

What Were They Thinking?

In 2001, Roots partnered with Skyservice to launch a new airline called Roots Air. The intention was to attract high-paying customers, such as those flying on business, who are more interested in service and style than in the cost of the ticket. However, the air carrier had trouble filling the seats and had to respond with deep discounts on all its routes. It is estimated that Roots Air lost more than \$200 000 for each day that it was in operation. While the carrier had accounted for the fact that business customers would appreciate specialized service, it was unable to provide enough routes, or to provide flights frequent enough to make it convenient for that target market. In the end, the venture lasted fewer than 100 days.



Although marketing has existed for as long as there has been trade, the marketing concept is relatively recent. Prior to the Industrial Revolution, a period roughly between 1850 and 1950, marketing was a minor aspect of a business's success. But the Industrial Revolution was the beginning of mass production and it changed the nature of marketing forever. Factories were able to produce huge quantities of inexpensive goods and provide jobs and salaries to thousands of workers. The railroads made it easier to obtain both industrial goods and consumer goods. Workers spent their increased wages on furniture, dishes, linens, and appliances, always saving for the next invention that inevitably came along. The automobile also was a product of this period, and it gave everyone a freedom of movement that further redefined the marketplace.

Marketing changed during this period as well. The large supply of labour and improved production capability created an abundance of inexpensive goods. Marketing now concentrated on selling those goods. Department stores grew in size and number (Sears, Eaton's, The Bay) and there was a similar growth in mass media (magazines, radio, billboards, television), supermarkets (Loblaws, Dominion, Sobeys), and lead eventually, to the development of shopping malls. The marketing philosophy for most businesses during this period was "Whatever we make, you'll buy."

However, consumers soon learned to be selective, to compare price and quality, and to demand better service. Businesses had no choice but to listen to them. Firms that responded to consumer demand and adapted their marketing concept became very successful; businesses that failed to do this watched their profits dwindle.

The new marketers altered their products, services, production facilities, distribution techniques, and marketing mix to meet the needs of the consumer. Today's businesses do not assume that whatever they produce will find a market, but instead strive to meet the needs of the consumer.

Consumers have realized their power in the marketplace. They regularly make their needs known, demanding anything from safer cars to more convenient food. Consumers have also realized that their power extends beyond

..... Did You Know ?

Canadian exports represent 45% of everything produced in Canada, and they sustain one in three Canadian jobs. In 2000, our exports of products and services totalled \$478 billion, representing more than \$15 515 for each and every Canadian.