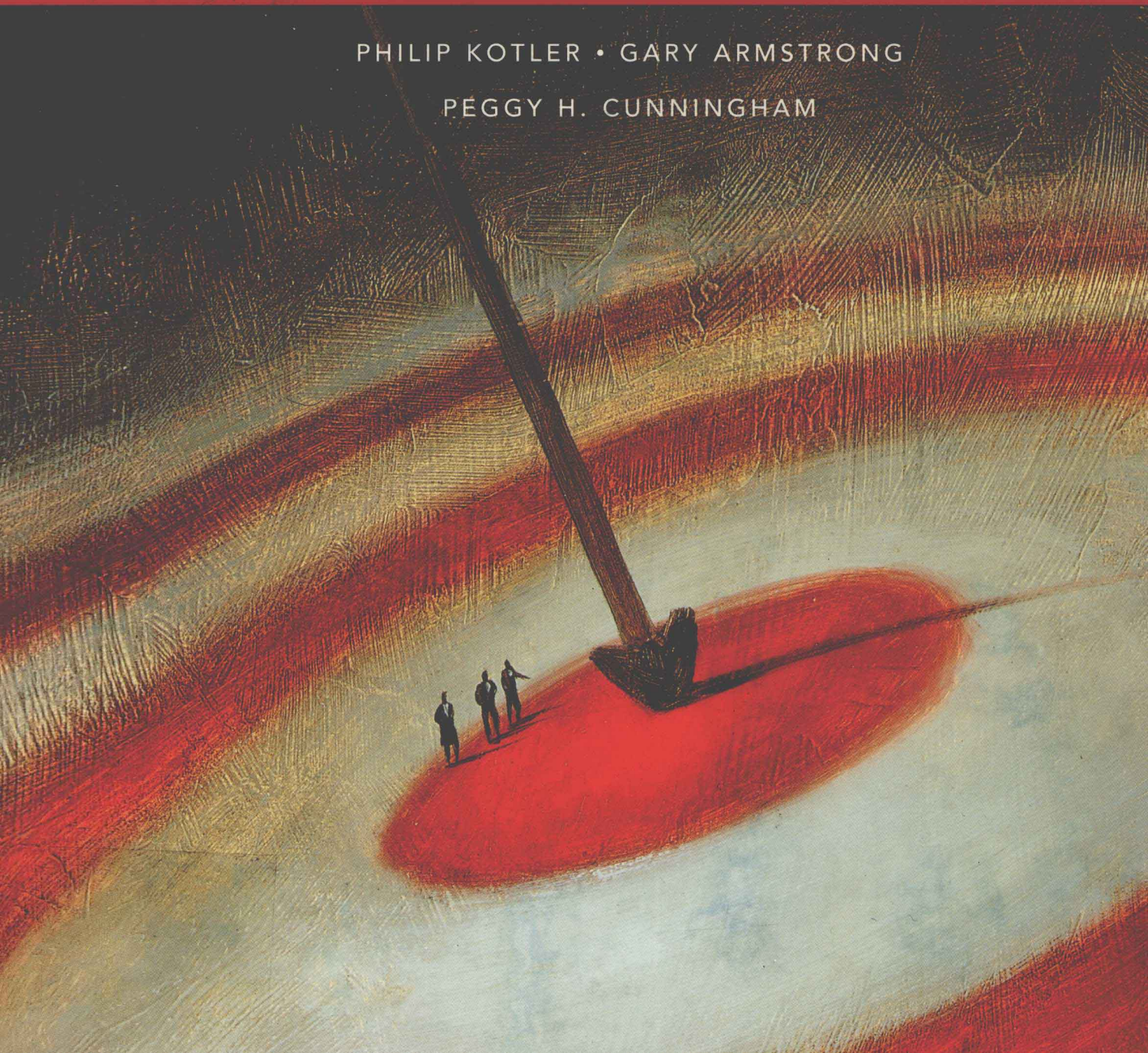


FOURTH CANADIAN EDITION

PRINCIPLES OF MARKETING

PHILIP KOTLER • GARY ARMSTRONG

PEGGY H. CUNNINGHAM



PRINCIPLES OF
MARKETING

FOURTH
CANADIAN
EDITION

PHILIP KOTLER
NORTHWESTERN UNIVERSITY

GARY ARMSTRONG
UNIVERSITY OF NORTH CAROLINA

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ABOUT THE AUTHORS



Philip Kotler is S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg Graduate School of Management, Northwestern University. He received his master's degree at the University of Chicago and his Ph.D. at M.I.T., both in economics. Dr. Kotler is author of *Marketing Management: Analysis, Planning, Implementation, and Control* (Prentice Hall), now in its ninth edition and the most widely used marketing textbook in graduate schools of business. He has authored several other successful books and he has written over 90 articles for leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article in the *Journal of Marketing*. Dr. Kotler has been awarded numerous major honours. In 1989, he received the Charles Coolidge Parlin Award, which each year honours an outstanding leader in the field of marketing. Dr. Kotler has served as chairman of the College on Marketing of the Institute of Management Sciences (TIMS) and a director of the American Marketing Association. He has consulted with many major U.S. and foreign companies on marketing strategy.



Gary Armstrong is Professor and Chair of Marketing in the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. He holds undergraduate and master's degrees in business from Wayne State University in Detroit, and he received his Ph.D. in marketing from Northwestern University. Dr. Armstrong has contributed numerous articles to leading business journals. As a consultant and researcher, he has worked with many companies on marketing research, sales management, and marketing strategy. But Professor Armstrong's first love is teaching. He has been very active in the teaching and administration of North Carolina's undergraduate business program. His recent administrative posts include Associate Director of the Undergraduate Business Program, Director of the Business Honours Program, and others. He works closely with business student groups and has received several campuswide and Business School teaching awards. He is the only repeat recipient of the school's highly regarded Award for Excellence in Undergraduate Teaching, which he won for the third time in 1993.



Peggy Cunningham is Associate Professor of Marketing at Queen's University School of Business. She received her undergraduate degree from Queen's University, completed her MBA at the University of Calgary, and earned her Ph.D. in marketing from Texas A&M University. Dr. Cunningham worked in industry for ten years before becoming an academic which has allowed her to bring the perspective of the practitioner to the study of marketing. She conducts research in the fields of marketing ethics, strategic alliances, and cause-related marketing. She is a devoted teacher who tries to inspire her students to fully realize their full and unique potential. In recognition of these efforts, she has received several teaching and service awards including the Frank Knox award for teaching excellence, a campus-wide award granted by undergraduate students. She is also an active member of the American Marketing Association.

PREFACE to the Fourth Canadian Edition

Philip Kotler and Gary Armstrong are among the best-known names in marketing and have long been recognized for their expertise and unique perspectives about the field. When I was first asked to adapt their text for the Canadian marketplace, I was pleased to take on this challenge, because the product was so strong to start with. However, I also realized that there are distinct challenges to marketing in Canada that had to be considered in our discussion. These challenges include regional and language differences, multiculturalism, population dispersion, different regulatory policies and philosophies, the small domestic marketplace and resulting mandate for global sales, a highly concentrated retail environment, and unique cultural and ethical norms and values that distinguish Canadian business from its American counterparts. In addition, many Canadian firms are operating units of large, multinational firms; thus, marketing in Canada often necessitates integrating Canadian strategies with the global programs of the parent firm.

Despite these differences, considerable common ground can be found in the practice of visionary marketing. Marketing is the business function that identifies customer needs and wants, determines which target markets the organization can serve best, and designs appropriate products, services, and programs to serve these markets. However, marketing is much more than just an isolated business function—it is a philosophy that guides the entire organization. The goal of marketing is to create customer satisfaction profitably by building value-laden relationships with important customers. The marketing department cannot accomplish this goal by itself. It must team up closely with other departments in the company and partner with other organizations throughout its entire value-delivery system to provide superior value to customers. Thus, marketing calls upon everyone in the organization to “think customer” and to do all they can to help create and deliver superior customer value and satisfaction. As Professor Stephen Burnett of Northwestern puts it, “In a truly great marketing organization, you can’t tell who’s in the marketing department. Everyone in the organization has to make decisions based on the impact on the consumer.”

Many people see marketing only as advertising or selling. But real marketing does not involve the art of selling what you make so much as knowing *what* to make! Organizations gain market leadership by understanding consumer needs and finding solutions that delight customers through superior value, quality, and service. If customer value and satisfaction are absent, no amount of advertising or selling can compensate.

Marketing is all around us, and we all need to know something about it. Marketing is used not only by manufacturing and service companies, wholesalers, and retailers, but also by all kinds of individuals and organizations. Lawyers, accountants, and doctors use marketing to manage demand for their services. So do hospitals, museums, and performing arts groups. No politician can get the needed votes, and no resort the needed tourists, without developing and carrying out marketing plans. *Principles of Marketing* is designed to help students learn about and apply the basic concepts and practices of modern marketing as they are used in a wide variety of settings: in product and service firms, consumer and business markets, profit and non-profit organizations, domestic and global companies, and small and large businesses.

People throughout these organizations need to know how to define and segment a market and how to position themselves strongly by developing need-satisfying products and services for chosen target segments. They must know how to price their offerings to make them attractive and affordable and how to choose and manage intermediaries to make their products available to customers. And

they need to know how to advertise and promote products so customers will know about and want them. Clearly, marketers need a broad range of skills in order to sense, serve, and satisfy consumer needs.

Students also need to know marketing in their roles as consumers and citizens. Someone is always trying to sell us something, so we need to recognize the methods they use. And when students enter the job market, they must do “marketing research” to find the best opportunities and the best ways to “market themselves” to prospective employers. Many will start their careers with marketing jobs in sales forces, in retailing, in advertising, in research, or in one of a dozen other marketing areas.

APPROACH AND OBJECTIVES

Principles of Marketing takes a *practical, managerial* approach to marketing. It provides a rich depth of practical examples and applications, showing the major decisions that marketing managers face in their efforts to balance the organization’s objectives and resources against needs and opportunities in the marketplace. Each chapter opens with a major example describing an actual company situation. Boxed Marketing Highlights, profiles of actual marketing practitioners, short examples, colour illustrations, video cases, and company cases highlight high-interest ideas, stories, and marketing strategies that bring the subject to life.

Principles of Marketing tells the stories that reveal the drama of modern marketing: how global firms and small entrepreneurial upstarts alike have thrived by understanding their customers, building relationships with them, and creating superior value. You’ll read about the global marketing machine behind Nike, and the evolution of Cirque du Soleil, the small Montreal performance troupe that has taken the world by storm. You’ll learn the story of Canadian Tire’s continued success in the face of aggressive competitors from the United States, uncover the strategies of Canada’s pharmaceutical firms working in a highly regulated and changing environment, and witness the ongoing wars between Canada’s two large breweries. You’ll understand why Canadians across the country should be proud of their business and marketing acumen when you read of the exploits of Bombardier’s success in the cut-throat aerospace market, of Intrawest’s efforts to be the host to vacationers the world over, and the insights of master merchandiser Harry Rosen that helped him build a retailing empire. We’ve worked to make *Principles of Marketing* a leading-edge provider of information about today’s marketing practices. We show how organizations of all types have wrestled with questions of how best to use technology to serve both domestic and global consumers. We stress the importance of ethics and social responsibility throughout the text.

Ultimately, *Principles of Marketing* gives marketing students a comprehensive and innovative managerial and practical introduction to marketing. Its style and extensive use of examples and illustrations make the book straightforward, easy to read, and enjoyable.

NEW IN THE FOURTH CANADIAN EDITION

The fourth Canadian edition of *Principles of Marketing* offers important improvements in organization, content, and style. New major themes we’ve developed include:

- ◆ *Marketing and technology*—technology is affecting marketing as never before. As EDS chairman Les Alberthal noted in a 1997 speech, technology-enabled marketing is bringing significant changes in our ability to understand and serve customers. Marketers must not only understand the new challenges of marketing high technology, but they must also learn to market with

technology. Technology has affected every aspect of marketing practice, from conducting research projects to designing the marketing communications mix. The management of databases and the direct marketing practices that this enables is one of the fastest-growing areas of marketing. The Internet is an important facet of marketing with technology since it exposes local markets to global competition.

- ◆ *Integration of product and services marketing*—there are few pure products or services. Marketers must understand that it is often the combination of product and service offerings that leads to competitive advantage. High-quality products must be accompanied by equally high-quality support services. Moreover, the service sector is the fastest-growing sector of the Canadian economy. It is driving Canada's domestic and international market growth.
- ◆ *Integrated marketing communications*—we've focused on integrating all elements of the communications mix from direct marketing to public relations.

A carefully revised and updated Chapter 1 introduces and integrates these and other major marketing themes to set the stage at the beginning of the course. An innovative Chapter 18 on building customer relationships through value, satisfaction, and quality returns the student to these important concepts as a means of tying marketing together at the end of the course. And we've woven the topics on product and service marketing into a comprehensive Chapter 8 that is positioned at the centre of the text.

Some of the latest developments in marketing are reflected in a completely new Chapter 17, which provides a detailed discussion of direct and online marketing. Examples throughout the text emphasize how the Internet has affected all aspects of marketing. We describe, for example, how it can be utilized in tasks as varied as gathering research information or managing the sales force. Our "Spotlight on the Internet" (pp. xxvi-xxvii) documents the extensive integration of World Wide Web material throughout the text.

To encourage students to learn about and explore Internet technology, we have included Weblinks (Internet addresses of companies and organizations) in the margins of the text. Students can go online with Weblinks to discover first-hand how companies are using this technology. Our Companion Website at www.prenticehall.ca/kotler will provide regular updates to these Internet resources, as well as access to marketing news groups, NetSearch modules using key words from the text, and our online Study Guide.



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The fourth Canadian edition contains many other important changes:

- ◆ The objectives at the beginning of each chapter have been revised so that they are succinct and clear, and the end-of-chapter summaries are now keyed to these objectives.
- ◆ Many new chapter-opening cases and Marketing Highlights have been added, reflecting the "best practices" of firms on the forefront of Canadian and international business.
- ◆ We have condensed material from earlier editions so that we could add leading-edge topics such as marketing with technology (Internet marketing, kiosk marketing, and so on) and direct marketing.
- ◆ More practitioner profiles, entitled Marketers Speak Out, show students how the lessons of marketing are put to use by real-life marketers.
- ◆ A number of new chapter-ending company cases and CBC video cases have been added.
- ◆ Comprehensive cases have been moved to Appendix 1 for easier reference.
- ◆ The tables, figures, examples, and references throughout the text have been thoroughly updated with information from such sources as Statistics Canada, *Canadian Business*, *Strategy: The Canadian Marketing Report*, *Marketing* magazine, and the business press.

- ◆ We provide the most current Canadian statistics and issues, from Michael Adams' psychographic groups (based on his book *Sex in the Snow*) to data on current trends in Canadian retailing.

CONTINUING THEMES

Every chapter reflects the current marketing emphasis on delivering customer value and satisfaction, and on building customer relationships. Revisions in the fourth edition continue to emphasize a number of major marketing themes, including:

- ◆ *Relationship marketing*—keeping customers and capturing customer life-time value by building value-laden customer relationships.
- ◆ *Internet and direct marketing*—how to use direct marketing programs and the Internet for strategic advantage, and the challenges of integrating them into the marketing mix (featured in an all-new chapter).
- ◆ *Services marketing*—marketing strategies that service firms need to employ for ongoing success in the fastest-growing sector of the economy.
- ◆ *Marketing in the Canadian environment*—the features that make Canada both challenging and exciting, including a focus on regionalism, the growth of ethnic markets, and the threats posed by foreign competition.
- ◆ *Delivering superior customer value, satisfaction, and quality*—market-centred strategy and “taking care of the customer.”
- ◆ *Global marketing*—chapter-by-chapter integrated coverage, plus a full chapter focusing on international marketing considerations and the quality management programs of ISO 9000 and 14000.
- ◆ *Marketing ethics, environmentalism, and social responsibility*—chapter-by-chapter integrated coverage, plus a full chapter on marketing ethics and social responsibility.
- ◆ *Total marketing quality*—the importance of customer-driven total quality as a means of delivering total customer satisfaction.
- ◆ *Value-delivery systems*—how cross-functional teamwork within companies and cross-company, supply-chain partnerships create effective customer value-delivery systems.

LEARNING AIDS

Many aids are provided within this book to help students learn about marketing. The main ones are

- ◆ *Chapter-opening objectives.* Each chapter begins with learning objectives that preview the flow of concepts in the chapter.
- ◆ *Chapter-ending summaries of objectives.* At the end of each chapter, summaries are linked to chapter objectives to reinforce main points and concepts.
- ◆ *Chapter-opening examples.* Each chapter starts with a dramatic marketing story that introduces the chapter material and arouses student interest.
- ◆ *Full-colour figures, photographs, advertisements, and illustrations.* Throughout each chapter, key concepts and applications are illustrated with strong, full-colour visual materials.
- ◆ *Marketing Highlights.* Additional examples and important information are presented in Marketing Highlight exhibits throughout the text.
- ◆ *Marketers Speak Out.* Interviews with marketing professionals are interspersed throughout the text, highlighting real-life marketing experiences.
- ◆ *Review questions and exercises.* Each chapter contains a set of discussion questions covering the main chapter points. “Applying the concepts” exercises build individual and group process and leadership skills.



- ◆ **Key terms.** Key terms are highlighted within the text, defined in page margins, and listed at the end of each chapter with page references. In the subject index, the page on which each key term is defined is printed in bold.
- ◆ **Company cases.** Company cases for class or written discussion are provided at the end of each chapter and four comprehensive cases are included in an appendix. These cases challenge students to apply marketing principles to real companies in real situations.
- ◆ **CBC Video cases.** Twenty written video cases are provided at key points in the text, supported by exciting videos from CBC news programs. These videos and cases help to bring key marketing concepts and issues to life in the classroom.
- ◆ **Appendixes.** Four appendixes (Comprehensive Cases, Measuring and Forecasting Demand, Marketing Arithmetic, and Careers in Marketing) provide additional, practical information for students.
- ◆ **Indexes.** Company/Brand/Name and Subject indexes reference all information and examples in the book. Pages on which Weblink addresses appear are printed in bold in the Company/Brand/Name Index. Pages on which key terms are defined are printed in bold in the Subject Index.
- ◆ **Weblinks.** Exciting and useful Internet sites are discussed throughout the text and are easily identifiable by the Weblinks icon.

SUPPLEMENTS

A successful marketing course requires more than a well-written book. Today's classroom requires a dedicated teacher and a fully integrated teaching system. *Principles of Marketing* is supported by an extensively revised and expanded system of supplemental learning and teaching aids:

FOR THE INSTRUCTOR

- ◆ **Instructor's Resource Manual with CBC Video Guide (ISBN 0-13-973603-4).** This comprehensive guide includes a chapter summary for a quick overview, a list of key teaching objectives, and answers to all end-of-chapter discussion and case questions. A highly detailed lecture outline cuts preparation time by thoroughly integrating the video material and cases. In addition, the manual summarizes each video and provides answers to the video case discussion questions.
- ◆ **Test Item File (ISBN 0-13-973595-X).** The test item file contains over 2200 multiple-choice, true/false, and essay questions. Correct answers, including suggested essay answers, and difficulty levels are provided for all questions. The proportion of application-type questions has been increased to 60 percent for the fourth edition.
- ◆ **WIN PH Custom Test (ISBN 0-13-973611-5).** This powerful computerized testing package uses a state-of-the-art software program which provides fast, simple, and error-free test generation. Entire tests can be previewed on-screen before printing. PH Custom Test can print multiple variations of the same test, scrambling the order of questions and multiple-choice answers.
- ◆ **Colour Transparencies.** Expanded and improved for the fourth edition, this package of full-colour transparencies highlights key concepts for presentation. Each transparency is accompanied by a full page of teaching notes that includes relevant page references and discussion points from each chapter, as well as additional material from supplementary sources. (Please contact your Prentice Hall sales representative for details.)
- ◆ **Transparency Resource Package (ISBN 0-13-973637-9).** With up to 20 slides per chapter in Powerpoint 4.0, this disk allows you to present transparencies



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to your class electronically and also may be used as part of a Presentation Manager lecture. Black-and-white masters are included if you prefer to create your own acetates.

- ◆ *PH/CBC Video Library.* Prentice Hall Canada and the CBC have worked together to bring you 20 segments from such notable CBC programs as *Venture*, *Market Place*, *The National Magazine*, and *Undercurrents*. Designed specifically to complement the text, this case collection is an excellent tool for bringing students into contact with the world outside the classroom. These programs have extremely high production quality, present substantial content, and have been chosen to relate directly to chapter content. (Please contact your Prentice Hall sales representative for details. These videos are subject to availability and terms negotiated upon adoption of the text.)
- ◆ *Marketing Casebook (ISBN 0-13-973652-2).* To supplement courses that put particular emphasis on case analysis, this casebook has been prepared. Cases included are generally longer and more detailed than end-of-chapter Company Cases but usually not as extensive as Comprehensive Cases.
- ◆ *Companion Web Site.* The fourth edition's Companion Web Site includes an online study guide with multiple choice and true/false questions, an online marketing plan, Internet destinations and research tools to CBC video cases, and more. See www.prenticehall.ca/kotler.

FOR THE STUDENT

- ◆ *Study Guide (ISBN 0-13-973660-3).* The Study Guide includes chapter overviews, objectives, key terms and definitions, and detailed outlines for note-taking and review. Short Essay questions centre on a case that is designed to illustrate and apply topics in marketing. Each case in the section either is a synopsis of a recent article in marketing or has been drawn from the author's experiences in the field. To reinforce students' understanding of the chapter material, the guide includes a section of multiple-choice and true/false questions. Suggested answers for all short essay, multiple choice and true/false questions are provided for students' self-checking. Additional sections include a marketing research paper, a project outline, and a special careers appendix.

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Finally, we owe many thanks to our students, who make good teaching possible, and to our families—for their constant support and encouragement. To them, we dedicate this book.

Peggy Cunningham

Philip Kotler Gary Armstrong

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nized to correspond to the chapters in this textbook. The Companion Website is comprised of four distinct, functional features:

- 1) **Customized Online Resources**
- 2) **Online Study Guide**
- 3) **Reference Material**
- 4) **Communication**

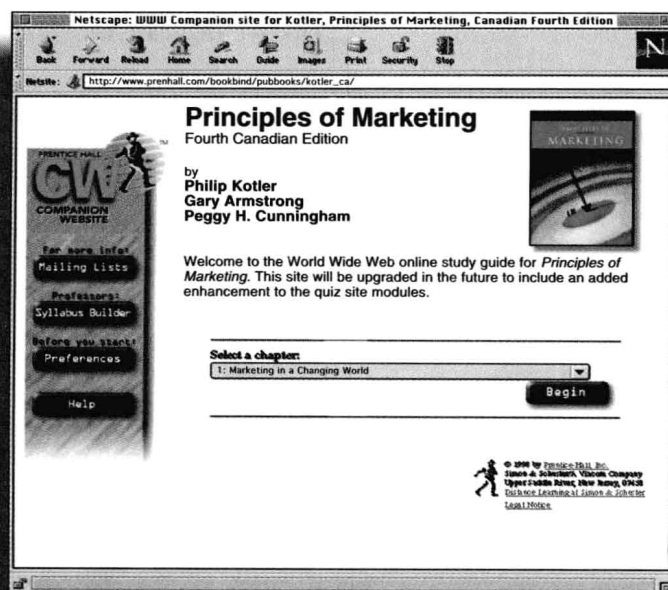
Explore the four areas in this Companion Website. Students and distance learners will discover resources for indepth study, research and communication, empowering them in their quest for greater knowledge and maximizing their potential for success in the course.

A NEW WAY TO DELIVER EDUCATIONAL CONTENT

1) Customized Online Resources

Our Companion Websites provide instructors and students with a range of options to access, view, and exchange content.

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- **Preferences** enable *students* to customize the sending of results to various recipients, and also to customize how the material is sent, e.g., as html, text, or as an attachment.
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- Fill-in-the-Blank
- Multiple Choice
- Essay questions

All of these modules provide students with the ability to send answers to our grader and receive instant feedback on their progress through our Results Reporter. (The only exception is Essay questions, where suggested answers are displayed.) References back to the textbook ensure that students take advantage of all resources available to enhance their learning experience.

3) Reference Material

Reference material broadens text coverage with up-to-date resources for learning. **Web Destinations** provides a directory of Web sites relevant to the subject matter in each chapter. **NetNews (Internet Newsgroups)** are a fundamental source of information about a discipline, containing a wealth of brief, opinionated postings. **NetSearch** simplifies key term search using 5 Internet search engines.

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Companion Websites contain the communication tools necessary to deliver courses in a **Distance Learning** environment. **Message Board** allows users to post messages and check back periodically for responses. **Live Chat** allows users to discuss course topics in real time, and enables professors to host online classes.

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- **Message Board** – this module takes advantage of browser technology providing the users of each Companion Website with a national newsgroup to post and reply to relevant course topics.
- **Live Chat** – enables instructor-led group activities in real time. Using our chat client, instructors can display Website content while students participate in the discussion.



Companion Websites are currently available for:

- Starke: Contemporary Management in Canada
- Evans: Marketing Essentials
- Horngren: Cost Accounting
- Horngren: Introduction to Financial Accounting

Note: CW '99 content will vary slightly from site to site depending on discipline requirements.

The Companion Website for the new edition will be:

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SPOTLIGHT ON THE INTERNET

The third Canadian edition of *Principles of Marketing* was one of the first marketing textbooks in North America to give serious attention to the Internet and its impact on contemporary marketing. The fourth edition offers even more Internet content, with the inclusion of an exciting new chapter on Direct and Online Marketing, and additional Weblinks directing students to some of the most innovative sites online. We can attest first hand to the power of the Internet as a research tool that gives access to the most current information available. We used it extensively in writing the fourth edition.

In addition to the new chapter, information on how the Internet is being used to support all facets of marketing practice has been integrated into the chapters. This includes the Internet as a marketing research tool, the Internet in new product development, and the importance of the Internet in international marketing. You'll find analysis, issues, examples, and questions about the Net in every chapter:

Chapter 1:

- ◆ "Internet" defined (p. 22)
- ◆ new section on the Information Technology Boom contains a special subsection on the Internet. Three examples discuss innovative approaches to Internet marketing, ranging in scale from Toyota to a small retail chain that specializes in penguin-related products (pp. 22–23).
- ◆ Internet boom included among the major 21st century challenges covered by Learning Objective 4 (p. 29)

Chapter 2:

- ◆ how Canadian Tire uses its Internet site to tailor its product offerings to consumers' needs (p. 39)
- ◆ new Practitioner Profile of Jim Shenkman (Brunico Communication Inc.) discusses entrepreneurial strategies for the future, including Internet development) (pp. 60–61)

Chapter 3:

- ◆ new Marketing Highlight 3-1 on the World Village Project web site (p. 82)
- ◆ using the Internet to reach the gay market (p. 90)
- ◆ new Discussing the Issues question 2 requires students to explore the Statistics Canada Internet site (p. 104)

Chapter 4:

- ◆ updated chapter opening case on Canadian beer wars explains how Molson and Labatt use the Internet to build customer relationships (p. 113)
- ◆ intelligence-gathering resources on the World Wide Web are described in the section entitled Surfing the Internet and Online Databases in Marketing Highlight 4-1 (p. 119)
- ◆ the section on Gathering Secondary Information includes detailed discussions of Commercial Data Sources, Online Databases and Internet Data Sources, and Advantages and Disadvantages of Secondary Data (pp. 124–127)
- ◆ Table 4-2, "Sources of Secondary Data," includes a detailed description of Internet Data Sources (p. 126)
- ◆ "online databases" defined (p. 126)
- ◆ the section on Planning Primary Data Collection includes using the Internet for electronic focus groups (p. 132)
- ◆ new Marketing Highlight 4-4, "Marketing Research on the Internet" (p. 133)
- ◆ Marketing Highlight 4-5 includes a brief description of the Internet Advertising and Marketing Bureau of Canada (p. 151)

Chapter 5

- ◆ chapter-long consumer profile shows how Jennifer Wong uses the Internet to research a purchase (p. 161)
- ◆ a demographic and behavioural profile of Internet users is provided in a new subsection on Cultural Factors (pp. 160-1)
- ◆ SRI's lifestyle classification system (VALS) for Internet users is described; a Weblink directs readers to an online questionnaire that allows them to find out what classification they fall within (p. 167)
- ◆ new Practitioner Profile of Lindsey Davis, Kraft Canada, discusses legal and ethical issues in developing Internet marketing of products directed at children (p. 179)

Chapter 6

- ◆ new Marketing Highlight 6-3, "Business-to-Business Buying and the Internet" (p. 213)
- ◆ section on Government Markets includes new paragraph on Canadian Business Service Centre (Internet service about federal and provincial business assistance programs) (p. 215)
- ◆ new Applying the Concepts question 3 includes an Internet exercise using the Industry Canada web site (p. 217)

Chapter 7:

- ◆ Marketing Highlight 7-2, "Socially Responsible Market Targeting," notes criticism that Internet marketing ignores the poorer members of society who don't own computers (p. 243)
- ◆ how Cadbury Canada used their Internet site as part of an integrated communications program to support the launch of their new candy bar, Time Out (p. 245)

Chapter 8

- ◆ examples illustrate how service companies provide consumers with greater access of information by using the Internet (p. 295)

Chapter 9:

- ◆ new Marketing Highlight 9-2 discusses Internet potential for Virtual Reality Test Marketing (p. 324)
- ◆ new CBC Video Case "Profiting from the "Net" profiles the young entrepreneur who started Interlog, the Internet service provider company (p. 339)

Chapter 10:

- ◆ Internet strategies of Canadian Airlines and Air Canada (p. 363-64)

Chapter 11:

- ◆ new Marketing Highlight 11-1 discusses Internet sites developed by Canadian automakers to combat CarMax Auto superstores (p. 373)

Chapter 12:

- ◆ new Marketing Highlight 12-1 includes discussion of Goodyear's award-winning Internet site (p. 401)
- ◆ Applying the Concepts question 2 asks students to evaluate web sites of mail-order retailers in terms of the degree to which they support or conflict with authorized dealers (p. 425)

Chapter 13:

- ◆ new Marketing Highlight 13-3, "Retailing Goes Online," includes descriptions and web sites for companies marketing music, books, flowers, apparel, and food on the Internet (p. 451-52)

- ◆ question 3 in CBC Video Case, “Cashing in on the Book Boom,” asks students to analyse the impact that new Canadian superstores like Chapters and Indigo books will have on Internet booksellers like Amazon.com

Chapter 15:

- ◆ discussion of coupons expanded to include Internet coupon sites (p. 517)
- ◆ effective use of Internet in public relations, both for information and crisis-management purposes (p. 524)

Chapter 16:

- ◆ section on Supervising Salespeople includes new paragraph on impact of the Internet (p. 550)

Chapter 17:

- ◆ all-new chapter focuses on Direct and Online Marketing; Weblinks throughout provide Internet addresses of companies and organizations discussed
- ◆ Chapter Objective 4 focuses on impact of Internet on electronic commerce; Objective 5 asks students to identify benefits of online marketing (pp. 595–96)
- ◆ Key Terms include corporate web site, electronic commerce, Internet, marketing web site, online ads, online marketing, and webcasting (p. 595)
- ◆ opening case on Dell Computer Corporation discusses how this direct marketing pioneer is using the Internet to cut costs and offer more services and information to buyers, resulting in online sales of more than \$3 million per day (pp. 566–67)
- ◆ data on Canadian Internet use (p. 569)
- ◆ new Marketing Highlight 17-1 describes how Fingerhut’s web site customizes interactions with customers (p. 572)
- ◆ new developments in direct marketing include increasing use of e-mail (p. 574) and Internet catalogues from retailers such as Tilley Endurables and L.L. Bean (p. 576)
- ◆ new section on Window on the Future: Online Marketing and Direct Commerce includes headings discussing Rapid Growth of Online Marketing; Who Uses the Net?; The Benefits of Online Marketing; Online Marketing Channels; and The Promise and Challenges of Online Marketing (pp. 578–90)
- ◆ new Practitioner Interview with Nick Jones, New Media Evangelist at Communiqué, discusses developments and challenges in Internet marketing (pp. 579–80)
- ◆ new Marketing Highlight 17-2 describes how Pillsbury uses its Internet site to develop customer relations without engaging in direct selling (p. 585)
- ◆ discussion of privacy issues in direct marketing includes a description of Microsoft’s controversial use of a “Registration Wizard” when Windows 95 was launched (p. 593)
- ◆ Discussing the Issues questions 1, 4, 6, and 7 focus on e-mail and Internet marketing applications (pp. 595–96)
- ◆ Applying the Concepts questions require students to evaluate and analyse web sites
- ◆ Company Case features Internet bookseller Amazon.com
- ◆ CBC Video Case focuses on “Virtual Banking at ING Direct” and the impact of new banking technologies on the Canadian marketplace; question 3 requires students to evaluate the differences between the web sites for ING and the Citizens Bank of Canada (p. 601)

Chapter 18:

- ◆ new opening case includes discussion of Internet developments at Intel, including virtual Web communities, online payment systems, and 3-D online chat rooms (pp. 631-633)

Chapter 19

- ◆ description of how the NBA uses its Internet site to reach a global audience beyond North America (p. 644)
- ◆ new Marketing Highlight 19-1 discusses the global impact of the Internet (p. 649-50)
- ◆ Applying the Concepts question 1 requires students to use Internet resources to compile information on an emerging economy in which they will market a software product (p. 671)

Chapter 20:

- ◆ discussion of the Imagine program for corporate philanthropy includes web site of firms and non-profit organizations involved (p. 677)
- ◆ the section on Enlightened Marketing discusses the Waste Tracker system developed by Walsh Integrated Environmental Systems (Montreal) and shows how the company is using the Internet to crack the market for effective waste management (pp. 695-96)

Company/Brand/Name Index

- ◆ Do you need to find an Internet address? Check the organization's entry in our Company/Brand/Name Index—the page on which a Weblink appears is printed in bold. Updated web site addresses are provided in the "Destinations" section of our Companion Website at www.prenticehall.ca/kotler.