

Info Tech

Future Shop

Future Shop is a leader in business-to-consumer (B2C) e-commerce in Canada. In May 2001, Future Shop took its store online. The online store features the same promotional offers, top brand names, and product selection found in the Future Shop's physical stores, where over 11 million customers shop annually. Its online store offers thousands of brand name product-line extensions and comparison guides to enhance customers' shopping experiences. Future Shop's e-commerce program is now in position to address business-to-business (B2B) sales with online purchase order capability. Online shoppers, whether industrial or consumer, can either pick up their orders at any store location or have the goods delivered.

In your opinion, what is the biggest advantage of online shopping? From a marketing point of view, what is the next step for Future Shop in B2C and B2B?



Did You Know

Some marketers favour a more customer-oriented framework. As opposed to the Four Ps, they refer to the Four Cs of marketing when creating their marketing plan.

- **Customer value:** product benefits from the customers' point of view
- **Cost to the customer:** price plus the customers' costs (e.g., travel)
- **Convenience for the buyer:** equivalent to place/channels of distribution (that is, how best to deliver a product or service to the target market)
- **Communication:** a dialogue with the consumer, not just promotion

1.6 The Marketing Mix

Performing only one marketing activity, such as creating a good packaging design, often is not nearly enough. Instead, all the various marketing activities play an important role in the marketing of a product. The selection of a method of physical distribution, for example, affects pricing, packaging, storage and inventory management, and channel selection (that is, deciding which methods of distribution would best deliver a product or service to the target market). As in the case of Jones Soda, the marketers weren't satisfied with simply creating an effective label design; they coupled that marketing activity with effective distribution and promotion activities. It is the effectiveness of the mixing of these activities that defines the success or failure of any marketing campaign.

The marketing mix is usually divided into four major categories: product, price, place, and promotion. These categories are called the Four Ps of Marketing. A successful marketing mix is one that combines these elements.

An example of a marketing failure that can be analyzed using the marketing mix is McDonald's Restaurant's introduction of pizza in Canada in March of 1992. While the McPizza lasted for several years, it was not a profitable item and was finally dropped from the menu. However, the costs involved in researching the market, developing the new product, refitting the restaurants to produce the product, advertising the new product, and training the staff in the new processes were enormous. The failure wasn't limited to just the pizza product; it also affected the McDonald's image and reputation in the fast-food market.