, and PowerPoint.

### A Value-Based Instructor's Manual, the Core of Our Integrated Learning System



Each chapter within the Instructor's Manual (ISBN 0-324-06866-2) begins with learning objectives and a summary of key points. The Integrated Learning System then comes together in the chapters' detailed outlines. The outlines correspond with the text and supplements via the learning objectives and refer back to the appropriate support materials for each lecture. Support materials include transparencies with discussion suggestions, additional examples, exhibits, additional articles, activities, boxed materials, and questions. With each edition of *Marketing*, the outlines are always revised and updated to provide the most current information in the field of marketing. In addition to providing complete solutions for text questions and cases, the manual supplies ethical scenarios, summarized articles, and class activities. Our manual is truly "one-stop shopping" for your complete teaching system.

### WebTutor Advantage

This product is an enhancement of WebTutor on Blackboard and WebCT; it contains all of the interactive study guide components of the standard WebTutor, with three very valuable content and technology oriented additions. WebTutor Advantage contains video lectures—this valuable student resource combines the robust 500+ PowerPoint™ slide presentation with an audio lecture. WebTutor Advantage also contains digitized videos which accompany and add a critical thinking element to the students' learning experience. "Who Wants to be a Marketer?" presented in its entirety is the third piece of this Advantage product. Also available is our WebTutor standard on Blackboard and WebCT.