

Lamb, Hair, McDaniel



Essentials of

Marketing

essentials of marketing

THIRD EDITION

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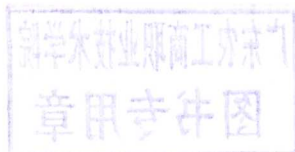
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To Julie Baker
—*Charles W. Lamb, Jr.*

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

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

Essentials of Marketing

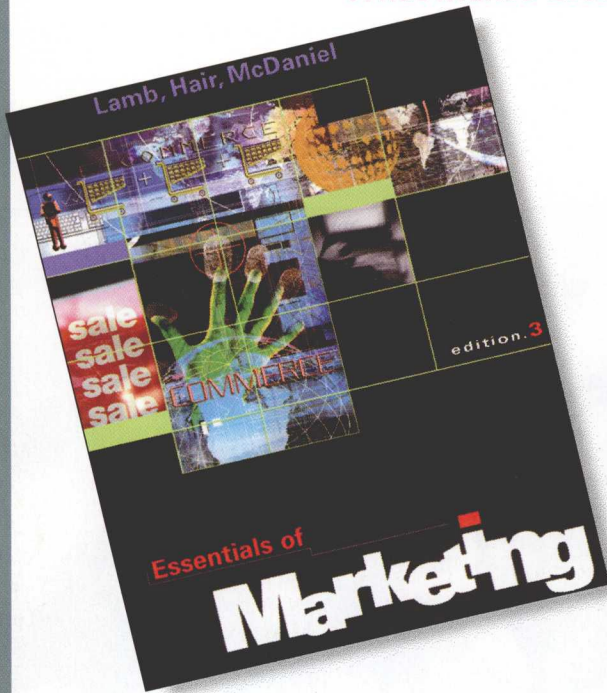


Preface



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 *Essentials of Marketing*, by Lamb, Hair, and McDaniel, the most exciting, readable, and enjoyable text of their college career.

What Makes Essentials of Marketing, 3rd Edition, so Popular?

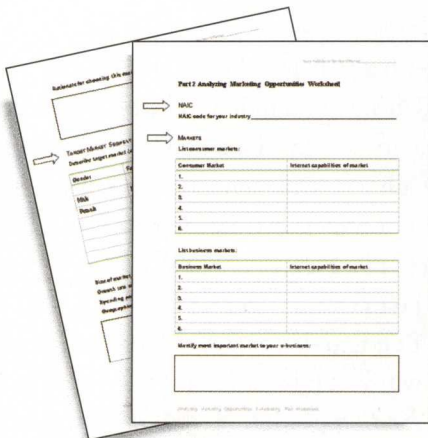


We have done extensive research to provide a comprehensive, up-to-the-minute introduction to the field of marketing. Principles and concepts are illustrated by literally hundreds of new, fresh examples. Our text has been called “lively” and “interesting” many times. You should know that this never means “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.

Value-Driven Innovations for the 3rd Edition

We have focused on technology.

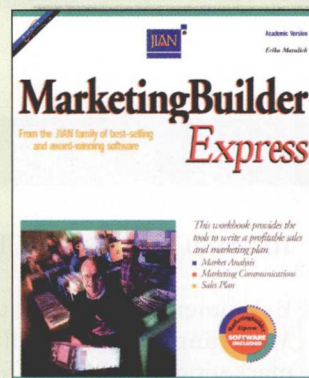
E-Marketing Planning Activities



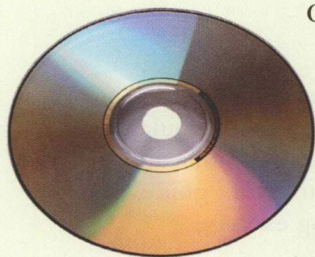
Chapter 1 introduces the marketing process and marketing strategies. The marketing plan documents the firm’s strategies, and we encourage students to jump into marketing by creating their own plan. As chapter topics such as market segmentation are discussed, corresponding end-of-part exercises direct 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 four 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 *Essentials of Marketing*, 3rd 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. Exhibits from the book have been turned into worksheets and placed on the CD. Students can test their knowledge and check themselves against the text. And a new module on competitive intelligence expands the discussions in Chapter 7.

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 2nd 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.

Federal Trade Commission

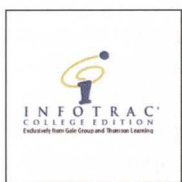
As a marketing manager, how would you use the FTC Web site in designing a new marketing campaign?
<http://www.ftc.gov/index>




Internet Marketing Chapter

E-commerce changes at the speed of light. We completely rewrite Chapter 15, 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



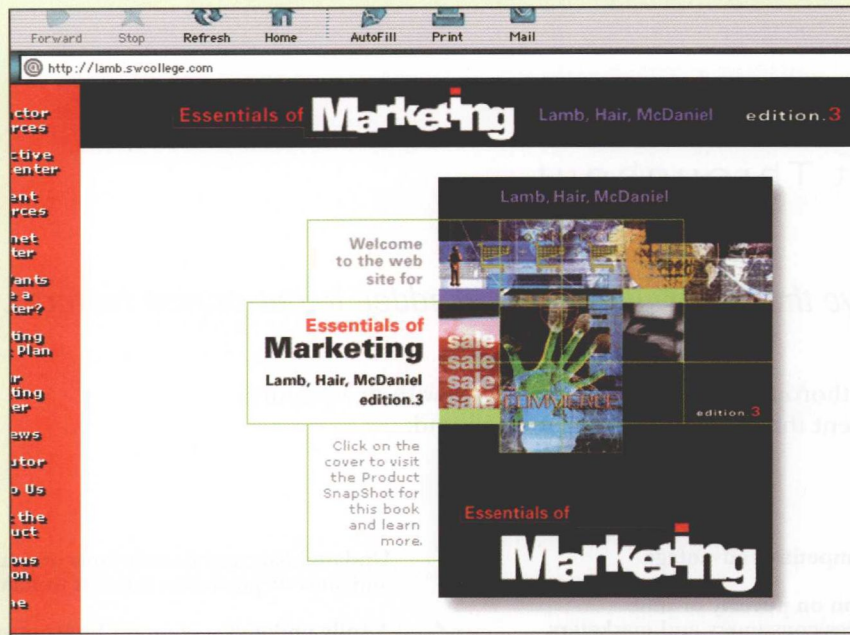
The InfoTrac database enables your students to connect with the real world of marketing through academic journals, business and popular magazines and newspapers, and a vast array of government publications. InfoTrac exercises can be found throughout the text to either guide an original research project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

11.  What kind of factors can push a respectable firm to enter a price fixing arrangement with a competitor? Using InfoTrac (<http://www.infotrac-college.com>), read about either the vitamin industry or the art auction industry price fixing scandals of 1999 and 2000. If there are more current scandals, read a selection of articles on a particular industry. Then compile a list of business practices and pricing issues that are present in the reports of each scandal. Is each scandal unique, or are there any overlapping characteristics? What conclusion can you draw about price fixing from the articles you read?

"Who Wants to Be a Marketer?"

Developed by John Drea of Western Illinois University, this exciting addition to the Third Edition of *Essentials 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 1,600 questions! "Who Wants to Be a Marketer?" is only available for adopters of *Essentials of Marketing* by Lamb, Hair, and McDaniel.

Essentials of Marketing, 3rd Edition Web Site



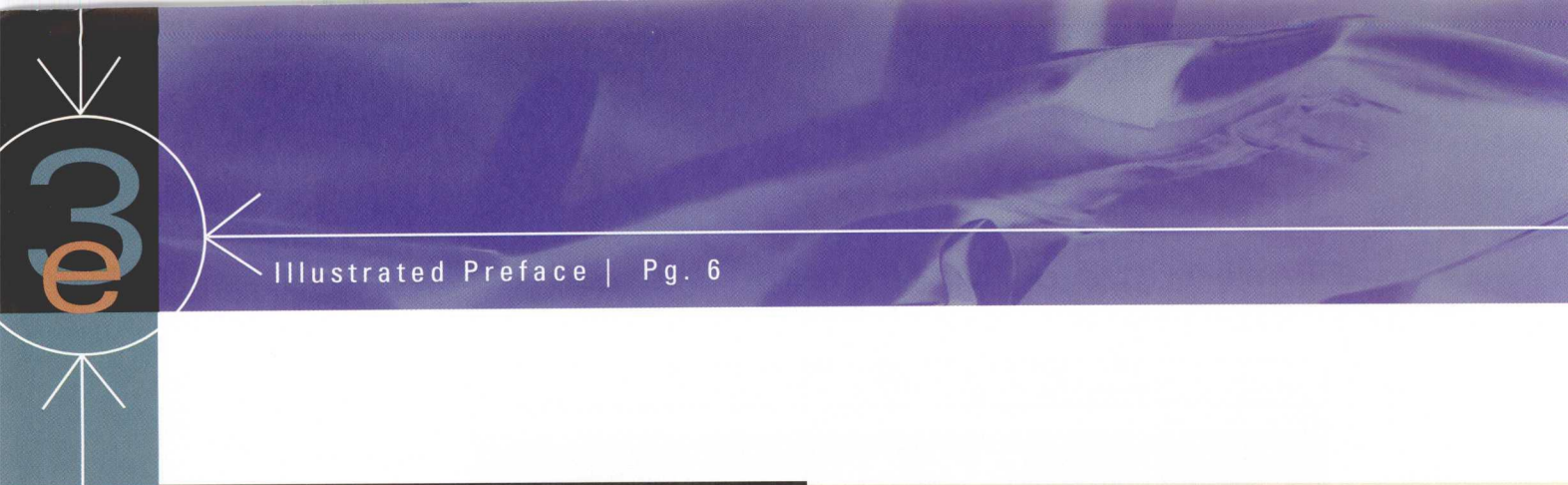
Comprehensive Web Site

The Lamb, Hair, McDaniel 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 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?," a features archive of boxes and vignettes from the Second Edition, and regular updates of all cases in the Third Edition.

Student resources include:

- ✓ Marketing "on-line" activities from the new edition with hot links to the relevant URLs.
- ✓ Sample chapters of "Who Wants to be a Marketer"
- ✓ Ten interactive study guide questions per chapter to quiz students' retention of key concepts
- ✓ Full PowerPoint™ presentation in printable and viewable formats
- ✓ Career Appendix and a Marketing Resource Center
- ✓ Entrepreneurship Case with 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, marketing-related links and games



Fresh Content Throughout

We have thoroughly updated and added to our proven features.

We have thoroughly revised the 3rd 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 part. Solutions to the topical questions are provided at the end of each part 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 3, 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 12 is now solely devoted to the introduction of IMC. Chapter 13 (new) covers advertising and public relations. Chapter 14 concludes the section with sales promotion and personal selling. The additional chapter gives students more detailed coverage across the spectrum of IMC.

Case

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.

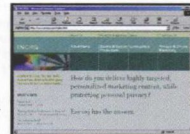
With just a person's e-mail address and a cookie (an electronic tag that identifies a user's computer with a numeric code), an on-line ad server can easily track users as they click across the Internet landscape. Tracking a consumer's surfing habits enables servers of on-line advertisements to place 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 DoubleClick and other similar ad serving networks and fueled public intolerance of such activities. On-line 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 Salzman 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. Salzman 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. Salzman 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."

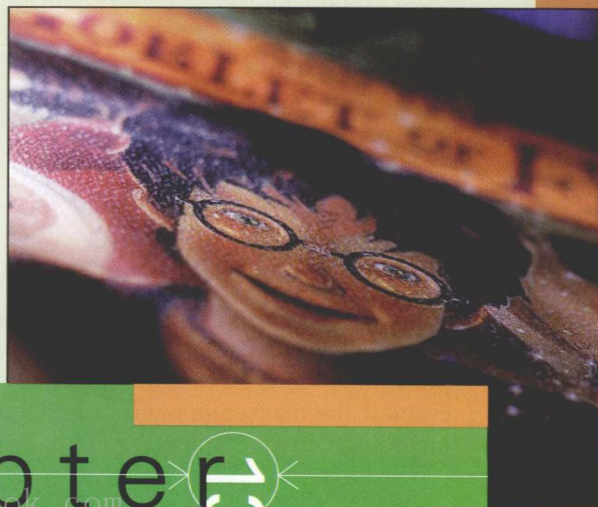
Top overseas performers at Secure Computing, a San Jose, California, software developer, are treated to a dinner for two by Christine Hughes, senior vice president of marketing and business development. Ms. Hughes supervises a twenty-four-person staff in North and South America and Asia. One of her missions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



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 Budman and Don Green, transplanted from Detroit, nostalgic for their days at summer camp.

Evoking the rugged imagery of outdoorsy 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 twenty-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

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

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 3rd edition are: L.L. Bean, Ralston Purina, Target, and Kinkos.

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

Ethics in Marketing

VACCINE'S PRICE PRESENTS A DILEMMA ABOUT ITS USE

Should the government scale back the use of a major new childhood vaccine simply because of its unusually high price? Hopes are still high that the vaccine, called Prevnar, will prevent scores of deaths and millions of illnesses in the United States from meningitis, pneumonia, blood poisoning, and ear infections. But at \$22 for a four-dose series, Prevnar will cost as much as all other approved childhood vaccinations combined.

That price is just too high, say some doctors advising the government. So instead of giving the vaccine to all children up to age five, the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices recommended that Prevnar be given just to the children at highest risk: those under the age of two.

For decades, research has proved that vaccines save more money than they cost by preventing expensive and deadly illnesses. As most new vaccines came along, government panels readily recommended that all American

children get them. And the government has picked up much of the tab, paying for half of all childhood immunizations in the United States.

But as manufacturers increasingly target less-severe illnesses with pricey medications, government experts will be forced to begin debating if the cure is worth the cost. This same debate has for years roiled adult medical care—and has emerged as central in discussions over the future of Medicare—but it is only now making its way into childhood vaccines.

No one is disputing Prevnar's medical value. The vaccine targets pneumococcal bacteria that cause about 3,000 cases of meningitis, thousands more cases of blood poisoning, 100,000 to 135,000 hospitalizations for pneumonia and millions of infant ear infections every year in the United States.

A narrower age range would be a disappointment to American Home Products Corporation, which manufactures Prevnar. The vaccine has been

under development since 1986, and it has seven different types of the pneumococcal bacteria. "That costs a lot of money," says Dr. Paradise, Vice President of the Syeth-Avent Laboratories division of American Home. He also notes that immunizing older kids is more cost-effective than immunizing infants, because children two and older need just one shot, not four. Each shot costs \$58.

However, experts concerned about the overall cost of a vaccination program argue that vaccinating kids ages two and older—who aren't as susceptible to illness—isn't nearly as beneficial.

Should price be a factor in determining who receives vaccination? Do you think in this case it should be given only to children under the age of two? Who should make this decision?

⁸ "Vaccine's Price Drives a Debate About Its Use," *Wall Street Journal*, February 18, 2000, pp. B1, B4.

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 MISCUSES

Got Beer?—Ad Campaign Crashes

In October 1993, the milk industry took charge of its own destiny and aired the first "Got Milk?" advertisement. Originating in California, these ads almost single-handedly stopped the national decline in milk consumption. Additionally, the ads have been credited with changing the world of advertising. The Got Milk? campaign proved that creative advertising could resurrect an ancient product like milk. The success of the campaign has led to many knockoff ads. The most recent one, which was lambasted by many, was the "Got Beer?" promotional campaign launched by People for the Ethical Treatment of Animals (PETA).

PETA is an international nonprofit organization based in Norfolk, Virginia. The organization operates under the principle that "animals are not ours to eat, wear, experiment on, or use for entertainment." With over 600,000 members worldwide, PETA is the largest

could it be exhibiting no concern for the hands of drunk drivers?

The renamed campaign, "Dump to target college students. Switching to promote its cause against milk, the milkusucks.com Web site allowed students free bottle opener with the slogan, "Drink responsibly. Don't drink milk." have been successful. It received over thirty-six hours, and PETA claimed that students joined the group's College Act.

One has to wonder if being forced Beer? campaign depicted a marketing part of PETA or whether all of the put the campaign was beneficial to the

Questions for Discussion

1. Should a not-for-profit tax-exempt allowed to target underage drinks

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: Saturn, 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 Disney, Staples, Priceline, and Starbucks.

CRITICAL THINKING CASE

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 one of the earliest e-commerce as Travelocity.com and Expedia travel service in the mid-individual travel providers (e-pannies, and hotels) began to systems. By 2000, travel was gory on the Internet. Of the \$ billion were airline reservation rooms, and \$630 million were However, only around 3 percent were made on-line.

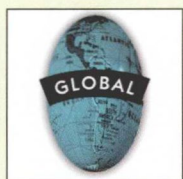
It was estimated that 5 million empty each week, with 100,000 seats weekly. Priceline hotels in 1,200 local States. The company's hotel

Classic Features Have Been Updated and Enhanced



Internet Coverage

The Third 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.

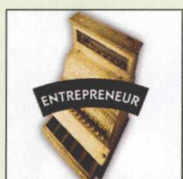


Global Marketing Concepts Throughout the Text

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 3. 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 most 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 6 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**

PRODUCT PLACEMENT IN CHINESE SOAP OPERA

To the delight of marketers, soap is suddenly showing up on the set of China's popular soap opera *Love Talks*, one of the first television series in China engineered by advertisers. Set in a fictitious Shanghai ad agency, the soap opera features the budding romance between a veteran male account director and a novice account executive. The unique aspect of this show is the obvious placement of brand-name products visible throughout the show. For example, one scene shows the soap's star Qu Ying, rushing to work, leaving an important folder at home. The camera zooms in on the forgotten folder, which just happens to be sitting next to a big tube of Pond's Vaseline Intensive Care lotion. The scene then cuts to Ms. Qu in a cab where she is applying Maybelline lipstick, when she notices the missing folder—oh no! Quickly, she borrows a Motorola mobile phone from a handsome stranger in another car.

Marketers, such as Unilever, Motorola, Maybelline, Duracell, and General Electric, have already signed up as sponsors of *Love Talks*. Other brands, such as Braun and Nike, have also cashed in on sponsorships, promotion, and product placement opportunities with the Chinese soap opera. Show sponsorships cost \$240,000 to \$360,000. Television in China is still under strict government control, but shows such as *Love Talks* are demonstrating new opportunities for advertisers.

While paying to have a product appear in movies or television shows is old hat in the United States and other countries, the concept is revolutionary in China. Most commercials on Chinese state-run television are run in back-to-back, ten-minute-long "bricks," or segments. Due to the large number of commercials that run during each brick, it's difficult for any one advertiser to attract viewers' attention with just a thirty-second ad. Product placement, therefore, provides an innovative way for a product to get

noticed. Advertisers are also attracted to the drama since its viewers represent a burgeoning middle class in the world's most populous country.

Love Talks, produced by United Media, now airs on 128 of China's 800 television stations. The show has been so popular with viewers that the production company has begun developing two more series—one about an architect's family life, called *Home*, and another about a modeling agency, called *Model*. The original *Love Talks* series has also been syndicated to broadcasters in Taiwan, Hong Kong, Thailand, Malaysia, and Singapore.⁹

Can you recall any name-brand products that you saw in a television series or a motion picture? How did this affect your perception of the brand?

⁹ Peter Woracott, "Chinese TV Discovers Product Placement," *Wall Street Journal*, January 26, 2000, p. B12; Normandy Medden, "Sponsors Follow Twists of Chinese Soap Operas," *Advertising Age International*, January 1, 2000, p. 9.



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 2, 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 Third 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

Sixteen videos are available with the Third Edition of *Essentials 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, Big Boy Restaurants, 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 in the Instructor’s manual help you present the content through the video, making the marketing experience real for your students.

There you have it!

Proof-positive that *Essentials of Marketing*, 3rd 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 5, Chapter 8, “Explain why services marketing is important to manufacturers?” No problem. Go to the Instructor’s Manual, objective 5, Chapter 8, and you’ll find supplemental material. Do you want to emphasize the same objective on an exam? Pick and choose questions from Chapter 8 testing material that relate to Objective 5. Test questions in each chapter of the Test Bank are organized by objective. 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 *Essentials of Marketing 3e* 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!

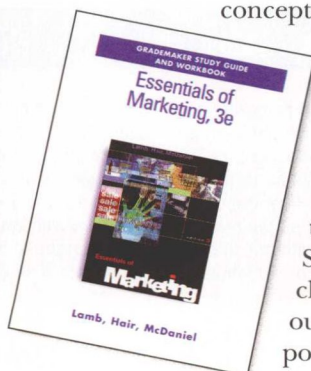
Text Pedagogy That Adds Value, Excites Students, and Reinforces Learning

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

Essentials of Marketing, 3e, 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.

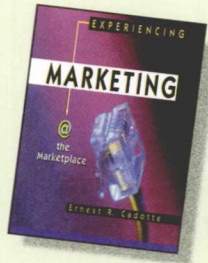


The GradeMaker Study Guide and Workbook (ISBN 0-324-11391-9) has been updated for the Third Edition. The Study guide questions are linked to the learning objectives by numbered icons. Every chapter includes application questions in a variety of formats to help students master the concepts. Study Guide 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 *Essentials of Marketing*, 3e. 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 Third 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.

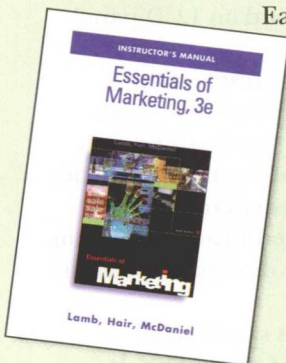
Instructor Resource CD-ROM

Managing your classroom resources is now easier than ever. The new Instructor Resource CD-ROM (ISBN 0-324-11393-5) contains all key instructor supplements—Instructor's Manual, Test Bank, ExamView testing Software, and PowerPoint.



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

Each chapter within the Instructor's Manual (ISBN 0-324-11392-7) 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 *Essentials 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.