

<b>Part 1</b>	Defining Marketing and the Marketing Process (Chapters 1, 2)
<b>Part 2</b>	Understanding the Marketplace and Consumers (Chapters 3, 4, 5, 6)
<b>Part 3</b>	Designing a Customer-Driven Strategy and Mix (Chapters 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)
<b>Part 4</b>	Extending Marketing (Chapters 18, 19, 20)

# Contents

Preface xiii

## Part 1 Defining Marketing and the Marketing Process 2

### Chapter 1 Marketing: Creating and Capturing Customer Value 2

#### What Is Marketing? 4

Marketing Defined 5 | The Marketing Process 5

#### Understanding the Marketplace and Customer Needs 6

Customer Needs, Wants, and Demands 6 | Market Offerings—Products, Services, and Experiences 6 | Customer Value and Satisfaction 7 | Exchanges and Relationships 7 | Markets 7

#### Designing a Customer-Driven Marketing Strategy 8

Selecting Customers to Serve 8 | Choosing a Value Proposition 9 | Marketing Management Orientations 9

#### Preparing an Integrated Marketing Plan and Program 12

#### Building Customer Relationships 12

Customer Relationship Management 13 | The Changing Nature of Customer Relationships 16 | Partner Relationship Management 18

#### Capturing Value from Customers 19

Creating Customer Loyalty and Retention 19 | Growing Share of Customer 22 | Building Customer Equity 22

#### The Changing Marketing Landscape 24

The Digital Age 24 | Rapid Globalization 25 | The Call for More Ethics and Social Responsibility 26 | The Growth of Not-for-Profit Marketing 27

#### So, What Is Marketing? Pulling It All Together 28

Reviewing Objectives 30 | Discussing & Applying the Concepts 31 | Marketing by the Numbers 31

## Chapter 2 Company and Marketing Strategy: Partnering to Build Customer Relationships 32

#### Companywide Strategic Planning: Defining Marketing's Role 34

Defining a Market-Oriented Mission 35 | Setting Company Objectives and Goals 35 | Designing the Business Portfolio 37

#### Planning Marketing: Partnering to Build Customer Relationships 42

Partnering with Other Company Departments 42 | Partnering with Others in the Marketing System 43

#### Marketing Strategy and the Marketing Mix 44

Customer-Driven Marketing Strategy 44 | Developing an Integrated Marketing Mix 46

## Managing the Marketing Effort 48

Marketing Analysis 48 | Marketing Planning 49 | Marketing Implementation 50 | Marketing Department Organization 51 | Marketing Control 52

## Measuring and Managing Return on Marketing Investment 52

Reviewing Objectives 54 | Discussing & Applying the Concepts 55 | Marketing by the Numbers 55

## Part 2 Understanding the Marketplace and Consumers 56

### Chapter 3 Analyzing the Marketing Environment 56

#### The Company's Microenvironment 59

The Company 59 | Suppliers 59 | Marketing Intermediaries 59 | Competitors 60 | Publics 60 | Customers 61

#### The Company's Macroenvironment 61

Demographic Environment 62 | Economic Environment 66 | Natural Environment 68 | Technological Environment 71 | Political and Social Environment 72 | Cultural Environment 75

#### Responding to the Marketing Environment 79

Reviewing Objectives 80 | Discussing & Applying the Concepts 81 | Marketing by the Numbers 81

### Chapter 4 Managing Marketing Information to Gain Customer Insights 82

#### Marketing Information and Customer Insights 83

#### Assessing Marketing Information Needs 86

#### Developing Marketing Information 88

Internal Data 88 | Marketing Intelligence 88

#### Marketing Research 90

Defining the Problem and Research Objectives 91 | Developing the Research Plan 91 | Gathering Secondary Data 92 | Primary Data Collection 94 | Implementing the Research Plan 104 | Interpreting and Reporting the Findings 104

#### Analyzing and Using Marketing Information 104

Customer Relationship Management (CRM) 105 | Distributing and Using Marketing Information 106

#### Other Marketing Information Considerations 107

Marketing Research in Small Businesses and Nonprofit Organizations 107 | International Marketing Research 108 | Public Policy and Ethics in Marketing Research 110 | Reviewing Objectives 112 | Discussing & Applying the Concepts 113 | Marketing by the Numbers 113

**Chapter 5 Consumer Markets and Consumer Buyer Behavior 114**

- Model of Consumer Behavior 116**  
**Characteristics Affecting Consumer Behavior 117**  
 Cultural Factors 117 | Social Factors 119 | Personal Factors 124 | Psychological Factors 126
- Types of Buying Decision Behavior 129**  
 Complex Buying Behavior 130 | Dissonance-Reducing Buying Behavior 130 | Habitual Buying Behavior 130 | Variety-Seeking Buying Behavior 130
- The Buyer Decision Process 131**  
 Need Recognition 131 | Information Search 131 | Evaluation of Alternatives 132 | Purchase Decision 132 | Postpurchase Behavior 133
- The Buyer Decision Process for New Products 133**  
 Stages in the Adoption Process 135 | Individual Differences in Innovativeness 136 | Influence of Product Characteristics on Rate of Adoption 136 | [Reviewing Objectives 137](#) | [Discussing & Applying the Concepts 138](#) | [Marketing by the Numbers 138](#)

**Chapter 6 Business Markets and Business Buyer Behavior 140**

- Business Markets 142**  
 Market Structure and Demand 142 | Nature of the Buying Unit 143 | Types of Decisions and the Decision Process 144
- Business Buyer Behavior 144**  
 Major Types of Buying Situations 145 | Participants in the Business Buying Process 146 | Major Influences on Business Buyers 147 | The Business Buying Process 150 | E-Procurement: Buying on the Internet 152
- Institutional and Government Markets 155**  
 Institutional Markets 155 | Government Markets 155 | [Reviewing Objectives 157](#) | [Discussing & Applying the Concepts 158](#) | [Marketing by the Numbers 159](#)

**Part 3 Designing a Customer-Driven Strategy and Mix 160****Chapter 7 Customer-Driven Marketing Strategy: Creating Value for Target Customers 160**

- Market Segmentation 162**  
 Segmenting Consumer Markets 162 | Segmenting Business Markets 168 | Segmenting International Markets 169 | Requirements for Effective Segmentation 170
- Market Targeting 170**  
 Evaluating Market Segments 170 | Selecting Target Market Segments 171 | Socially Responsible Target Marketing 177
- Differentiation and Positioning 178**  
 Positioning Maps 178 | Choosing a Differentiation and Positioning Strategy 179 | Communicating and Delivering the Chosen Position 185 | [Reviewing Objectives 186](#) | [Discussing & Applying the Concepts 187](#) | [Marketing by the Numbers 187](#)

**Chapter 8 Products, Services, and Brands: Building Customer Value 188**

- What Is a Product? 190**  
 Products, Services, and Experiences 190 | Levels of Product and Services 191 | Product and Service Classifications 192
- Product and Service Decisions 196**  
 Individual Product and Service Decisions 196 | Product Line Decisions 201 | Product Mix Decisions 202
- Branding Strategy: Building Strong Brands 203**  
 Brand Equity 203 | Building Strong Brands 205 | Managing Brands 210
- Services Marketing 211**  
 Nature and Characteristics of a Service 211 | Marketing Strategies for Service Firms 212 | [Reviewing Objectives 217](#) | [Discussing & Applying the Concepts 218](#) | [Marketing by the Numbers 219](#)

**Chapter 9 New-Product Development and Product Life-Cycle Strategies 220**

- New-Product Development Strategy 222**  
**The New-Product Development Process 223**  
 Idea Generation 223 | Idea Screening 225 | Concept Development and Testing 226 | Marketing Strategy Development 227 | Business Analysis 228 | Product Development 228 | Test Marketing 229 | Commercialization 231
- Managing New-Product Development 232**  
 Customer-Centered New-Product Development 232 | Team-Based New-Product Development 233 | Systematic New-Product Development 233
- Product Life-Cycle Strategies 236**  
 Introduction Stage 238 | Growth Stage 239 | Maturity Stage 240 | Decline Stage 241
- Additional Product and Service Considerations 241**  
 Product Decisions and Social Responsibility 241 | International Product and Services Marketing 242 | [Reviewing Objectives 244](#) | [Discussing & Applying the Concepts 245](#) | [Marketing by the Numbers 245](#)

**Chapter 10 Pricing: Understanding and Capturing Customer Value 246**

- What Is a Price? 247**  
**Factors to Consider When Setting Prices 248**  
 Customer Perceptions of Value 249 | Company and Product Costs 253 | Other Internal and External Considerations Affecting Price Decisions 256 | [Reviewing Objectives 263](#) | [Discussing & Applying the Concepts 264](#) | [Marketing by the Numbers 265](#)

**Chapter 11 Pricing Strategies 266**

- New-Product Pricing Strategies 267**  
 Market-Skimming Pricing 268 | Market-Penetration Pricing 268
- Product Mix Pricing Strategies 269**  
 Product Line Pricing 269 | Optional-Product Pricing 270 | Captive-Product Pricing 270 | By-Product Pricing 270 | Product Bundle Pricing 271

**Price-Adjustment Strategies 271**

Discount and Allowance Pricing 271 | Segmented Pricing 272 | Psychological Pricing 272 | Promotional Pricing 275 | Geographical Pricing 275 | Dynamic Pricing 277 | International Pricing 278

**Price Changes 279**

Initiating Price Changes 279 | Responding to Price Changes 281

**Public Policy and Pricing 282**

Anti-Competitive Agreements 282 | Abuse of Dominance 284 | Unfair Trade Practices 285 | [Reviewing Objectives 285](#) | [Discussing & Applying the Concepts 286](#) | [Marketing by the Numbers 287](#)

**Chapter 12 Marketing Channels: Delivering Customer Value 288****Supply Chains and the Value Delivery Network 289**  
**The Nature and Importance of Marketing Channels 291**

How Channel Members Add Value 291 | Number of Channel Levels 292

**Channel Behavior and Organization 293**

Channel Behavior 293 | Vertical Marketing Systems 294 | Horizontal Marketing Systems 296 | Multichannel Distribution Systems 296 | Changing Channel Organization 299

**Channel Design Decisions 300**

Analyzing Consumer Needs 300 | Setting Channel Objectives 300 | Identifying Major Alternatives 300 | Evaluating the Major Alternatives 302 | Designing International Distribution Channels 302

**Channel Management Decisions 303**

Selecting Channel Members 303 | Managing and Motivating Channel Members 303 | Evaluating Channel Members 304

**Public Policy and Distribution Decisions 304****Marketing Logistics and Supply Chain Management 305**

Nature and Importance of Marketing Logistics 305 | Goals of the Logistics System 306 | Major Logistics Functions 306 | Integrated Logistics Management 309 | [Reviewing Objectives 312](#) | [Discussing & Applying the Concepts 313](#) | [Marketing by the Numbers 313](#)

**Chapter 13 Retailing and Wholesaling 314****Retailing 315**

Types of Retailers 316 | Retailer Marketing Decisions 323 | The Future of Retailing 329

**Wholesaling 333**

Types of Wholesalers 334 | Wholesaler Marketing Decisions 334 | Trends in Wholesaling 337 | [Reviewing Objectives 338](#) | [Discussing & Applying the Concepts 339](#) | [Marketing by the Numbers 339](#)

**Chapter 14 Communicating Customer Value: Integrated Marketing Communications Strategy 340****The Promotion Mix 342****Integrated Marketing Communications 343**

The New Marketing Communications Landscape 343 | The Shifting Marketing Communications Model 343 | The Need for *Integrated* Marketing Communications 346

**A View of the Communication Process 347****Steps in Developing Effective Marketing Communication 349**

Identifying the Target Audience 349 | Determining the Communication Objectives 349 | Designing a Message 350 | Choosing Media 351 | Selecting the Message Source 353 | Collecting Feedback 353

**Setting the Total Promotion Budget and Mix 354**

Setting the Total Promotion Budget 354 | Shaping the Overall Promotion Mix 355 | Integrating the Promotion Mix 357

**Socially Responsible Marketing Communication 358**

Advertising and Sales Promotion 359 | Personal Selling 360 | [Reviewing Objectives 360](#) | [Discussing & Applying the Concepts 361](#) | [Marketing by the Numbers 361](#)

**Chapter 15 Advertising and Public Relations 362****Advertising 363**

Setting Advertising Objectives 365 | Setting the Advertising Budget 366 | Developing Advertising Strategy 368 | Evaluating Advertising Effectiveness and Return on Advertising Investment 376 | Other Advertising Considerations 376

**Public Relations 380**

The Role and Impact of Public Relations 381 | Major Public Relations Tools 382 | [Reviewing Objectives 383](#) | [Discussing & Applying the Concepts 384](#) | [Marketing by the Numbers 385](#)

**Chapter 16 Personal Selling and Sales Promotion 386****Personal Selling 387**

The Nature of Personal Selling 388 | The Role of the Sales Force 389

**Managing the Sales Force 390**

Designing Sales Force Strategy and Structure 390 | Recruiting and Selecting Salespeople 395 | Training Salespeople 396 | Compensating Salespeople 397 | Supervising and Motivating Salespeople 398 | Evaluating Salespeople and Sales-Force Performance 400

**The Personal Selling Process 400**

Steps in the Selling Process 401 | Personal Selling and Managing Customer Relationships 403

**Sales Promotion 405**

Rapid Growth of Sales Promotion 405 | Sales Promotion Objectives 406 | Major Sales Promotion Tools 407 | Developing the Sales Promotion Program 409 | [Reviewing Objectives 409](#) | [Discussing & Applying the Concepts 410](#) | [Marketing by the Numbers 411](#)

**Chapter 17 Direct and Online Marketing: Building Direct Customer Relationships 412****The New Direct Marketing Model 414****Growth and Benefits of Direct Marketing 415**

Benefits to Buyers 415 | Benefits to Sellers 417

**Customer Databases and Direct Marketing 418****Forms of Direct Marketing 419**

Direct-Mail Marketing 419 | Catalog Marketing 421 | Telephone Marketing 421 | Direct-Response Television Marketing 422 | Kiosk Marketing 423 | New Digital Direct Marketing Technologies 423

**Online Marketing 426**

Marketing and the Internet 426 | Online Marketing Domains 427 | Setting Up an Online Marketing Presence 430 | The Promise and Challenges of Online Marketing 437

**Public Policy Issues in Direct Marketing 437**

Irritation, Unfairness, Deception, and Fraud 437 | Invasion of Privacy 438 | A Need for Action 439 | [Reviewing Objectives 440](#) | [Discussing & Applying the Concepts 441](#) | [Marketing by the Numbers 441](#)

**Part 4 Extending Marketing 442**

**Chapter 18 Creating Competitive Advantage 442**

**Competitor Analysis 444**

Identifying Competitors 444 | Assessing Competitors 445 | Selecting Competitors to Attack and Avoid 447 | Designing a Competitive Intelligence System 450

**Competitive Strategies 450**

Approaches to Marketing Strategy 450 | Basic Competitive Strategies 451 | Competitive Positions 454 | Market Leader Strategies 454 | Market Challenger Strategies 457 | Market Follower Strategies 458 | Market Nicher Strategies 458

**Balancing Customer and Competitor Orientations 461**

[Reviewing Objectives 462](#) | [Discussing & Applying the Concepts 462](#) | [Marketing by the Numbers 463](#)

**Chapter 19 The Global Marketplace 464**

**Global Marketing Today 466**

**Looking at the Global Marketing Environment 468**

The International Trade System 468 | Economic Environment 470 | Political-Legal Environment 471 | Cultural Environment 472

**Deciding Whether to Go Global 475**

**Deciding Which Markets to Enter 475**

**Deciding How to Enter the Market 477**

Exporting 477 | Joint Venturing 478 | Direct Investment 479

**Deciding on the Global Marketing Program 480**

Product 482 | Promotion 483 | Price 484 | Distribution Channels 486

**Deciding on the Global Marketing Organization 487**

[Reviewing Objectives 488](#) | [Discussing & Applying the Concepts 488](#) | [Marketing by the Numbers 489](#)

**Chapter 20 Sustainable Marketing: Social Responsibility and Ethics 490**

**Sustainable Marketing 492**

**Social Criticisms of Marketing 494**

Marketing's Impact on Individual Consumers 494 | Marketing's Impact on Society as a Whole 498 | Marketing's Impact on Other Businesses 500

**Consumer Actions to Promote Sustainable Marketing 501**

Consumerism 501 | Environmentalism 502 | Public Actions to Regulate Marketing 506

**Business Actions Toward Sustainable Marketing 506**

Sustainable Marketing Principles 507 | Marketing Ethics 509 | The Sustainable Company 513 | [Reviewing Objectives 513](#) | [Discussing & Applying the Concepts 514](#) | [Marketing by the Numbers 514](#)

**Appendix 1: Marketing Plan A1**

**Appendix 2: Marketing by the Numbers A11**

**Appendix 3: Rural Marketing A27**

**References R1**

**Credits C1**

**Index I1**