



CONTEMPORARY Marketing

Sixth Edition

Louis E. Boone

David L. Kurtz

C O N T E M P O R A R Y

Marketing

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Dr. Boone has been active in applying computer technology to marketing education. His research on marketing information systems has been published in the *Proceedings of the American Marketing Association*, *Business Horizons*, and the *Journal of Business Strategy*. His marketing simulations include *Marketing Strategy* (Charles E. Merrill Publishing Company, 1971 and 1975) and *The Sales Management Game* (McGraw-Hill, 1989). His research has also been published in such journals as the *Journal of Marketing*, *Journal of Retailing*, *Journal of Business of the University of Chicago*, *Business*, *Health Marketing Quarterly*, *Journal of Business Research*, and the *Journal of Marketing Education*. He has served as president of the Southwestern Marketing Association and vice-president of the Southern Marketing Association.

David L. Kurtz (Ph.D.) heads the Department of Marketing and Transportation at the University of Arkansas where he holds the R. A. and Vivian Young Chair of Business Administration. Dr. Kurtz has also taught at Seattle University, Eastern Michigan University, Davis & Elkins College, and Chisholm Institute of Technology in Melbourne, Australia.

Dr. Kurtz has authored or coauthored 24 books and more than 60 articles, monographs, cases, book reviews, and computer simulations. His text *Foundations of Marketing* (Louis E. Boone and Dale M. Beckman, coauthors) is used as the introductory marketing text by over 50 percent of all Canadian colleges and universities. Dr. Kurtz has served as president of the Western Marketing Educators Association and vice-president of the Academy of Marketing Science. He currently serves on the editorial review boards of three marketing journals and has been the president of a small corporation.

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Preface

During the past 15 years, more than three-quarters of a million students have begun their study of marketing with *Contemporary Marketing*. The book's long-lived popularity stems from its role as the innovation leader among marketing textbooks. With each successive edition it has introduced a number of "firsts" to bring marketing alive for students. It was the first, for example, to use learning aids such as opening vignettes and boxed items to show an actual individual or firm applying the concepts discussed in the chapter. In the fifth edition, *Contemporary Marketing* introduced computer applications following each chapter.

The sixth edition continues in this tradition of innovation. We believe it once again establishes a benchmark that will have a lasting effect on how the introduction to marketing course is taught.

Integrating Print and Video Technology

Technological advances are having a profound effect on college and university teaching. In recent years, publishers have been barraged with increased requests for integrated video materials that are closely aligned with marketing concepts discussed in the textbook. *Contemporary Marketing* is the first text to truly answer those requests. Each of the 20 chapters in *Contemporary Marketing* is accompanied by an Emmy Award-winning 29-minute video. Writers, directors, and other technical specialists responsible for the creation of each video first studied the text chapter and then chose a case example of a company that has successfully applied the concepts and principles comprising that chapter. Included in the 20 videos are giant corporations and tiny start-up businesses, nonprofit organizations, international marketers, minority enterprises, and service firms. A complete listing by chapter of the *Contemporary Marketing* videos is given below.

1. The United States Army
2. Mitsubishi Motor Sales of America
3. Pizza Hop
4. The Disney Channel
5. Kawasaki Motors Corp.
6. Skyfox Corp.
7. Irvine Co.
8. Carushka
9. Robert Mondavi
10. Yamaha Motorcycles
11. Looking Good Calendar Co.
12. Famous Amos

13. Northern Produce Co./Mushrooms, Inc.
14. West Ridge Mountaineering
15. Arrowhead Drinking Water Co.
16. Apple Computer, Inc.
17. Chiat/Day
18. Lipton & Lawry's
19. Fluor Corp.
20. Azure Seas

A video case complete with student homework assignments is included at the end of each chapter. In addition, a separate manual, *Video Case Teaching Notes*, provides detailed outlines for each video, teaching objectives, and specific page references to text concepts shown in the video. All 20 videos are available at no cost to professors who use *Contemporary Marketing* in their classes. With them, we feel we have succeeded in integrating videos with the text.

Computer Applications

Contemporary Marketing accomplishes the dual objectives of increasing the student's level of analytical thinking in the basic marketing course and integrating the use of microcomputers in the marketing curriculum. At the end of each chapter, a special *Computer Applications* section describes the use of a technique or marketing concept that can be adapted to the microcomputer. Each section contains at least five marketing problems that focus specifically on marketing concepts discussed in the chapter. Techniques used in solving marketing problems include such basic models as breakeven analysis, return on investment, inventory turnover, the EOQ model, Engel's laws, the exchange process, markups and markdowns, and sales forecasting. Over 100 computer problems are included in the text; additional problems are contained in the *Study Guide*.

These problems can be solved with the use of the *Boone & Kurtz Marketing Disk*, a software supplement available free to adopters for use with the IBM® PC and Apple® II systems. The following 16 programs, each presented in a user-friendly, menu-driven format for use in solving marketing problems, are included:

- | | |
|-------------------------------|------------------------------------|
| 1. Exchange Process | 9. Breakeven Analysis |
| 2. Decision Tree Analysis | 10. Inventory Turnover |
| 3. Sales Forecasting | 11. Markups |
| 4. Sales Analysis | 12. Markdowns |
| 5. Evaluation of Alternatives | 13. Economic Order Quantity (EOQ) |
| 6. Competitive Bidding | 14. Promotional Budget Allocations |
| 7. Engel's Laws | 15. Advertising Evaluations |
| 8. Return on Investment (ROI) | 16. Sales Force Size Determination |

At the request of several reviewers, the problems have been structured to require the student to draw conclusions based upon the data being analyzed. In addition, spreadsheet problems such as modified breakeven analysis, competitive bidding, and sales force size determination allow the student to manipulate data and observe the changes in profits, prices, and breakeven points.

Since full descriptions of each technique and sample problems with solutions are included in the text, the instructor can use these computer problems in a variety of formats. If students have ready access to microcomputers, problem assignments can be used as daily homework. If computers are not easily accessible, the problems can be solved by using a calculator. When microcomputer access is difficult, instructors can integrate computer usage in their classes by making one or two assignments during the term and/or by spacing computer assignments for different groups of students throughout the course to relieve demand for computer access in the microcomputer lab. Each of these alternatives will succeed in providing homework assignments involving quantitative problems for every chapter in the textbook.

Strategic Orientation

Contemporary Marketing is written with a strong marketing planning/strategy orientation. As a number of reviewers have pointed out, planning occurs at the beginning of the marketing effort, not at the end. Consequently, coverage of marketing planning and forecasting begins in Chapter 3. The chapter has been revised extensively to provide a strong, logical treatment of both the *why* and *how* of marketing planning. In addition, a new appendix titled *Developing a Marketing Plan* has been added. The appendix includes a discussion of the *how* of marketing planning and is in response to dozens of requests for specific examples of an actual marketing plan. It is a practically oriented discussion of how to write a marketing plan.

The shift to a more strategic orientation is not limited to a single chapter. Chapter 7, for example, provides detailed coverage of major segmentation bases in both consumer and industrial markets. The treatment of retailing and wholesaling has been thoroughly reworked to replace descriptive materials with more strategy-oriented information. All of the chapters in Part 7 have been rewritten to emphasize a more analytic, decision-oriented approach to promotional strategy.

Integrating Nonprofit and For-Profit Marketing

Many authors of marketing texts treat the subject of marketing in nonprofit organizations as an “add-on” subject by inserting a separate chapter at the end of the book. *Contemporary Marketing* integrates the broadened view of marketing throughout the text. The expanded concept of marketing incorporating nonprofit organizations, places, persons, and causes as well as tangible goods begins in Chapter 1 and continues through Chapter 20.

New Chapter on Services

Contemporary Marketing also extends its coverage to the vital yet often neglected area of service strategy. Chapter 20 is a new chapter devoted to thoroughly treating this important component of marketing. In addition, unique aspects of the marketing of services are discussed at appropriate locations

throughout the text. For instance, Chapter 12 contains a section entitled “Marketing Channels for Services.”

Focus on Competitiveness and Marketing Ethics

Unlike the frequently interruptive boxed illustrations in many marketing texts, *Contemporary Marketing* integrates examples directly in the text materials to emphasize concepts by showing their application by actual firms. Numerous examples of real-life organizations are found on every page. The generous use of examples has been a trademark of the text since its inception.

Two topics, however, are so important to today’s marketing students that they require special emphasis: marketing competitiveness and marketing ethics. Special theme boxes emphasizing these two subjects are included in each chapter.

The Competitive Edge contains a case example emphasizing chapter concepts by introducing an organization whose marketers have achieved competitive success either in the United States or in international markets. In each case, their distinctive competence has been the result of correctly applying marketing concepts described in the chapter. The examples used include the following:

- ☐ Nordstrom, Inc.
- ☐ Kleenex Tissues
- ☐ Domino’s Pizza
- ☐ Cincinnati Microwave
- ☐ TABASCO Brand Pepper Sauce
- ☐ Arbor Cinema Four
- ☐ Boeing
- ☐ Wal-Mart Stores

The second theme box, *Focus on Ethics*, examines a number of wide-ranging ethical issues facing marketers and their organizations. The following examples illustrate the variety of issues treated in the text:

- ☐ Can Marketing Ethics Be Taught?
- ☐ “Your Free Prize Is Waiting for You to Claim . . .”
- ☐ Extending the Product Life Cycle of Cigarettes
- ☐ New Drugs for AIDS Victims
- ☐ Buy American?
- ☐ The Unethical Sales Presentation

Emphasis on Buyer Behavior and Marketing Mix Elements

Contemporary Marketing is designed to meet instructor demands for a thorough treatment of the core topics of market segmentation, buyer behavior, and the elements of the marketing mix. Part 3 devotes three chapters to the first two

topics. Coverage of consumer behavior in Chapter 5 has been thoroughly revised and improved. Chapter 6 has been expanded to focus on *organizational* buying behavior by including concise, comprehensive treatments of buyer behavior in the producer, trade industries, institutional, and government markets. Chapter 7 analyzes the concept of market segmentation and describes segmentation techniques used in both consumer and industrial markets.

At least two chapters focus on each of the elements of the marketing mix. Unlike some recent texts, *Contemporary Marketing* does not neglect the vital roles of marketing institutions and physical distribution. Separate chapters are devoted to the subjects of retailing, wholesaling, and the management of physical distribution.

A Completely New Full-Color Art Program

Perhaps the most visible indicator of the improved sixth edition of *Contemporary Marketing* is the new full-color design. Every figure and table is new and has been designed by a team of artists based upon the authors' instructions. The result is a state-of-the-art book using color photographs, advertisements, and illustrations to emphasize text concepts.

Instructional Resource Package

The sixth edition of *Contemporary Marketing* is a comprehensive teaching/learning package unparalleled in its completeness. The textbook is undoubtedly the most critical element in the package, but it is only one part. Because of extensive research and careful coordination, the complete package is uniquely suited to the needs of marketing professors. Since both authors of *Contemporary Marketing* teach introductory marketing, we are well aware of the challenges facing the instructor. The *Instructional Resource Package* is designed to assist the basic marketing professor, who so often has large classes and a heavy teaching load.

The *Instructional Resource Package* consists of the following supplementary teaching aids:

Instructor's Resource Manual

These two bound volumes of instructional materials contain the following sections for each chapter:

- Changes from the Previous Edition
- Slide/Lecture Description
- Annotated Learning Goals
- Key Terms
- Lecture Outline
- Lecture Illustration File
- Answers to Review Questions
- Answers to Discussion Questions
- Answers to Video Case Questions

- Solutions to Computer Applications
- Supplemental Case
- Teaching Notes for Supplemental Case
- Experiential Exercises
- Guest Speaker Suggestions
- Film/Videocassette Guide
- Study Guide Solutions

A total of 100 suggested term paper topics are also included in the *Instructor's Resource Manual*.

Test Bank

The completely revised 3,000-question *Test Bank* is available in both a printed and a computerized format. The *Test Bank* had been designed to aid the classroom learning experience with a wide range of testing alternatives. Each chapter includes multiple choice, true/false, and essay questions, as well as two minicases. The minicases, which are followed by multiple-choice questions, present a problem situation that requires a more thorough analysis and synthesis of information than the typical multiple-choice question. Each question is keyed to specific text page numbers and level of difficulty. Questions that are similar to *Study Guide* questions are indicated as such. The *Test Bank* was prepared by Professors Abraham Axelrud, Jonas Falik, and Ben Wieder of Queensborough Community College.

Study Guide

The *Study Guide* is a learning supplement designed to further students' understanding and to provide them with additional practice in applying concepts presented in the text. Each chapter includes a brief summary of the chapter, experiential exercises, a self-quiz, cases, short-answer questions, and computer problems. Also included are crossword puzzles at the end of each part, a marketing plan exercise, and three term projects. The *Study Guide* was prepared by Professor Thomas S. O'Connor of the University of New Orleans.

Marketing Simulation Game

Microsim, a marketing simulation game written by Professor Steven Schnaars of Baruch College, is available for marketing instructors. The game asks students to assume the role of a marketing manager for a microwave oven company and manipulate fundamental marketing variables to maximize profits. It is designed for use with either IBM PC or Apple II microcomputers.

The Boone & Kurtz Marketing Disk

The *Boone & Kurtz Marketing Disk* contains complete programs for the computer applications problems in the textbook and *Study Guide*. It is available free to adopters for use with Apple II or IBM PC microcomputers.

Contemporary Marketing Videos and Video Case Teaching Notes

The 20 *Contemporary Marketing Videos* are available at no cost for professors who use the text in their classes. The videos are available only in one-half inch VHS format. In addition, a separate manual, *Video Case Teaching Notes*, is provided with the videos.

Full-Color Overhead Transparencies

This innovative component includes a set of 150 original full-color transparency acetates, which are also available as 35mm slides. Without duplicating the presentation of material in the text, each transparency is a striking graphic illustration of a concept discussed in *Contemporary Marketing*. Approximately 45% of the transparencies are advertisements illustrating marketing concepts. The set includes teaching notes for each transparency.

Slide/Lecture Series

The series consists of three 50-minute lecture modules, each illustrated by approximately 50 full-color slides and accompanied by a written commentary for instructors. The three modules cover the following marketing subjects:

- Marketing planning and segmentation
- International marketing
- Marketing for small business

The lectures present fundamental marketing concepts, applications, and examples keyed to material in *Contemporary Marketing*, but with new materials, examples, and illustrations not contained in the text.

Acknowledgments

Every successful textbook is the product of many people's work. Textbooks are, after all, merely a reflection of contemporary thought in a discipline. In this respect, marketing is blessed with a strong cadre of academicians and practitioners who are constantly seeking to improve and advance the discipline.

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Louis E. Boone
Mobile, Alabama
October 1988

David L. Kurtz
Fayetteville, Arkansas

Brief Contents

Part 1

The Contemporary Marketing Environment 1

Chapter 1	
Marketing in Profit and Nonprofit Settings	2
Chapter 2	
Marketing: Its Environment and Role in Society	40

Part 2

Marketing Planning and Information 83

Chapter 3	
Marketing Planning and Forecasting	84
Appendix	
Developing a Marketing Plan	119
Chapter 4	
Marketing Research and Information Systems	124

Part 3

Buyer Behavior and Market Segmentation 159

Chapter 5	
Consumer Behavior	160
Chapter 6	
Organizational Buying Behavior	202
Chapter 7	
Market Segmentation	232

Part 4

Product and Service Strategy 267

Chapter 8	
Product Strategy	268
Chapter 9	
Product Mix Decisions and New-Product Planning	294

Part 5

Pricing Strategy 337

Chapter 10	
Price Determination	338
Chapter 11	
Managing the Pricing Function	374

Part 6

Distribution Strategy 405

Chapter 12	
Channel Strategy	406
Chapter 13	
Wholesaling	438
Chapter 14	
Retailing	466
Chapter 15	
Physical Distribution	500

Part 7

Promotional Strategy 533

Chapter 16	
Introduction to Promotion	534
Chapter 17	
Advertising, Sales Promotion, and Public Relations	568
Chapter 18	
Personal Selling and Sales Management	608

Part 8

Marketing in Special Settings 641

Chapter 19	
Global Dimensions of Marketing	642
Chapter 20	
Marketing of Services	674

Appendix	
Careers in Marketing	

Contents



Part 1	
The Contemporary Marketing Environment	1
Chapter 1	
<i>Marketing in Profit and Nonprofit Settings</i>	2
Chapter Overview	3
What Is Marketing?	4
<i>Marketing: A Definition</i>	5
The Origins of Marketing	7
Three Eras in the History of Marketing	7
<i>The Production Era</i>	7
<i>The Sales Era</i>	9
<i>The Marketing Era</i>	10
Emergence of the Marketing Concept	10
<i>Converting Needs to Wants</i>	11
THE COMPETITIVE EDGE <i>Kleenex Tissues</i>	12
Avoiding Marketing Myopia	13
Broadening the Marketing Concept to Nonprofit Marketing	14
<i>Marketing in Nonprofit Organizations</i>	15
<i>Types of Nonprofit Marketing</i>	15
<i>Characteristics of Nonprofit Marketing</i>	19
Selecting a Target Market	20
The Marketing Environment	21
The Marketing Mix Variables	21
<i>Product Strategy</i>	23
<i>Pricing Strategy</i>	24
<i>Distribution Strategy</i>	24
<i>Promotional Strategy</i>	25
Marketing Costs and Marketing Functions	26
FOCUS ON ETHICS <i>Can Marketing Ethics Be Taught?</i>	28
The Study of Marketing	28
Summary of Chapter Objectives	29
<i>Key Terms</i>	31
<i>Review Questions</i>	31
<i>Discussion Questions</i>	32
VIDEO CASE 1 The United States Army	32
COMPUTER APPLICATIONS	35