

WEB-ENHANCED



**CONTEMPORARY
MARKETING**

BOONE & KURTZ

10TH EDITION

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ABOUT THE ARTIST

Moroccan-born Pierre-Yves Goavec says that growing up in such exotic locales as Tunisia, Senegal, and Lebanon was the key force in shaping his unique artistic style. Immersed from a young age in a myriad of cultures and art forms, Goavec now creates photographs for multinational clients such as Bear Stearns, Intel, Microsoft, Disney, Toshiba, and Harcourt College Publishers.

Goavec's creations, appearing here on the cover and in the part opening art, are often highlighted by objects from his eclectic prop collection to give his images a "playful, surreal look," but his primary medium is light. He creates these images by shaping, forming and bending light—using illumination to create patterns and shapes, merge different colors to create new hues and shades, and turn light into an object.

To Pat and Diane

THE DRYDEN PRESS SERIES IN MARKETING

Assael
Marketing

Avila, Williams, Ingram, and LaForge
The Professional Selling Skills Workbook

Bateson
Managing Services Marketing: Text and Readings
Third Edition

Blackwell, Blackwell, and Talarzyk
Contemporary Cases in Consumer Behavior
Fourth Edition

Boone and Kurtz
Contemporary Marketing
Tenth Edition

Boone and Kurtz
Contemporary Marketing 1999

Churchill
Basic Marketing Research
Third Edition

Churchill
Marketing Research: Methodological Foundations
Seventh Edition

Czinkota and Ronkainen
Global Marketing

Czinkota and Ronkainen
International Marketing
Fifth Edition

Czinkota and Ronkainen
International Marketing Strategy: Environmental Assessment and Entry Strategies

Dickson
Marketing Management
Second Edition

Dunne and Lusch
Retailing
Third Edition

Engel, Blackwell, and Miniard
Consumer Behavior
Eighth Edition

Ferrell, Hartline, Lucas, Luck
Marketing Strategy

Futrell
Sales Management: Teamwork, Leadership, and Technology
Fifth Edition

Grover
Theory & Simulation of Market-Focused Management

Ghosh
Retail Management
Second Edition

Hoffman
Marketing: Best Practices

Hoffman/Bateson
Essentials of Services Marketing
Fourth Edition

Hutt and Speh
Business Marketing Management: A Strategic View of Industrial and Organizational Markets
Sixth Edition

Ingram
Selling

Ingram, LaForge, and Schwepker
Sales Management: Analysis and Decision Making
Fourth Edition

Lindgren and Shimp
Marketing: An Interactive Learning System

Krugman, Reid, Dunn, and Barban
Advertising: Its Role in Modern Marketing
Eighth Edition

Oberhaus, Ratliffe, and Stauble
Professional Selling: A Relationship Process
Second Edition

Parente
Advertising Campaign Strategy: A Guide to Marketing Communication Plans
Second Edition

Reedy
Electronic Marketing

Rosenbloom
Marketing Channels: A Management View
Sixth Edition

Sandburg
Discovering Your Marketing Career CD-ROM

Schaffer
Applying Marketing Principles Software

Schaffer
The Marketing Game

Schellinck and Maddox
Marketing Research: A Computer-Assisted Approach

Schnaars
MICROSIM

Schuster and Copeland
Global Business: Planning for Sales and Negotiations

Sheth, Mittal, and Newman
Customer Behavior: Consumer Behavior and Beyond

Shimp
Advertising and Promotions: Supplemental Aspects of Integrated Marketing Communication
Fifth Edition

Stauble
Marketing Strategy: A Global Perspective

Talarzyk
Cases and Exercises in Marketing

Terpstra and Sarathy
International Marketing
Eighth Edition

Watson
Electronic Commerce

Weitz and Wensley
Readings in Strategic Marketing Analysis, Planning, and Implementation

Zikmund
Exploring Marketing Research
Seventh Edition

Zikmund
Essentials of Marketing Research

Harcourt Brace College Outline Series

Peterson
Principles of Marketing

P R E F A C E

Welcome to *Contemporary Marketing's* new millennium. Today's marketers know that the key to success is keeping up with change. This challenge seems tougher each day. Consider that e-commerce began less than a decade ago. Today . . . well, you know the story . . . the Internet is the driving force in the economy.

Keeping pace with this technological revolution, the tenth edition of *Contemporary Marketing*, is the *first* text to devote two full chapters (an entire part) to technology issues. Part 2 "Managing Technology to Achieve Marketing Success" explores emerging e-commerce and related concepts. Another chapter considers the impact of technology and the Internet on relationship marketing. Further, greatly expanded Internet and e-commerce materials are also included in virtually every chapter.

We recently ran across a quote that is a good description of our view of the technological revolution occurring in the modern marketplace.

Within five years, the term "Internet Company" won't mean anything, because everyone will be an Internet company. The Internet becomes a fundamental part of your business

Kim Polese, in *So Long, Wild, Wild, Web*¹

CONTEMPORARY MARKETING FIRSTS

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Previous users will recognize that our new orientation is a trend we established way back in the first edition—to lead the principles of marketing with new "firsts." We know that keeping several steps ahead of the competition is the way we became the best selling basic marketing text. We plan to keep it that way.

Consider our record of providing instructors and students with "firsts":

- The FIRST marketing text written specifically for the student—rather than the professor—featuring a clear, concise style which students readily understand and enjoy.
- The FIRST marketing text based on marketing research, written the way instructors actually teach the course.
- The FIRST marketing text to integrate computer application into each chapter.
- The FIRST marketing text to employ extensive pedagogy—such as boxed features—to breathe life into the exciting concepts and issues of marketing.
- The FIRST marketing text to introduce end-of-chapter video cases tied to professionally produced video segments.
- The FIRST marketing text to offer early services and international chapters and to thoroughly integrate those topics throughout with literally hundreds of examples.
- The FIRST marketing text to utilize multimedia technology to integrate all components of the principles of marketing ancillary program—videos, overhead transparencies, and material from the text—enabling instructors to custom create lively lecture presentations.
- The FIRST marketing text to integrate a true technology emphasis throughout the entire package, incorporating a technology theme into every facet: opening vignettes; chapter concepts; end-of-chapter assignments; boxed features; cases; such innovative learning tools as CD-ROMs, multimedia materials, a robust Web site, and much more.
- The FIRST marketing text to include an entire, separate chapter on relationship marketing.

¹Quoted in Individual Investor.com
January, 2000, p. 26

KEY FEATURES OF THE TENTH EDITION

The new edition of *Contemporary Marketing* is also packed full of new innovations. Here are some of the exciting new features of the 10th edition.

NEW! Succinct nineteen-chapter tenth edition introduces readers to the 21st century marketplace with a more streamlined approach.

NEW! End-of-Part Continuing Case on Gateway now includes a strong emphasis on strategy, which enables students to follow one company case through all the marketing functions. The case is integrated with the Boone & Kurtz Web site, which incorporates marketing planning material and activities for each part.

NEW! Eye-catching, easy-to-read, one-column format gives instructors the added margin space they requested for their notes.

NEW! “Strategic Implications” sections in each chapter spotlight the marketing strategy concepts illustrated in chapter material, helping equip readers with a solid foundation in strategic thinking.

NEW! “Ethical Implications” sections in each chapter enhance coverage of marketing ethics by providing specific focus to broader ethical issues involved in decisions affecting product, distribution, promotion, pricing, and other marketing management issues.

NEW! “Strategy Successes” and “Strategy Failures” boxes present concise illustrations of marketing strategy in action—both the good and bad highlights.

COMPLETELY REVISED! Chapter 1, “Customer-Driven Marketing,” explores the role of marketing and technology in the 21st century marketplace. Setting the stage for the entire text, the chapter also examines the meaning of marketing and explores the importance of effective marketing strategy.

NEW! Part 2, “Managing Technology to Achieve Marketing Success,” incorporates technology issues and the Internet into a new part focusing on interactive marketing and relationship marketing.

NEW! Chapter 4, “E-Commerce: Electronic Marketing and the Internet,” takes an in-depth look at e-commerce and e-marketing. This innovative new chapter offers comprehensive coverage of online marketing, including how marketers use the Internet, effective Web designs, marketing strategies driving online campaigns, tools to measure the effectiveness of online marketing efforts, and much more.

NEW! Use of shopping bots in identifying low-price suppliers is discussed in Chapter 19 “Managing the Pricing Function.”

REVISED! The Relationship Marketing chapter has been revamped and updated to reflect the latest trends from the field. Presented earlier in the text, the new Chapter 5 explores the impact of database marketing and new technology on relationship marketing.

REVISED! Part 4, “Customer Behavior,” reflects the latest thinking on buyer and consumer issues.

NEW! Questions for Critical Thinking have been added to end-of-chapter materials.

UPDATED! “Careers in Marketing” Appendix answers the question “Why study marketing?” It also explores 21st century marketing career opportunities, immediately bringing a current, real world focus to the study of marketing.

New Content

As usual, the authors have updated the text's content to include the latest business practices and topics. Here are just a few examples:

- Coverage of the newly-enacted Children's Online Privacy Act in Chapter 2
- Banners, keyword ads, and interstitials as online advertising alternatives
- Importance of bandwidth in offering high-quality interactive communication
- Use of cookies in providing personalized customer service in online marketing.
- Enhanced discussion of supply chain management.
- New coverage of enterprise resource planning.
- Expanded coverage of data mining.
- The new NAICS (North American Industrial Classification System), which replaces the SIC codes
- The sale of captive brands in modern merchandising
- The Microsoft ruling and its aftermath
- Updates to ISO 9002 (formerly ISO 9000)
- Growth of inside selling in 21st century promotional mixes
- Yield management as a pricing technique
- Using bundle pricing

Pedagogical Features

Each Chapter includes a "Solving an Ethical Controversy" box which is set up in a debate format. Examples include:

- Fighting Spam (Chapter 4)
- Questionable Advertising Aimed at Teens (Chapter 8)
- PCs for Free (Chapter 19)



Each chapter of the new edition includes special inserts featuring marketing successes and marketing failures.

Marketing Strategy Successes include:

- International Golf Outlet (Chapter 4)
- The Grateful Dead is Still Alive! (Chapter 15)
- *The Blair Witch Project* Conjures Up Guerrilla Advertising (Chapter 16)

Marketing Strategy Failures include:

- Cigar Craze Burns Out (Chapter 9)
- Pointcast Gets Pushed Out (Chapter 15)
- Buying College Textbooks Online—Not In Line (Chapter 19)



Contemporary Marketing has long been noted for its attention-grabbing opening stories. Here are some examples from the new edition:

- Jeff Bezos Navigates the Mighty Amazon (Chapter 11)
- NBA Tries to Score Big with Its Brand (Chapter 12)
- eBay Customers Name Their Own Price (Chapter 18)

And More Features . . .

In addition to all these unique new innovations, *Contemporary Marketing*, tenth edition, also includes Boone & Kurtz's signature features—all completely updated—which have helped make our text the nation's best seller.



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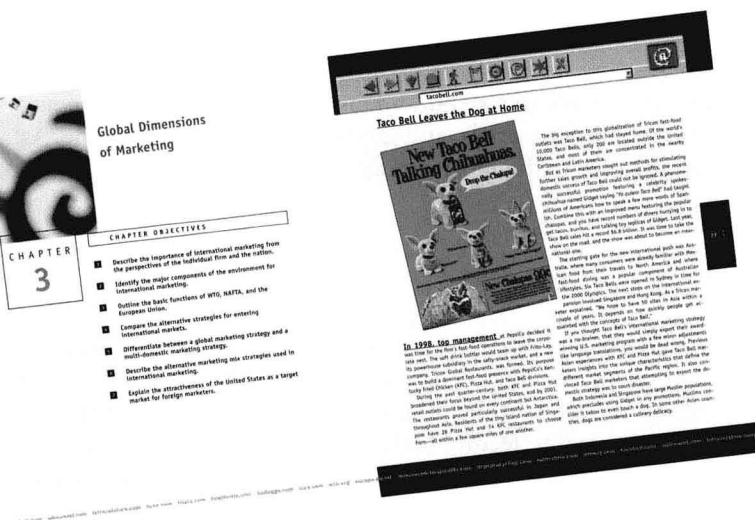


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In addition to all these unique new innovations, *Contemporary Marketing*, tenth edition, also includes Boone & Kurtz's signature features—all completely updated—which have helped make our text the nation's best seller.



- The tenth edition includes traditional *Contemporary Marketing* strengths, such as early and integrated coverage of services, quality, ethics, social responsibility and international marketing.
- Examples, tables, figures, charts, and graphs have been fully revised or replaced, giving students the most up-to-the-minute insight available on marketing trends and issues as they emerge.
- Chapter opening vignettes bring real world marketing issues and dilemmas to life. These lively illustrations detail how today's technology relates to chapter concepts as they describe how actual companies apply technology to their unique marketing advantage.
- End-of-chapter 'netWork technology exercises give students hands-on experience employing the Internet in a marketing environment. These exercises include problems requiring students to locate data on different Web sites, computer exercises that can be completed on the *Contemporary Marketing* Web site, and follow up assignments, enabling students to further research in-text examples on other Web locations.
- Students like our end-of-chapter achievement oriented summaries that uniquely reinforce chapter concepts by reviewing chapter highlights with quiz like true/false and short multiple-choice questions. This question and answer format which provides a more interactive and creative method for reviewing key chapter concepts and has received rave reviews from students.
- Completely integrated with the text, chapter video case questions include exercises requiring students to apply the concepts they've learned in the chapter. Some cases require students to visit specific Web sites—related to the company or concepts covered in the video to find the solutions.
- Web addresses for companies used as in-text examples are included in the chapter margins.
- Back by student demand, the Marketing Dictionary defines key terms as they appear in the text, providing a list of definitions for each two-page spread.



MARKETING

DICTIONARY

intranet Internal corporate network that allows employees within an organization to communicate with each other and gain access to corporate information.

- New to the tenth edition, numbered chapter objective icons allow students to easily follow and find chapter content for each objective.

Unparalleled Resource Package

Like the nine editions before it, *Contemporary Marketing*, tenth edition, is filled with innovation. The result: the most powerful marketing package available.

We lead the market with precedent-setting learning materials, as well as continuing to improve on our signature package features—equipping students and instructors with the most comprehensive collection of learning tools, teaching materials, and innovative resources available. As per our traditional approach, this edition delivers the most extensive, technologically advanced, user friendly package on the market.

For the Professor

Instructor's Resource Manual

Boone & Kurtz's precedent-setting IRM has been completely revised and revamped to provide an even more innovative, more powerful teaching tool. Instructors will find copious, insightful material in this dynamic resource. The manual for the tenth edition IRM includes: changes from the previous edition; annotated learning goals; key terms; lecture outlines; expanded lecture illustration file; teaching suggestions for ethical controversy boxes; answers to review questions and questions

for critical thinking; teaching suggestions/answers to 'netWork exercises; answers to video case questions; guest speaker suggestions; ideas for more than 100 term papers; and more.

NEW! Media Instructor's Manual

The Instructor's Media Manual, prepared by Reshma Shah of Emory University, contains comprehensive resource materials to help instructors incorporate the videos, Web resources, and the Instructor's PowerPoint Presentation into lectures and classroom presentations. For each of the 19 videos, teaching objectives, lists of chapter concepts spotlighted in the videos, outlines of the videos, answers to in-text video case questions, and experiential exercises are included in the Media Manual. Also included are expanded descriptions and instructions on using the Instructor's PowerPoint CD-ROM and the Contemporary Marketing Web Site.

ALL NEW! Test Bank

Instructors will be hard pressed to find a more accurate collection of test questions. The tenth edition test bank underwent an exhaustive accuracy review.

This completely revised and updated test bank offers more than questions—the most of any principles text—including application and knowledge-based multiple-choice, true/false, and essay questions for each chapter. Questions vary in level of difficulty, giving instructors a wide variety from which to choose. Each question is keyed to specific text page numbers and level of difficulty. The Test Bank was written by Study Guide author Tom O'Connor of the University of New Orleans in an effort to ensure these two ancillaries thoroughly complement each other.

Computerized Test Bank

Harcourt's newest offering—EXAMaster—works with the latest version of Windows and Windows NT operating systems. The CD-ROMs include online testing capabilities, a grade book, and much more.

Available in IBM compatible format, the computerized version of the printed test bank enables instructors to preview and edit test questions, as well as add their own questions. The tests and answer keys also can be printed in “scrambled” formats.

RequesTest and Online Testing Service

Harcourt makes test planning quicker and easier than ever with this program. Instructors can order test masters by question number and criteria via a toll free telephone number. Test masters will be mailed or faxed within 48 hours. Dryden can provide instructors with software to install their own online testing program, allowing tests to be administered over network or individual terminals. This program offers instructors greater flexibility and convenience in grading and scoring test results.

Overhead Transparencies

The collection of approximately 200 full-color transparency acetates has been created from striking graphic illustrations and advertisements from the textbook and outside sources.

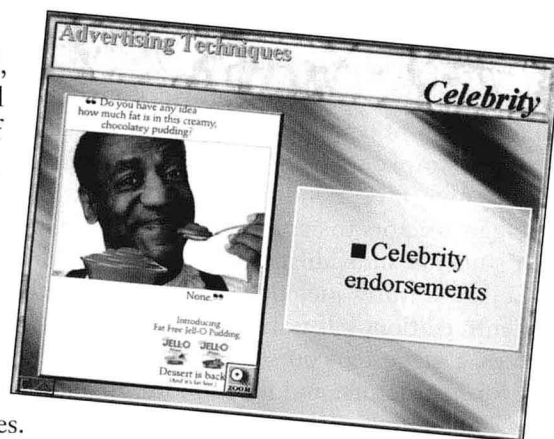
BRAND NEW! Instructor's PowerPoint CD-ROM

Created by Milton Pressley of the University of New Orleans, this is a powerful, easy-to-use multimedia presentation tool. It includes a wealth of resources that will bring your classroom lectures (and your students) to life. It includes virtually all of the illustrations, tables, and charts from the text, plus television commercials and other supplementary material like additional print ads and experiential exercises. Organized by chapter, all of the major definitions, topics, and concepts of the book are outlined along with completely new material from outside sources.

Professors can use this CD-ROM “as is” or may custom design their own multimedia classroom presentations by deleting (or hiding) unwanted slides and/or altering existing slides.

If your presentation computer is connected to the Web, you can even connect to specially selected Web sites by clicking on the WWW icon on many of the slides.

Included on the faculty member's copy of the CD-ROM is the entire instructors manual. For those who so desire, you may cut and paste from the instructors' manual to the note page of the presentation.



Even if you are a novice PowerPoint user in the classroom, you'll come across as the best prepared, most knowledgeable marketing instructor ever. The entire presentation is professionally done—it's studio quality. You'll *wow* the students by showing the TV and print ads from within the PowerPoint presentation itself. By using this presentation, your lectures will be as organized as the book itself.

19 BRAND NEW! Videos

This all new, completely custom video package was created especially for *Contemporary Marketing*, tenth edition. These professionally produced contemporary videos are tied directly to chapter concepts. All nineteen new videos were filmed during 1999–2000, giving instructor's exciting, relevant and current videos for the classroom. Each video highlights an attention-getting company and will give students a real world glimpse into how marketers meet the challenges of the marketplace today. The videos include the following companies:

Chapter 1: Neiman Marcus
Chapter 2: The Timberland Co.
Chapter 3: ESPN
Chapter 4: Tower Records
Chapter 5: FedEx Corp.
Chapter 6: Furniture.com
Chapter 7: Fisher Price
Chapter 8: Fresh Samantha
Chapter 9: Goya Foods, Inc.
Chapter 10: UPS

Chapter 11: Pfizer, Inc.
Chapter 12: Hasbro, Inc.
Chapter 13: RadioShack
Chapter 14: Wine.com
Chapter 15: Polaroid
Chapter 16: Pizza Hut
Chapter 17: Concept2
Chapter 18: Cybex International
Chapter 19: Learjet



Additionally, each video has a written video case with application questions to supplement the actual video case. The written video cases can be found at the end of the textbook.

The video package is further enhanced with an available Instructor's Media Manual that contains comprehensive resource materials to help instructors incorporate the videos into lectures and classroom presentations.

Telecourse Videos for Marketing

This telecourse, available through Coast Telecourses, part of the Coast Community College District, introduces students to the fundamentals of contemporary marketing. Basic marketing principles such as product strategy, advertising and promotion, pricing, and distribution and their interrelationships are covered. The telecourse consists of 26 video programs that focus on examples of companies that have successfully applied marketing concepts and principles. These case studies vividly illustrate many of the marketing concepts discussed in the textbook.

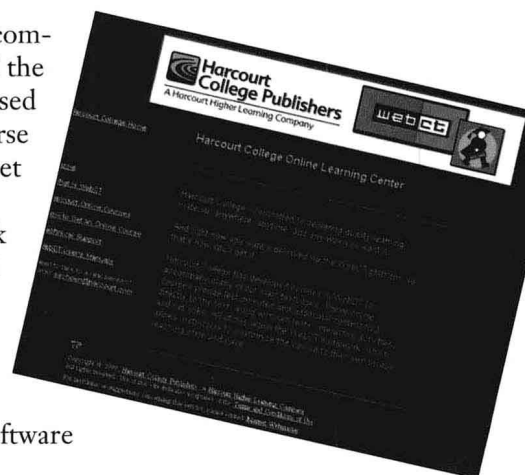
NEW! Contemporary Marketing Online Course

Delivered via the WebCT platform, this integrated Web-based learning environment combines our market leading textbook and package with the vast resources of the Internet and the convenience of anytime learning. WebCT facilitates the creation of sophisticated Web-based educational environments. It provides a set of course design tools to help you manage course content, a set of communication tools to facilitate online classroom collaboration, and a set of administrative tools for tracking and managing your students' progress.

Extremely user friendly, the powerful customization features of the WebCT framework enable instructors to customize this online course to their own unique teaching styles and their students' individual needs.

Course features include content keyed to the tenth edition, figures and graphs from the tenth edition, self tests and online exams, Internet activities and links to related resources, a suggested course syllabus, student and instructor materials, free technical support for instructors, and much more. In addition, the text's PowerPoint Presentation Software also is integrated into the WebCT course.

Additionally, with a qualified adoption, Harcourt offers free access to a blank WebCT template. We will host a course (without any Harcourt content) for you to input your original materials and use in your classroom.



NEW! WebCT Testing Service

If testing is all you want, we will upload the computerized Test Bank into a course with no publisher content. If you like, we will even host it for you on our server.

EXPANDED! Boone & Kurtz Web site

Completely revised based on user feedback, this robust site delivers exactly what students and instructors have requested—and much more. This interactive Web site gives students hands-on experience using the Internet as a marketing tool, as well as helps them develop important life skills.

This easy-to-navigate site contains a wealth of *Marketing Topics*. After following the link to each topic, users will find topic-specific publication links, trends and forecasts, data, company profiles, general articles, tools, exercises and much more. In addition, each topic site links instructors to teaching resources, bibliographies of articles related to text material, ideas on incorporating the Internet into the classroom, and more.

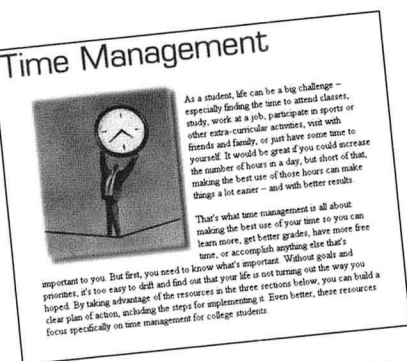
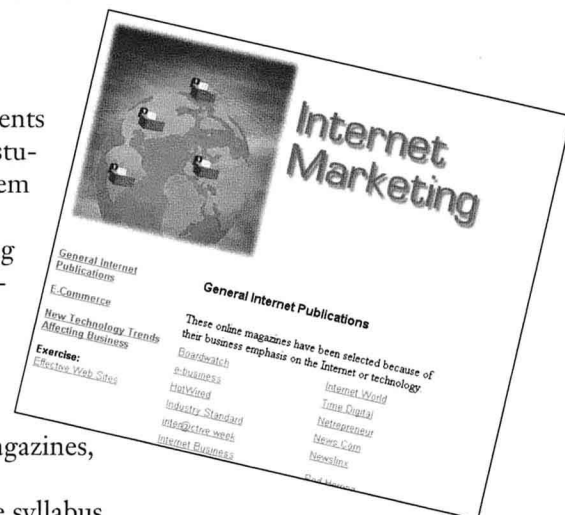
In addition, the *Reading Room* links users to business journals, daily newspapers, magazines, and marketing publications across the country and around the world.

Also, a *Syllabus Generator* is available to help professors quickly customize a course syllabus.

The *Contemporary Marketing* Web site is a reservoir of marketing information. In fact, it includes so many resources for each chapter that it can be used as the foundation for a distance learning course. Our interactive site helps students sharpen their surfing skills, while driving home key marketing concepts. Located at

<http://www.harcourtcollege.com/marketing/boone/>

The site is updated regularly.

**For Students****... and more on the Boone & Kurtz Web site**

In addition to the many features that benefit professors and students alike (described above), students will especially find the following useful:

An *Online Quizzing* section allows students to take multiple quizzes comprised of approximately 20 questions per quiz. Quizzes include True/False and Multiple-Choice questions covering content read in each chapter.

A *Marketing Careers* section enables students learn more about marketing careers and locate currently posted business job opportunities. Also, many sites include extensive career

information and guidance, such as interviewing techniques and resume writing.

A *time management* section features advice and guidelines on effectively managing your study, work, and leisure time as a college student, including how to set priorities and avoid procrastinating on your studying.

Brand New! Student PowerPoint CD-ROM

Students will receive their own CD-ROM (a condensed version of the Instructor's PowerPoint CD-ROM without the extra TV and print ads—or the instructor's manual). However, they'll have all the chapter outline slides to study from. Plus, they'll get extra study questions for each chapter. And, they'll get a special marketing plan... a professionally designed plan they can use by answering the questions asked by the plan.

Study Guide

This comprehensive learning tool is designed to enhance student understanding and provide additional practical application of chapter content. Features include chapter objectives, key concepts, key term exercises, self quizzes featuring multiple-choice and true/false questions, exercises on applying marketing concepts that include cases and short answer questions, surf the 'net





exercises, marketing planning exercises, solutions to study questions, and more. Tom O'Connor, of the University of New Orleans, who prepared the Test Bank, also prepared the study guide.

NEW! *Web CT Student Manual*

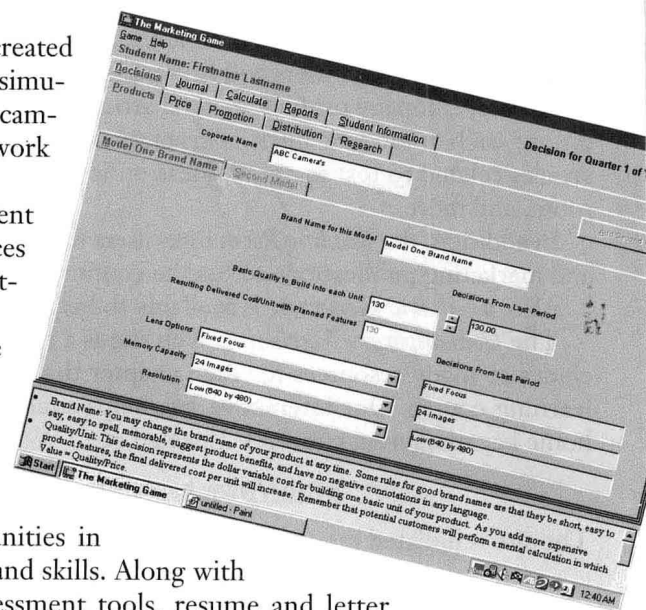
Included with the Boone & Kurtz Online course, this unique manual offers a wealth of information for Web users, from novices to the most advanced. The manual provides general instruction about the World Wide Web for Internet beginners, while more experienced users can skip to the step-by-step information on how to use WebCT's course tools.

NEW! *The Marketing Game*

This innovative, Web-based computer simulation (also available on CD-ROM), created by Robert Schaffer of California State Polytechnic–Pomona, offers a marketing simulation game with some novel twists. The underlying model is based on the digital camera industry and helps students develop their marketing skills within the framework of an evolving product life cycle.

Large classes can play *The Marketing Game* in solitaire mode, with each student competing against computer-generated opponents. The option greatly reduces classroom game management. The game's link to the Internet also allows competitive play between teams of students at different universities.

The Marketing Game is available on the Boone & Kurtz Web site or it can be shrink-wrapped with the text.



Discovering Your Marketing Career CD-ROM

An expanded version of the popular Marketing Career Design Software, this CD enables students to explore career opportunities in marketing based on their personal interests and skills. Along with the traditional software's features—self-assessment tools, resume and letter writing assistance—this newly expanded CD also adds videos, interviews with marketing professionals, and an interactive student study component integrated with chapter material. Also, a comprehensive study program and tutorial written in Windows allows students to learn key words and concepts and to test their knowledge of each chapter through matching quizzes, true/false tests, and multiple-choice tests. Students can use the glossary to reinforce terms and concepts from each chapter. Chapter outlines and summaries provide a comprehensive look at each chapter. This unique CD-ROM program reinforces text material, provides practical application of chapter concepts, and gives students a real-world taste of actual careers and career paths in today's market.

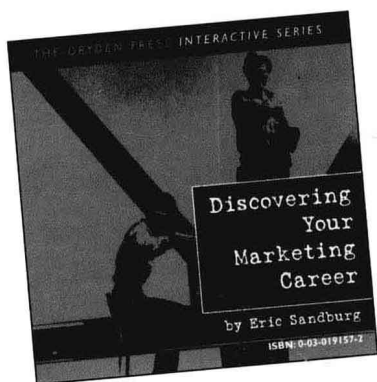
Telecourse Study Guide

A Telecourse Study Guide is available for users of the Coast Telecourse, *Marketing*. The study guide's basic function is to help students develop an organized approach to the course. The 26 lessons of the study guide parallel the 26 video lessons of the telecourse. The components include assignments, lesson notes, learning objectives, review activities, self tests and answer keys, application of marketing concepts, and additional activities to enhance students' understanding of material presented in the video lessons. This valuable guide helps facilitate students taking the telecourse.

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Michael Bernacchi	University of Detroit Mercy	Margaret Myers	Northern Kentucky University
David Blanchette	Rhode Island College	Nita Paden	Northern Arizona University
Barbara Brown	San Jose State University	George Palz	Erie Community College-North
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Marvin Burnett	St. Louis Community College-Florissant	Warren Purdy	University of Southern Maine
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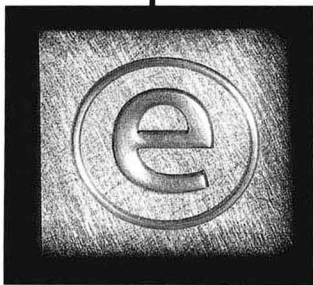
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