



A Student's Guide to Marketing: The Core

Marketing: The Core offers an array of features to help you learn and apply the concepts.

Chapter-Opening Vignettes

Each chapter hooks you with a vignette that focuses on the programs of top Canadian marketers. No revamp of an article here—only current facts, real approaches, and tangible examples from one-on-one interviews! The topics are vibrant, selected intentionally for students, and cover companies and products such as LG cellphones, Atomic Skis, the San Diego Chargers, President's Choice, *Canadian Idol*, and the advertising agency *doug agency inc.*, just to name a few. The chapter-opening example is then often integrated into parts of the narrative and exhibits throughout the chapter.

chapter 1 Marketing Fundamentals

In 2008, LG Canada bravely 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

LEARNING OBJECTIVES

- 1** Understand the focus of marketing and explain the marketing process.
- 2** Define the marketing mix.
- 3** Understand the difference between goods, services, and ideas.
- 4** Describe the evolution of different business philosophies and understand how marketing has evolved.
- 5** Understand what careers exist in marketing.

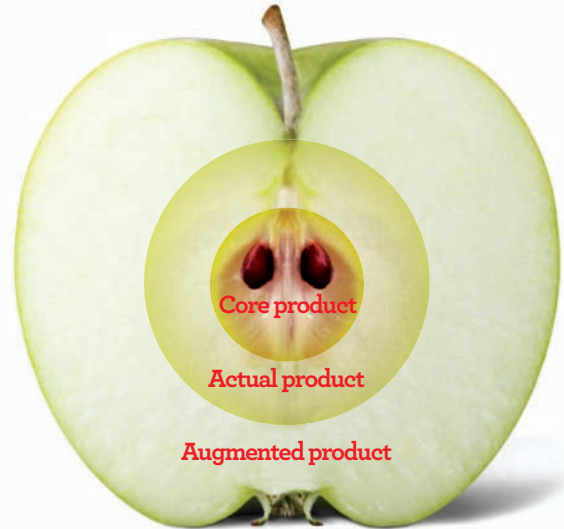
The Core

This unique feature is introduced at the beginning of each chapter, designed to guide you through your study of introductory marketing. We created this model to show the essentials of each chapter and the progression of topics as you move through the book.



The Core: Chapter 7

There are many levels of product.



It is important to manage all levels of a product to be competitive.

Marketing NewsFlashes

This feature provides exciting, current examples of marketing applications in action, making the material relevant and memorable. You will find two to three Marketing NewsFlashes in each chapter.

Koodo's Youth Market

Telus Corporation recently launched Koodo Mobile, a discount cellphone service targeted to the price-conscious youth market segment. Studies have shown that many young Canadians only want a cellphone for the purposes of talking and texting, not requiring more expensive long-term contracts and network access fees. This new program promotes simplicity, with only three handsets and three ready-made plans

to choose from. Customers can also create custom plans.

Telus hopes to attract a new, younger consumer base with the introduction of Koodo. Advertisements for the service have aired during youth-oriented programming such as MTV's *The Hills* and have been placed near universities and shopping malls to attract this market segment.

In order to make its advertising stand out Koodo created a campaign reminiscent of 1980s

work-out programs, complete with a spandex-wearing aerobics instructor leading classes in talking and texting. These ads emphasise the lower cost of Koodo Mobile, promising to help users in the youth market segment "drop that bill bulge."

Sources: David Brown, "Koodo is working out," *Marketing* magazine, March 31, 2008, accessed at <http://marketingblog.blogspot.com/2008/03/koodo-is-working-out.html>; David George-Cosh, "Telus' Koodo Mobile brand launched," *Financial Post*, March 18, 2008, accessed at <http://network.nationalpost.com/np/blogs/fpposted/archive/2008/03/18/telus-koodo-mobile-brand-launched.aspx>; Lisa Hannam, "Is Koodo campaign a good fit?" *Marketing* magazine, April 4, 2008, accessed at <http://marketingblog.blogspot.com/2008/04/is-koodo-campaign-good-fit.html>; Roberto Rocha, "Koodos to Telus," *The Gazette*, April 3, 2008, accessed at www.canada.com/montrealgazette/news/business/story.html?id=0b384d47-a6bd-442d-919c-38a37abf094b.

Marketing NewsFlash

"When it comes to your mobile bill, smaller is better."





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Focus on Ethics

These boxes increase your awareness and assessment of current topics of ethical and social concern.

Problems with the Scrabble Trademark?

In July of 2006, brothers Rajat and Jayant Agarwalla created a game called Scrabulous, an online version of the popular Hasbro and Mattel-owned word game Scrabble. (Hasbro owns the rights to Scrabble in Canada and the United States, and Mattel owns the rights in the rest of the world.) In 2007, the Agarwalla brothers made their game available as an application on the social networking site Facebook, where it soon became one of the top-ten most popular Facebook applications. Soon after, Hasbro and Mattel sent cease-and-desist letters

to Facebook on the grounds that Scrabulous infringed upon the companies' trademark and copyright for the game Scrabble. Hasbro proceeded to launch a lawsuit against the two brothers in U.S. Federal Court.

This action by the companies soon sparked an intense reaction from fans of the application that protested the action by creating "Save Scrabulous" groups on Facebook, one of which had more than 5,000 members in January 2008. Many of the online users shared anecdotes regarding their love of the online game, some saying that they

had never heard of or played Scrabble before discovering Scrabulous. Playing the game online had encouraged them to buy physical Scrabble sets and play outside of Facebook as well, giving some credence to the idea of Scrabulous as a form of viral marketing. The Agarwallas themselves say that they are fans who created Scrabulous out of love for the board game when they couldn't find a suitable online version.

In mid-2008, the Agarwalla brothers revised their Scrabulous application with the new game Wordscraper, which has new rules and circular tiles. A few months later, Hasbro announced that it was dropping the lawsuit. ●

Focus on Ethics

Sources: "Facebook asked to pull Scrabulous game," *CBCnews.ca*, January 16, 2008, accessed at www.cbc.ca/technology/story/2008/01/16/tech-scrabulous.html; Mathew Ingram, "Viral marketing or trademark theft?" *The Globe and Mail*, January 16, 2008, accessed at www.theglobeandmail.com/servlet/story/RTGAM.20080116.WBmingram20080116132835/WBStory/WBmingram?page=rss&; Matt Semansky, "How Do You Spell 'D-I-L-E-M-M-A'?" *Marketing magazine*, April 14, 2008, accessed at www.marketingmag.ca/english/news/marketer/article.jsp?content=20080414_71238_71238; Chris Sorensen, "Scrabble zine, makers want Scrabulous scrapped," *Toronto Star*, January 16, 2008, accessed at www.thestar.com/Business/article/294676; "Scrabble knockoff returns," Associated Press, July 31, 2008, accessed at www.theglobeandmail.com/servlet/story/RTGAM.20080731.wgtscrabulous0731/BNStory/Technology/home.

Marketing Tips

These valuable thoughts from the experts—real-world marketers—are relevant to the topics discussed in each chapter.

Marketing

tip
"The attributes of quality and consumer confidence come from a consistent marketing approach based on a solid brand positioning. Developing and growing a brand becomes an essential part of a marketer's responsibility in growing the business."

Ken Derrett, vice president and chief marketing officer, San Diego Chargers

Marketing

tip
"Innovation is about the journey and applying your learning over time to create successful products and brands."

Ian Gordon, senior vice president, Loblaw Companies Ltd.

Data Boxes

These boxes sprinkle the text with interesting, engaging facts.

Top 10 Canadian Brands (2008)

Ranking	Brand	Brand Value (C\$ million)
1	BlackBerry	5,607.7
2	RBC	4,141.1
3	TD Canada Trust	3,779.6
4	Shoppers Drug Mart	3,137.5
5	Petro-Canada	3,132.6
6	Manulife	2,550.9
7	Bell	2,537.0
8	Scotiabank	1,870.4
9	Canadian Tire	1,828.5
10	Tim Hortons	1,604.6

Source: Interbrand, *Competing in the Global Brand Economy: Best Canadian Brands 2008*, June 2008, accessed at www.ourfishbowl.com/images/surveys/BestCanadianBrands2008.pdf.

Top Worldwide Brand Rankings (2008)

Ranking	Brand	Brand Value (US\$ millions)
1	Coca-Cola	66,667
2	IBM	59,007
3	Microsoft	59,031
4	GE	53,086
5	Nokia	35,942
6	Toyota	34,050

Source: Interbrand, "Best Global Brands: 2008 Rankings," accessed at www.interbrand.com/best_global_brands.aspx.

Marketing Meters

These elements feature unique, relevant, facts that you'll want to share with friends.

