In 2008, LG Canada brashly launched a new line of cellphones with a marketing program that beat Apple’s iPhone to the punch. “The essence of marketing is discovering consumer insights,” says Andrew Barrett, vice president of marketing for LG Canada. Barrett explains that you must be “relevant and engaging enough for consumers to choose your product or service,” and with that in mind, LG Canada launched the LG Vantage, Venus, and Vu touch phones with a marketing program that could not be missed. The program’s purpose was to create awareness and hype for the new products, prompt support from retailers, and encourage consumers to gather information and buy the product. LG flirted with consumers and encouraged them to experience and buy the phones. This resulted in revenues for LG and an example of marketing that works.

The youthful target market for the touch phones was the style-conscious and techno-savvy university and college crowd. All launch elements of the new LG cellphones were designed with these Canadian consumers in mind—no quick launch of a U.S. product here. Research determined product needs, that is, which features were most appealing, what technology was required, and which product names should be used. The price was established based on a competitive evaluation and the fact that expensive data plans were an issue with consumers. Importantly, distribution was worked through with the cellphone carriers, Bell, Rogers, and Telus, whose support was needed for the product to be carried at retail and displayed in stores. Once these elements were finalized, a promotional campaign was crafted to fit the needs of the target audience and create a buzz in the market.

Three sleekly designed phones with intuitive touch screens surfaced. Their features included instant messaging and the ability to listen to the radio, watch mobile TV, and access video on demand—all features designed to appeal to the target market’s desire for technology, style, and entertainment. To address consumer concerns that perhaps the
Describe the evolution of different business philosophies and understand how marketing has evolved.

Understand what careers exist in marketing.
phone was not heeding their commands, LG introduced “vibe-feedback technology”. The phone now shuddered slightly, indicating that the phone was responding. A faster processor was also included to make it the fastest downloading phone in Canada, even faster than home-based high-speed Internet. Best of all, it did not require consumers to purchase expensive data plans, an issue with competing products.

The launch platform was crafted to pique consumer interest and encourage purchase. The promotional campaign stood out from the crowd in that it considered the target market’s social interests, activities, and media habits. The campaign included public relations, advertising, and point-of-sale efforts.

- **Public relations**: Media journalists were invited to attend a lunchtime launch event staged at Sultan’s Tent, a Toronto restaurant. The event treated guests to massages, capitalizing on the touch theme, piquing their interest with facts about things that most consumers are unlikely to touch, such as wet cement or a luxury car. Ultimately, the new touch phones were unveiled exposing their chic designs and features. The event resulted in valuable press mentions.

- **TV advertising**: Following the launch, LG kicked off its advertising campaign with TV spots airing on primetime TV shows such as American Idol, The Late Show with David Letterman, and Pussy-cat Dolls Present: Girlicious—all shows watched by the target market. The spots focused on a typical young man, forbidden all his life to touch things, until along came the LG touch phones. The spots intentionally used humour to resonate with this group and drive them to a website to interact with the product.

- **Print-based advertising**: A number of provocative washroom ads were created to appear in bars and restaurants in major Canadian cities. Nine ads were rotated to keep them fresh and engaging for this particular demographic. Headlines that raised eyebrows included “Unbutton your phone,” “Another good reason to wash your hands,” and “You’re going to want a daily manicure.” A superboard appeared across a major highway getting the attention of daily commuters.

- **Online advertising**: Online banner ads, a keyword search program, and a microsite were designed to intrigue the target audience. At the microsite visitors could interact with the phone, be enticed by its design, and be amused by the advertising. In addition, e-mail alerts were sent to LG’s database of customers, which had been built to develop these important linkages.

- **Point-of-sale material**: Finally, point-of-sale signage was created in collaboration with the phone carriers—Bell, Rogers, and Telus—for display at retail.

All in all, LG successfully launched its Vantage, Venus, and Vu touch phones with a marketing program that stood out. All elements of the marketing mix—product, price, place, and promotion—were carefully crafted to meet consumer needs and appeal distinctly to the target audience. Andrew Barrett, a long-time Canadian marketer, tells us that marketing success is rooted in understanding consumer needs and delivering on those needs. He points to the 2008 Leger Corporate Reputation Survey, in which LG Canada moved up an unprecedented 26 spots in the rankings to no. 39, a feat that Barrett attributes to the company’s increased focus on marketing. “Consumers are busy in their worlds and not in our worlds, so to capture their attention we must be highly creative in what we do,” he says. Barrett explains that you must never lose sight of your consumer, or you may miss your window of opportunity.

LG’s marketing program kept a watchful eye on the competition, while considering the needs of target consumers every step of the way. It created products that Canadians wanted to buy, worked to ensure that pricing was in line with consumer needs, and put distribution plans in place so that consumers could purchase the product at retail. LG’s creative promotional program was the final element used to capture consumers’ interest and pique their curiosity with initiatives that were daring and imaginative. The program allowed LG to dance with consumers, satisfy their needs, and ultimately sell product. It shows us the marketing concept in action.
The Essence of Marketing

Marketing success is rooted in focusing on consumers and providing them with value through products and services that meet their needs. The challenge is to craft marketing programs that create a distinct image for the product, setting it apart from the competition, while also appealing to consumers’ needs. The Canadian market is very competitive and if you, as a marketer, do not focus on providing consumers with products and services that meet their needs, a competitor will do so. The launch of LG touch phones is a prime example. Canadians had been waiting for Apple to launch its iPhone for over a year. There was pent-up demand and consumers were going to extreme lengths to purchase the iPhone from the U.S. LG rose to the occasion, did its research, and met consumer needs head-on by launching a product tailored to the Canadian marketplace.

It is important to understand that marketers’ ultimate objectives are to realize a profit, or, if working in the non-profit sector, to generate revenue to fund their programs and run their operations. In this chapter, we will focus on the “for-profit” sector.

Focusing on Customer Needs

Successful marketing programs focus on consumer needs and try to develop programs that delight the consumer and encourage customer loyalty. Frequently, the challenge is to clearly determine these needs and to understand how they can best be met with meaningful marketing approaches. This may appear easy, but in reality it is often faced with challenges: Consumers do not always know what they want; consumers do not always want to articulate their feelings; and, in some cases, consumers are unable to communicate and rationalize their preferred choices. In many product categories, such as fragrances or luxury cars, choices are not entirely rational, but partly based on self-image and emotional attachment to a brand. In these cases, consumers may find it difficult to articulate their preferences, and marketers may become misguided in their observations and conclusions.

Research can often be a difficult area to navigate for marketers. It requires insight into where a brand should be heading, together with the flexibility and clarity of thought to discern good ideas from bad. Often the results are not crystal clear and this requires marketers to take calculated risks in their marketing approaches. Sometimes marketers may not be asking consumers the right questions, which can result in important oversights. Take, for example, the Sony Walkman. This idea initially failed in consumer research because Sony’s line of questioning focused on technology rather than on teenagers’ lifestyles and their love of music.

Research can be further complicated when dealing with certain target groups that may be difficult to find, or that may be unable to express their thoughts. Take, for instance, a situation where a toy company requires feedback from young children. Members...
Appealing to Target Markets

In a competitive marketplace, companies cannot satisfy everyone's needs with a single product, and so they design their products to appeal to specific target markets. Marketing follows the principle that with limited funds, it is better to channel your resources toward the groups of consumers that are most interested in purchasing your product, rather than target everyone and squander funds on those who have no interest at all. This approach results in marketers tailoring products to meet the specific needs of different target markets. A **target market** can be formally defined as the specific group of existing and potential consumers to which a marketer targets its marketing efforts. Marketing efforts are geared to appeal to a product's specific target market, ensuring that each element of the marketing mix appeals to the characteristics of the target group.

Creating Customer Value

Developing customer loyalty is prompting many firms to focus on customer value by providing customers with products and services that have added value. This is often achieved by delivering outstanding value through a combination of (1) pricing strategies, (2) product design, and (3) service elements. Companies such as Zellers focus on providing the lowest prices; Mountain Equipment Co-op claims to provide the best products; and companies such as Pizza-Pizza pioneered their fast delivery service as a point of difference. Apple uses a combination of unique product design and superior service levels to market their iPods as premium quality products. For our purposes, **customer value** is the unique combination of benefits received by targeted buyers that includes quality, price, convenience, on-time delivery, and both before-sale and after-sale service. Marketers work diligently to deliver this value by carefully managing each element of the marketing mix (product, price, place, and promotion) so that this value is evident to consumers who in turn purchase the product. On-going marketing programs then come into play, encouraging these consumers to become long-term loyal customers.

Coordinating the Marketing Mix

The elements of the **marketing mix**—product, price, place, and promotion—need to be carefully managed by marketers to ensure that they are well coordinated and that each appeals to the distinct characteristics of the target market for the product. There is no point in having an amazing product if consumers cannot find it at the retail stores they
frequent. If the product is priced too high or too low for the target market, it will be unaffordable or will simply portray the wrong image. If marketers promote the product only in newspapers and the target market does not read newspapers, then the message will not be received. In all instances, marketers need to understand what makes their consumers tick: what delights them and what does not. This is determined by market research and a constant evaluation of marketing programs to understand how marketing efforts can best meet consumer needs. Marketers pick up on these consumer preferences, and they design marketing programs that coordinate each element of the marketing mix to meet their specific target market needs.

The elements of the marketing mix can be simply described as follows:

1. **Product.** All the attributes that make up a good, a service, or an idea, including product design, features, colour, packaging, warrantee, and service levels.
2. **Price.** The expected retail shelf price and sale price of the product.
3. **Place.** The distribution channels and retailers required to sell the product.
4. **Promotion.** The communication tools needed to inform consumers about the product, including advertising, sales promotion, public relations, direct marketing, and personal selling.

Now, we look at two Nestlé products, Smarties and After Eight Straws, to find out how marketers at this company carefully craft each element of the marketing mix to appeal to its specific target group. Smarties, targeting families, are brightly coloured candy-coated chocolates that come in a bright blue package with colourful, fun graphics. The product also comes in bite-sized pieces that are easy to share. The product continues its appeal to families through a fun promotional program at www.smarties.ca, where images of Smarties are used in an online computer game. The product is also sold at a relatively inexpensive price, approximately $1.09 for 50 grams, making it affordable. Finally, the product is merchandised at retail, close to cash registers to stand as a visual reminder of this family treat and prompt impulse purchases.

On the other hand, After Eight Straws, launched in 2006, are a twist on classic dark chocolate mints and are geared to adults. The product is designed to be sleek and stylish and comes in an upscale silver cylinder with muted grey tones and subdued graphics. The package contains 20 thin After Eight Straws, which are filled with a delicate mint-cream filling. The product combines a bitter, dark chocolate with a minty flavour that appeals to adults. The product is sold at a premium price of $3.99 for a 90-gram package, reflecting its high-quality image and adult target market. This product is not merchandised at the cash register. Instead, it is typically found on the shelves of many grocery stores and drug retailers, but also enjoys wider seasonal distribution during the winter holidays when the product is popular for entertaining and is thus prominently displayed in store. In 2007, the product was promoted at Toronto Symphony Orchestra events to reflect its image as a product for adult entertaining.

In both instances, Nestlé moulded each element of the marketing mix to appeal to its specific target group. Neither product is geared to appeal to everyone in the market. Instead, Smarties targets families, and After Eight Straws targets only adults. It is important to note that over time, marketers gather extensive information on their target markets, being able to identify purchase motivation.
In recent years, HMV has been forced to change its tune. HMV Canada Inc. is the country’s leading music retailer, but it has found itself evolving its focus in recent years to better reflect the changing habits of the buying public. The music industry was a $1.3 billion business in Canada as recently as 1999, but by 2006 sales had plummeted to roughly half that at $679 million. Only 39.9 million physical albums were sold in 2007, a decrease of 12.1 percent since 2006.

HMV has been changing to meet the needs of a new kind of consumer, one that forgoes going into a store and buying a CD for the convenience of downloading the material and playing it on an MP3 player. Recently, HMV has begun to sell the Sony BMG Platinum MusicPass, a card that enables a user to buy and download albums plus bonus material to play on any MP3 player.

Downloading music, both legally and illegally, has vastly outstripped the purchasing of physical CDs by teenage consumers. HMV has responded by expanding its product base to include DVDs and video games, as well as MP3 players and other related accessories. HMV locations in the United Kingdom have also expanded in this direction, opening stores that have digital download hubs, gaming stations, and smoothie bars.

HMV Canada is also evolving, moving to encompass not only music, but all forms of entertainment.

Marketing NewsFlash

1. What is the essence of marketing?
2. What is a target market?
3. What is the marketing mix?

The marketing process is a continuous one that requires marketers to pay attention to detail and apply their strategic, analytical, and creative-thinking skills. In short, the marketing process involves (1) identifying consumer needs, (2) managing the marketing mix to meet these needs, and (3) realizing profits (see Figure 1-1 on page 10). Throughout the cycle, marketers constantly evaluate the success of their programs, implementing and recommending future changes to make the programs more competitive and alluring to their consumers.
It is imperative to understand that marketers are ultimately responsible for generating company profits or revenues, and that marketing programs are designed with this end in mind. On occasion, students have the misconception that marketing is all about advertising or selling, when in fact it is about managing all the elements of the marketing mix and using research to help generate profits or revenues for an organization. Formally, **marketing** is described as the process of planning goods, services, or ideas to meet consumer needs and organizational objectives. It includes the conception of these products, and the pricing, promotion, and distribution programs designed to make a profit. The objectives of both buyers and sellers must be met for exchanges to occur and for profits to be realized.

**Exchange** is the trade of things of value between buyers and sellers so that each benefits. Typically, the trade is money for a product or service, however, there is more to exchange than just money. A consumer may volunteer time with a non-profit organization such as the Heart and Stroke Foundation, which in return may satisfy the consumer’s need to support the cause. Additionally, customers may provide referrals to a tutoring service or a fitness club in return for discounts or more services.

**What Can Be Marketed?**

In marketing, the term product encompasses goods, services, and ideas. These can all be marketed to encourage people to buy, or as in the case of ideas, to support a cause.

A **good** is a product you can touch and own. An example is a pair of Adidas running shoes or a can of Red Bull energy drink. Red Bull energy drink is a tangible product that is marketed in two varieties, sold at a premium price, merchandised in-store, promoted on TV with humorous ads, and publicized through the sponsorship of extreme sporting events.

A **service** is an intangible product you cannot touch. It does not result in something you take home. A physiotherapy session, a holiday, or going to a movie are examples of services. When you watch a movie at Cineplex Odeon, marketers have worked to ensure that your experience encourages you to come back. Movie selection, theatre layout, seating, and concession items have all been carefully selected with the comfort and needs of the target market in mind.

Ideas can also be marketed. An **idea** is a concept that typically looks for your support. An example is the Earth Hour campaign promoted by the World Wildlife Fund (WWF), which encouraged Canadians to all turn out their lights from 8 to 9 p.m. on March 29, 2008. It worked; the WWF successfully marketed the idea and garnered support for the cause.

![CD/Cassette Sales in Canada](chart.png)

**CD/Cassette Sales in Canada (in $000)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$1,130,700</td>
</tr>
<tr>
<td>2002</td>
<td>$922,500</td>
</tr>
<tr>
<td>2004</td>
<td>$806,800</td>
</tr>
<tr>
<td>2006</td>
<td>$678,745</td>
</tr>
</tbody>
</table>

What Is a Market?

The term market is used in marketing to describe the potential consumers who have both the willingness and ability to buy a product. Importantly, just being willing to buy does not constitute a market. For example, Fisher Price’s Smart Cycle, the Toy Industry Association’s Toy of the Year for 2008, is a stationary bike that plugs into your TV. It is made for children three to six years old. When children sit on the bike and pedal, they can play and learn through interactive arcade-type games—exercise and fun all rolled into one. The children, however, are not considered the market because they do not have the money or the physical means to buy the product. The market consists of parents with young children in that age group.

This product touches on an interesting marketing issue: Sometimes the market, target market, and consumers are different groups of people, and marketers need to decide on a balance of who should be targeted with their programs. While the market for Fisher Price’s Smart Cycle is the parents with children three to six years old, the marketing also needs to focus on the children who may exert some influence over their parents. Therefore, we see the target market for the product including both children and parents. Finally, the consumers of the product, in this case the users, are the children, not the parents, and marketers need to ensure that the product is designed with their interests in mind without overlooking the parents, who are the main decision makers in the purchase process.

The Evolution of Business Philosophies

Marketing was not always the driving force in business philosophy. Up until the 1930s, businesses were in the production orientation stage. This stage focused on manufacturing, which until the industrial revolution was not a widespread phenomenon. Manufactured goods tended to sell, regardless of their quality, because they were in short supply. Consumer needs were not a priority. The second stage, from the 1930s to the 1960s, was the sales orientation stage. This stage focused on selling as many products as possible. The market had become more competitive, production had become more efficient, and products were in abundance. Companies started to hard-sell to make a profit, and consumer needs were still not a major consideration. As the
Marketing Ideas: Earth Hour

At 8:00 p.m. on March 29, 2008, the lights went out. Not for everyone, perhaps, but for enough people to send a strong message to the government of Canada, and governments around the world. This was not a blackout, but an extremely successful marketing campaign: the World Wildlife Fund’s Earth Hour. Organized to raise awareness of climate change, Earth Hour is a largely grassroots campaign highlighting the simple measures that people can take to cut emissions by urging them to pledge to turn off their lights for just one hour—from 8:00 to 9:00 p.m. local time.


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For the 2008 event, Canadians in about 150 communities pledged to turn off their lights for the hour. Across Canada, restaurants offered candlelight dining. Toronto’s City Hall, CN Tower, and Air Canada Centre were dimmed to darkness. The clock on Parliament’s Peace Tower in Ottawa went dark as Canada marked its participation. Darkness spread worldwide, starting earlier that day in New Zealand and rolling through 14 time zones before ending on North America’s West Coast. The Sydney Opera House, Rome’s Colosseum, and Coke’s billboard in Times Square were all plunged into darkness as 8 p.m. local time moved across the world. In total, approximately 100,000 Canadians registered online for the event—roughly one third of the 300,000 registered worldwide.

Marketing orientation

Focusing organizational efforts to collect and use information about customers’ needs to create customer value.

Marketing concept

The idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization’s goals. The marketing concept follows this idea. An organization that has a marketing orientation focuses its efforts on continuously collecting information about customers’ needs, sharing this information across departments, and using it to create customer value.

In the last decade, marketing has evolved from a discipline that had more of a short-term focus on transactions to one that now focuses on building long-term customer relationships. This relationship marketing approach now sees organizations considering the lifetime value of its customers as they strive to offer better services, deliver consistent product quality, and develop long-term relationships with their customers. This approach emphasizes customer retention and on-going customer satisfaction rather than short-term sales transactions. It carefully uses information on customer interests to develop relationships with customers and retain their loyalty. Improved customer relationships can result in increased customer loyalty, improved customer retention levels, and greater profits for the organization. Formally, the concept of relationship marketing is when organizations create long-term links with their customers, employees, suppliers, and other partners to increase loyalty and customer retention.
It is important to understand that relationship marketing involves a personal, on-going relationship between an organization and its customers that often starts before a sale occurs, and lasts well beyond the point when a sale has concluded. The automobile industry has used this approach for many years, seeing the value of a satisfied customer play out in future purchases. A Saab dealership in Toronto, for example, regularly phones its customers with invitations to events, sends out mailings with car maintenance information, and distributes a high-quality magazine for customers to enjoy.

Internet technology and database marketing have surfaced as ways to facilitate relationship marketing and create a whole new focus on customer relationship management (CRM) for the marketing industry. This approach is grounded in the fact that it is less expensive to service and maintain current customers rather than obtain new ones. CRM involves a systematic and active company approach to managing and retaining satisfied customers by efficiently and accurately identifying the elements that lead to satisfied customers and increased company profits. This approach is partly facilitated by CRM computer software that tracks customer choices, preferences, and complaints, allowing marketers to customize sales and marketing tools to better fit customer needs. Returning to the example of the automobile industry, CRM software is a useful tool that can track whether customers buy or lease a vehicle, how often they are in the market to purchase a vehicle, what type of financing arrangements are used, and the features they prefer in a car. The challenge is then to use this data to help manage current customer needs and to become forward thinking by pre-empting their customers’ future needs. CRM is discussed in more detail in the following section and reviewed at length in Chapter 14.

The Progression of Marketing and Evolving Areas

Marketing thinking has progressed over the last decade due to changes in consumer expectations, societal pressures, technological changes, and the philosophy of doing business. Marketing is moving from purely focusing on consumers

Figure 1–2
The Evolution of Business Philosophies

<table>
<thead>
<tr>
<th>Orientation</th>
<th>1930s</th>
<th>1960s</th>
<th>1990s</th>
</tr>
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<tbody>
<tr>
<td>Production orientation</td>
<td><strong>Production</strong></td>
<td><strong>Sales</strong></td>
<td><strong>Marketing</strong></td>
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<td>Sales orientation</td>
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<tr>
<td>Marketing orientation</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Relationship marketing orientation</td>
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</table>
and company profits to developing relationships with customers and giving back to society. Some of the latest evolving areas are (1) customer relationship management, (2) experiential marketing, and (3) corporate social responsibility.

**Customer Relationship Management**

Customer relationship management (CRM) focuses on identifying a firm’s most-valued customers and building programs to appeal to their needs while fostering long-term customer relationships and loyalty. This approach can use a number of different methods to encourage customer loyalty. When used successfully, the concept of CRM permeates an organization, which then implements policies, processes, and strategies to maximize customer satisfaction by tracking customer information and using this data to anticipate and meet customer needs. Formally, CRM is defined as the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.³

We look at the Canadian retail industry to better understand this concept and see how CRM can be applied. In practical terms, CRM can take many forms in the retail environment. In one of its most basic forms, CRM can involve the occasional phone call to customers or the use of customer lists to make customers aware of new product offers. In a more advanced state, it can include customer incentives such as customer loyalty cards to reward consumers with collectable points for their purchases. These points can then be redeemed by customers for items such as merchandise or other in-store purchases. For the retailer, these cards can in turn track the purchase patterns of individual consumers, providing valuable data to marketers who can use sophisticated software and highly qualified personnel to determine and develop individualized consumer programs to encourage customer loyalty. This approach has been pioneered in Canada by retailers such as HBC, with the HBC Rewards Card, and Shoppers Drug Mart with the Optimum card. Loyalty programs such as Air Miles use a host of partner-brands to reward members with travel rewards. Air Miles uses companies such as the Loyalty Group, which specialize in CRM, to help manage its CRM programs.

Advanced CRM can take into consideration the value of specific customers over their lifetime and what offers are most suited to their stage in life. Let’s look at a simple example to demonstrate this concept. If a pregnant woman buys pre-natal vitamins at a store that uses CRM tracking software such as loyalty cards, in time she may start receiving coupons for diapers, baby food, and tips on infant nutrition; her pre-natal purchase has triggered sophisticated computer programs to recognize her eventual need for baby products. As this woman’s needs evolve, and as the children get older, the offers may change to include over-the-counter medications for toddlers or school supplies for youths. This is one of the ways that companies can use CRM to encourage customer loyalty.

Another simple example of how the concept of CRM can be applied at retail is in the area of store design. Retailers can use customer purchase data to analyze departmental purchases to improve store design and maximize their profitability. If, for instance, CRM identifies organic foods as a highly purchased product for a store’s catchment area, when the store is being refurbished, the section for these products may be expanded and given more prominence within the store. CRM is covered in more detail in Chapter 14.

**Experiential Marketing**

Experiential marketing is an approach where marketers create opportunities for their consumers to interact directly with a brand. Instead of relying on mass media, a brand creates an occasion for a few consumers to interact personally with the brand and spread the word to their friends. This generates word-of-mouth awareness and often free publicity for the brand. The brand goes from being passive to actively interacting with the target market. A brand can follow a number of approaches, often using a combination of public relations, event marketing, viral marketing, and promotions to break through the clutter of competing marketing messages. A well-known example, touted around the world, relates to Absolut Vodka’s launch of...
The consumer’s decision to purchase a product or service is part of a journey of discovery that the consumer travels along. Sometimes it is as short as minutes when we buy on impulse, and other times it is months or years for major purchases. Market research is a key tool to understanding consumer buying behaviour.

Andrew Barrett, vice president of marketing, LG Canada

Marketing

About the new LG phones into the market so that interest and hype would be generated.

Corporate Social Responsibility

Corporate social responsibility (CSR) is a concept where organizations voluntarily consider the well-being of society by taking responsibility for how their businesses impact consumers, customers, suppliers, employees, shareholders, communities, the environment, and society in general.

Many organizations now include a CSR component in their business plans. CSR initiatives can range from the simple to the complex, and typically include one of three approaches. In its simplest forms, CSR can involve (1) the sponsorship and/or spearheading of community programs, and (2) the sponsorship and/or involvement in major fundraising initiatives for charitable organizations. In its most advanced form, CSR is used as a business philosophy that permeates the organization. Here are some examples that we see in Canada today:

- Tim Hortons stands as an example of a company that uses its CSR efforts to support the community in a number of ways. In 1974, Tim Hortons established the Tim Horton Children’s Foundation to honour the memory of Tim Horton, his love of children, and his desire to help the less fortunate.

What Would Canadians Like to Touch?

As a part of the marketing campaign for the LG touch phones, LG commissioned Ipsos Reid Canada to poll Canadians on what they would most like to touch.

The very top of an Egyptian pyramid 45%
Freshly poured sidewalk cement 29%
The Stanley Cup 18%
The Hope Diamond 11%

“The consumer’s decision to purchase a product or service is part of a journey of discovery that the consumer travels along. Sometimes it is as short as minutes when we buy on impulse, and other times it is months or years for major purchases. Market research is a key tool to understanding consumer buying behaviour.”

Andrew Barrett, vice president of marketing, LG Canada
disabilities. Another example of the societal marketing concept is the new social networking site created in 2008 by Mountain Equipment Co-op and the Canadian Parks and Wilderness Society at www.thebigwild.org. This site promotes conservation programs by encouraging people to share their outdoor experiences about places that need protection. People post their stories, comments, and photos on the site to gain support. This initiative was launched with a marketing program that saw outdoor enthusiasts such as mountain bikers, kayakers, and rock climbers participate in parades in major cities across Canada. At the store level, Mountain Equipment Co-op customers were encouraged to participate with a small donation toward the cause. Customers then received green shoelaces and were encouraged to wear just one lace to raise awareness for the cause.

A Focus on Ethics  Companies and marketers are increasingly focusing on society, understanding that they can play a major role and have a strong impact on its well-being. Nonetheless, not all organizations or marketers are focused on CSR or the societal marketing concept. This orientation requires financial commitment and long-term support from the organization and its employees. To protect society and the environment from the adverse effect of businesses, regulations are imposed (see Chapter 2) as a basic safeguard for our communities. This can take many forms such as pollution-emission thresholds, food and safety regulations, advertising standards, telemarketing regulations, and water safety guidelines, just to name a few. A recent example is the CRTC’s (Canadian Radio-television and Telecommunications Commission) telemarketing initiative that launched a “National Do Not Call List” in September 2008, allowing the public to sign up to reduce the number of telemarketing calls to their phones. Consumer groups also exert pressure on government bodies to protect society. This was seen in 2008 with the Maple Leaf Foods listeria contamination issue prompting consumer advocates to demand stricter government regulations on food processing.

In addition to government regulations, many companies, industries, and professional associations have guidelines and codes of ethics to provide direction to their employees and members. The Canadian Marketing Association (CMA) is the professional body for the marketing industry, and it responds to legislative issues and sets guidelines on areas such as responsible business practices, ethics, and privacy policy. The CMA has dealt with policy issues concerning telemarketing fraud, electronic commerce, and privacy policy. It consists of over 800 corporate members from major financial institutions, insurance companies, publishers, retailers, charitable organizations, agencies, relationship marketers, and those involved in e-business and Internet marketing.

The CMA has a code of ethics with which all members must comply. Its purpose is to encourage ethical and legal marketing practices by the marketing community. It covers topics such as accurate representations, truthfulness in marketing communications, price claims, fulfillment practices, privacy policy, marketing to children, and direct marketing approaches, just to name a few. The CMA’s website contains a wealth of information for marketers, including its code of ethics, marketing tips, case studies, news releases, educational courses, and job postings. Visit www.the-cma.org to become familiar with this important marketing association.
CTV Helps the Idols Build a House

After five years on television, in 2007, Canada’s most-watched summer series, Canadian Idol, brought something new to viewers. For the first time, CTV’s hit series became involved with a charitable venture. Teaming up with McDonald’s Restaurants of Canada Limited, Canadian Idol launched the “Help the Idols Build a House” campaign.

Since 1974, Ronald McDonald Houses around the world have offered free lodging to out-of-town families of children undergoing treatment at local hospitals. In 2007, thanks to the donation of a two-acre plot of land on Vancouver Island’s Bear Mountain Resort, Ronald McDonald House Charities of Canada embarked on an extension of the charity’s central concept: to build the first North American Ronald McDonald Family Retreat. Here, families who have previously stayed at one of Canada’s 12 Ronald McDonald Houses would be given the opportunity to spend quality time together, free of charge, to focus on their emotional needs and get their lives back on track. Run during the show’s 2007 summer season, the “Help the Idols Build a House” campaign offered viewers a number of opportunities to support the charity.

The viewers’ first opportunity to “Help the Idols Build a House” was an online auction run on the Canadian Idol website. Here viewers could bid on a number of items such as backstage passes to the meet the 2007 Canadian Idol finalists, a romantic weekend for two in Quebec City, a ride in the CTV helicopter, and autographed sports and music memorabilia.

Viewers could also download the campaign’s official anthem, “Believe In You.” Recorded to be released with the announcement of the campaign, and sung by the season’s top ten competitors, “Believe In You” became not only the campaign’s anthem but also Canadian Idol’s first single. Available for download from iTunes and other online music stores, net proceeds from sales of the single were donated to Ronald McDonald House Charities.

Marketing Careers

Many students wonder whether there are jobs in the marketing field. As in any business, it is somewhat dependent of the strength of the economy, and entry-level jobs exist for college and university graduates. The starting point is to get an education and, while studying, to create a network of business professionals to contact upon graduation. Creating this network can be done through summer jobs and volunteering in areas that might be of interest. Networking with guest speakers who may visit your institution is also an important avenue to pursue. These strategies are a wonderful way to gain exposure to the marketing discipline. Be sure to also bookmark Canadian marketing job-search websites and track job postings. Examples of such sites are www.nabs.org, www.marketingmag.ca, www.strategymag.com, www.the-cma.org, www.aimsCanada.com, and www.mediacareersCanada.com.

Entry-level positions exist in sales, marketing, and promotions in a variety of fields. Job titles vary from company to company, but typical jobs include marketing coordinators, marketing analysts, marketing assistants, sales representatives, and account coordinators. These entry-level jobs usually include on-the-job training, the creation of analytical reports, liaison with other departments within the company, exposure to marketing program development, and the potential to move up within the company. Areas of growth are in promotions and Internet service businesses. Opportunities exist in small, medium, and large organizations, and can be found in the private sector, in the non-profit sector, and in the government. In the private sector, marketers are required in consumer marketing and in the business-to-business market. For students who have the advantage of a foreign language, this language can be leveraged with companies dealing in foreign markets, or in Canada, with multicultural target groups. Companies are often looking for employees with language skills.

Students wanting to get into the marketing field need to be analytical, be able to work with others, be capable of working in teams, and have strong communication skills in both written and verbal contexts.
As a marketer, you need to keep your finger on the pulse of the consumer. This requires you to stay current, to be intellectually curious, and to be involved in the conversation of life. Marketers need to read newspapers and magazines, surf the Internet, watch TV, listen to the radio, and absorb the trends that are evolving in society and around the world. Publications such as *Marketing* magazine, *Strategy* magazine, *Canadian Business*, and *Maclean’s* magazine are highly recommended.

Marketers often spend part of their careers working in a sales or promotional role, and moving into marketing with this relevant and valuable experience. A recent college marketing graduate, Brandy Martin armed herself with knowledge about the industry and found her initial passion working in the confectionery business. While still completing her studies, she networked with a number of guest speakers to gain part-time employment in the Internet industry, helping to create search words for a behavioural marketing Internet company. Upon graduation, assisted by her experience gained through part-time jobs, and prompted by post-secondary networking opportunities, she secured a position as an insight analyst with Cadbury Adams. In a few months, Brandy moved on to become a go-to-market coordinator, a position that required her to liaise with both the marketing and sales departments. “Working at Cadbury Adams was the best possible experience for me,” explains Brandy. “I gained valuable insight into the consumer packaged goods’ industry and how a marketing department functions in a major corporation.” Since her initial position as an insight analyst, this marketing graduate has moved on to work at the top lawn and garden care company in the world, The Scotts Miracle-Gro Company. She now works as the program coordinator for the national field sales team, again liaising with the marketing department, but also managing her own sales territory. “My job is insanely busy,” explains Brandy in the midst of creating multimedia e-learning sales support materials for the company’s entire Canadian sales force. We asked Brandy to pass along her insights into what it takes to work in marketing and how to get a job in the field. She tells us, “Networking really is the key! Meet as many people as possible, stay in touch, and never burn a bridge.” Her path tells marketing students to take full advantage of those networking opportunities that come their way while studying at college or university. These can become invaluable door openers.

As for working in the marketing field, she tells us, “It takes creativity, passion, and the desire for knowledge. Learning doesn’t stop once you finish school, and if you are no longer learning, it might be time to move on.”

Brandy Martin enjoys the fast pace of the sales and marketing world in which she works. It provides her with the opportunity to be creative, apply her knowledge, and use her analytical skills to help build a business. Marketing is an exciting area where change is the norm and being able to rise to the challenge is imperative. Learn the fundamentals through education, apply your knowledge through part-time employment, and enjoy the ride by working full-time in the industry! Good luck Brandy Martin.

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**Worldwide Market Share of Cellphones (Q1, 2008)**

1. Nokia 40.9%
2. Samsung 16.4%
3. Motorola 9.7%
4. LG 8.6%
5. Apple 0.6%

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Is this advertising a good, a service, or an idea?

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Summary...just the facts

- The essence of marketing is to focus on consumer needs.
- The marketing process follows three main steps: (1) identifying consumer needs, (2) managing the marketing mix to meet consumer needs, and (3) realizing revenues or profits.
- The marketing mix, also known as the 4 Ps, consists of product, price, place, and promotion.
- Product refers to all the attributes that make up a good, a service, or an idea. Product elements include areas such as product design, product features, colour, packaging, warrantee, and service levels.
- Price refers to the retail-shelf price and sale price of a product.
- Place refers to the distribution channels and retailers required to sell the product.
- Promotion refers to the communication tools needed to communicate to consumers, such as advertising, sales promotion, public relations, direct marketing, and personal selling.
- Marketers are responsible for bringing profits and revenues into the company.
- The evolution of marketing has progressed from a production orientation stage, to a sales orientation stage, on to a marketing orientation stage, and finally to a relationship marketing stage.
- New evolving areas in marketing are customer relationship management (CRM), experiential marketing, and corporate social responsibility (CSR).
- The Canadian Marketing Association (CMA) is the professional body for the marketing industry that responds to legislative issues and sets guidelines on responsible business practices.

Key Terms and Concepts...a refresher

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customer relationship management (CRM) p. 13
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