



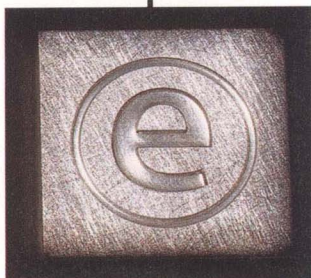
CONTEMPORARY  
MARKETING

BOONE & KURTZ

2002



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# CONTEMPORARY MARKETING



2002

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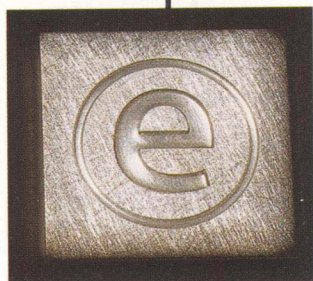
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# CONTEMPORARY MARKETING



2002



## P R E F A C E

*To Pat and Diane*

## CONTEMPORARY MARKETING PLISTS



## P R E F A C E

As the ads at fast-food giant McDonald's say, "You deserve a break today." And *Contemporary Marketing 2002* is just the one you've been waiting for. It's a thoroughly updated softcover version of McGuffey Award-winning *Contemporary Marketing*—the world's Number One Principles of Marketing textbook. Not a cut-down edition, every chapter, every page from *Contemporary Marketing 10e* is included here. And much, much more.

- *Contemporary Marketing 2002* won't break your budget. In fact, the softcover book—armed with the most up-to-date information available—can be purchased at about the same price you would pay for a used copy of the hardcover *Contemporary Marketing 10e*. Based on some of the prices we've seen for our competitors, you'll save even more.
- You'll get the most up-to-date information available. You can read about the new 2002 "Retro" Ford Thunderbird, the death of Montgomery Ward, the growing number of "dot-bombs," the day Big Brother came to the Super Bowl, California's power crisis, the new electronic signature and anti-cyber squatting laws, the Bridgestone/Firestone tire disaster, and Disney's new California Adventure theme park.
- The rapid demise of so many business-to-consumer (B2C) dot-coms during the past months made it necessary for us to thoroughly revise Chapter 4—the electronic commerce chapter.
- To give *Contemporary Marketing 2002* a fresh 2002 feel, we wrote a new opening feature for every chapter. You'll read about such events as the AOL/Time Warner merger, the XFL failure, the new Army of One logo of the U.S. Army, the popularity of Venus and Serena Williams, whose endorsements have made them number one among the world's female athletes, and the introduction of green ketchup.
- You'll be able to use our highly-acclaimed Web site to perform many assignments and conduct research. It's easy to use and contains invaluable features.

We're delighted to not only bring you the industry's least expensive marketing text, but also the best. The following sections focus on other features that allow us to make this claim.

### CONTEMPORARY MARKETING FIRSTS

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 applications 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.

## KEY FEATURES OF THE 2002 EDITION

The new *Contemporary Marketing 2002* is also packed full of innovations. Here are some of the exciting new features:

**NEW!** Succinct nineteen-chapter 2002 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

In addition to the content changes discussed earlier, 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 Salt Lake City 2002 Winter Olympics in Chapter 1.
- Banners, keyword ads, and interstitials as online advertising alternatives.
- How a good idea—but a bad marketing plan—led to the 2001 birth and death of the XFL.
- Electronic Signature Act of 2001, giving e-signatures the same legal weight as handwritten ones.
- Why Nordstrom went online to create the world’s largest shoe store.
- Applying Marketing Strategies in the launch of Sony’s PlayStation 2.
- How British grocer Tesco is winning the Internet Grocery Wars.
- The new NAICS (North American Industrial Classification System), which replaced the SIC codes.
- How Disney used marketing thinking to craft 2001’s *Pearl Harbor*.
- The growing popularity of so-called hybrid cars.
- Why Venus and Serena Williams are the highest-paid female product endorsers ever.
- Yield management as a pricing technique.
- How marketers made Harry Potter a household name in America—and used tie-ins to link their products to the 2001 film.

## Pedagogical Features

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

- The Day Big Brother Came to the Super Bowl (Chapter 1)
- Nuclear Energy: Problem or Solution?
- PCs for Free (Chapter 19)



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

**Marketing Strategy Successes** include:

- Disney’s California Adventure (Chapter 1)
- The Grateful Dead is Still Alive! (Chapter 15)



**Marketing Strategy Failures** include:

- Nike Tries to Get in Step with Women (Chapter 2)
- Pets.com Rolls Over and Plays Dead (Chapter 1)
- Buying College Textbooks Online—Not In Line (Chapter 19)





## And More Features . . .

In addition to all these unique new innovations, *Contemporary Marketing 2002* also includes Boone & Kurtz's signature features—all completely updated—which have helped make our text the nation's best seller.

- *Contemporary Marketing 2002* includes traditional 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 2002 edition, numbered chapter objective icons allow students to easily follow and find chapter content for each objective.

## Unparalleled Resource Package

*Contemporary Marketing 2002* 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 2002 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 the 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 2002 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**

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**

Test planning is 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. Software can be provided to professors 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**

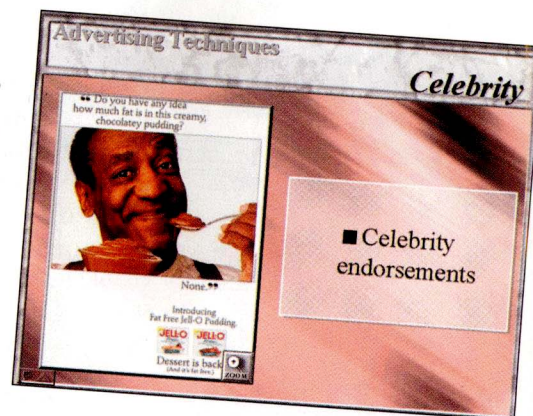
The collection of approximately 200 full-color transparency acetates has been created from striking graphic illustrations and advertisements from the textbook and outside sources.

### **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 instructor's manual. For those who so desire, you may cut and paste from the instructor's 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*, 2002 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.



### 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 is 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.

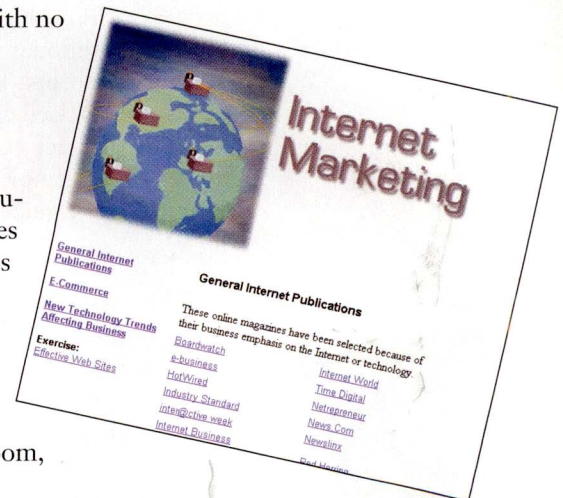
In addition, the *Reading Room* links users to business journals, daily newspapers, magazines, and marketing publications across the country and around the world.

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.

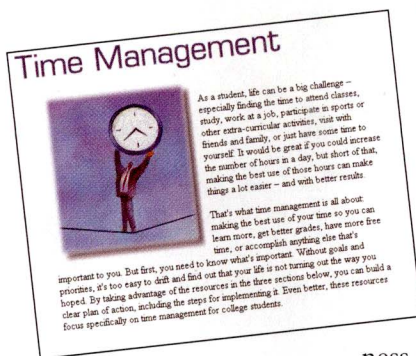


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[gimme-an-a.com](http://gimme-an-a.com)



### 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 helps students to 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.



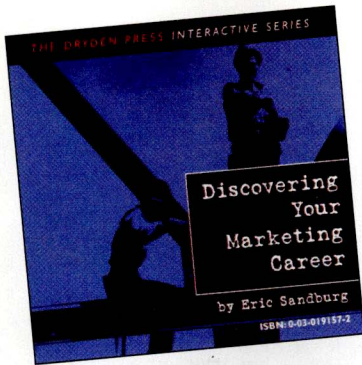
### **Study Guide**

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! WebCT 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.



### **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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Edwin Laube	Larry J. Schuetz	
Ken Lawrence	Bruce Seaton	

***With our best wishes!***

Gene Boone

Dave Kurtz



## ABOUT THE AUTHORS

**Gene Boone** was born about the time World War II began and had a relatively quiet childhood until 1956 when he received a 45 rpm RCA Victor recording of "Heartbreak Hotel" by Elvis Presley. Within a year he had discovered Buddy Holly, Little Richard, and Chuck Berry—and he wanted more. So he decided to combine high school with a two-year gig as a part-time DJ at a local radio station. What a racket! Play music you want to hear and get paid for it. Play lists didn't exist in those days and as long as irate listeners didn't call in and demand that the station manager fire you, you could play anything you liked.

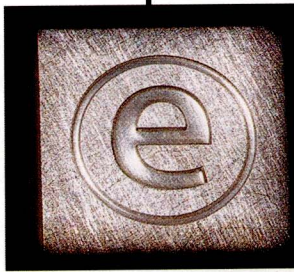
But few people spend a lifetime career spinning tunes at a small-time radio station and following graduation, he started looking for something fun that paid a bit more. College professor sounded like a cool occupation that would keep him indoors and, perhaps, help him meet women (assuming they considered tweed jackets attractive). Nobody told him until it was too late that it was going to take another eight years in college to achieve his ambition—eight more years!—but he struggled through it. He's happy he did because he was able to affect (at least a little) the lives of thousands of his young, middle age, and older students in a half-dozen universities throughout the United States, as well as in Australia, England, and Greece. These gigs proved to be almost as much fun as the first. Oh, yes, his hobby is writing marketing books.

Nobody at Wicomico High School on Maryland's Eastern Shore would have mistaken **Dave Kurtz** for a scholar. In fact, he was a mediocre student, so bad that his father felt he could convince him that an educated life was preferable to a series of day jobs by finding him a succession of back-breaking work—afternoons, weekends, and during the summer. Thankfully, most of them have been erased from his memory, but a few that linger include picking peaches, loading watermelons on trucks headed for market, and working as a pipefitter's helper. The work made him physically strong, but it had zero impact on his academic standing. Worse yet, it made him no better than average as a high-school athlete in football and track.

But a four-year stint at Davis & Elkins College in Elkins, West Virginia, turned him around. Excellent instructors like Dr. Gloria Payne helped get Dave on a sound academic footing. His grade point average soared—enough to get him accepted by the Graduate School at the University of Arkansas, where he met Gene Boone. After graduate school the two became career co-authors, with 46 books between them.

Today, Dave is back teaching at the University of Arkansas after duty tours in Melbourne, Australia; Seattle; and Ypsilanti, Michigan. He is the proud grandfather of 5 "perfect" children and he is a sportsman with a golfing handicap in the high 20s. He continues to stick with his beloved Seattle Mariners (even though none of their ex-stars do.)





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