

**Preface xvii**

**Part One The Nature and Scope of Marketing**

Chapter 1	The Field of Marketing	2
Chapter 2	The Dynamic Marketing Environment	26
Chapter 3	Global Markets and Marketing	48

**Part Two Identifying and Selecting Markets**

Chapter 4	Consumer Markets and Buying Behavior	84
Chapter 5	Business Markets and Buying Behavior	112
Chapter 6	Market Segmentation, Targeting, and Positioning	140
Chapter 7	Marketing Research and Market Information	168

**Part Three Product**

Chapter 8	Product Planning and Development	204
Chapter 9	Product Mix Strategies	232
Chapter 10	Brands, Packaging, and Other Product Features	256
Chapter 11	Services Marketing	284

# Brief Contents

## **Part Four      Price**

Chapter 12	Price Determination	316
Chapter 13	Pricing Strategies	344

## **Part Five      Distribution**

Chapter 14	Channels of Distribution	376
Chapter 15	Retailing	406
Chapter 16	Wholesaling and Physical Distribution	434

## **Part Six      Promotion**

Chapter 17	Integrated Marketing Communication	472
Chapter 18	Personal Selling and Sales Management	496
Chapter 19	Advertising, Sales Promotion, and Public Relations	520

## **Part Seven    Managing the Marketing Effort**

Chapter 20	Strategic Marketing Planning	556
Chapter 21	Marketing Implementation and Evaluation	582
Chapter 22	Marketing and the Information Economy	610

Notes and References    640

Photo Credits    665

Glossary    667

Indexes    681

    Name Index    681

    Subject Index    696

Strategic Planning for International Marketing 53

Organizational Structures for International Markets 63

Designing the Marketing Mix 67

An Ethical Dilemma? 70

You Make the Decision / Does China Demand Too Much of Advertisers? 71

More about IKEA 74

**Cases for Part 1 76**

**Case 1: Google 76**

**Case 2: Sirius versus XM 78**

## Part Two

### Identifying and Selecting Markets

#### **4 Consumer Markets and Buying Behavior 84**

**Is SONG Playing the Right Tune? 85**

The Consumer Market 86

Consumer Decision Making 91

A Global Perspective / How Important Are the Conditions Faced by Consumers in Determining Their Behavior? 93

An Ethical Dilemma? 97

Marketing in the Information Economy/  
How Are Internet Advertisers Adapting to Consumers' Perceptual Processes? 103

You Make the Decision / What Will It Take to Overcome Previously Learned Beliefs about Automobile Quality? 104

More about SONG 108

## **Business Markets and Buying Behavior 112**

**Will BOEING Be Flying High in the  
Future? 113**

**Nature and Scope of the Business  
Market 114**

**Components of the Business  
Market 116**

**A Global Perspective / Where Can a  
Business Marketer Learn about  
International Opportunities? 119**

**Characteristics of Business Market  
Demand 120**

**Determinants of Business Market  
Demand 123**

**You Make the Decision / Is There a Mini-  
Jet in Your Future? 127**

**Business Buying Behavior 127**

**Marketing in the Information Economy /  
Who will Be Affected by Haptics? 131**

**An Ethical Dilemma? 134**

**More about BOEING 137**

## **Market Segmentation, Targeting, and Positioning 140**

**Does the Future Hold More Coffee  
for DUNKIN' DONUTS? 141**

**An Overview of Market Segments and  
Target Markets 142**

**Market Segmentation 142**

**Ultimate Consumers and Business  
Users—the First Cut 145**

**Segmenting Consumer Markets 146**

**An Ethical Dilemma? 149**

Marketing in the Information Economy / Can Technology Benefit Grocery Shoppers?	151
Segmenting Business Markets	152
Target-Market Strategies	154
You Make the Decision / Can a Building Supply Retailer Target Both Men and Women?	156
Positioning	157
A Global Perspective / Who's Making a Quick Buck by Making a Buck Quick?	160
Forecasting Market Demand	160
More about DUNKIN' DONUTS	165

## **7 Marketing Research and Market Information 168**

**How Difficult Is Building a  
PYRAMID? 169**

The Marketing Research Function	170
Marketing Information Systems	172
Decision Support Systems	174
Databases, Data Warehouses, and Data Mining	175
Marketing Research Projects	178
A Global Perspective / Can Research Identify Needed Adjustments?	178
Marketing in the Information Economy / Is Passive Observation Becoming a Major Data-Gathering Method?	183
Competitive Intelligence	189
You Make the Decision / Would You Design a Strategy Based on a Small, Informal Sample?	190
Ethical Issues in Marketing Research	191
Status of Marketing Research	192

An Ethical Dilemma? 192

More about the USDA's FOOD  
PYRAMID 194

**Cases for Part 2 196**

**Case 1: The Gap 196**

**Case 2: UPS versus FedEx versus  
DHL 198**

## **Part Three**

### **Product**

**Product Planning and  
Development 204**

**Can IMAGINATIK Stimulate Practical  
Profitable Ideas? 205**

The Meaning of Product 206

Classifications of Products 208

Importance of Product Innovation 214

Development of New Products 216

Marketing in the Information Economy /  
Can a New Product Create Both  
Pleasure and Pain? 217

A Global Perspective / Can New-Product  
Ideas Be Found on Other  
Continents? 220

An Ethical Dilemma? 222

New-Product Adoption and  
Diffusion 223

Organizing for Product Innovation 227

More about IMAGINATIK 229

**Product-Mix  
Strategies 232**

**Can KODAK Create a Different Image  
for Its Future? 233**

Product Mix and Product Line 234

Product-Mix Strategies 235

You Make the Decision / How Many  
Products Are Too Many? 238

An Ethical Dilemma? 239

The Product Life Cycle 241

Planned Obsolescence and  
Fashion 248

A Global Perspective / How Do New  
Fashions Make It So Quickly from  
Europe to the U.S.? 251

More about KODAK 252

## **Brands, Packaging, and Other Product Features 256**

**Has CADILLAC Been Revitalized? 257**

Brands 258

A Global Perspective / Who's Got the  
Bud? 259

You Make the Decision / Should a  
Company Try to Thwart Counterfeit  
Products? 263

Branding Strategies 265

Packaging and Labeling 272

An Ethical Dilemma? 273

Design, Color, and Quality 276

More about CADILLAC 281

## **Services Marketing 284**

**Who Will Be Next to Find ZIPCAR  
the Way to Go? 285**

Nature and Importance of Services 286

The Development of Services  
Marketing 289

Designing a Services Marketing  
Program 289

An Ethical Dilemma? 293

Marketing in the Information Economy /  
Is the Internet Replacing Local  
Newspapers? 294

You Make the Decision / Is there a  
Downside to Cause-Related  
Marketing? 299

Managing Service Quality 301

The Future of Services Marketing 302

A Global Perspective / Where Are the  
Global Services Growth Areas? 303

More about ZIPCAR 305

**Cases for Part 3 308**

**Case 1: The Walt Disney  
Company 308**

**Case 2: Nintendo versus Sony  
versus Microsoft 311**

## Part Four Price

**Price Determination 316**

Should PRICELINE.COM Offer Low  
Prices or More Choices in Travel? 317

Meaning of Price 318

Importance of Price 319

Pricing Objectives 321

An Ethical Dilemma? 324

Factors Influencing Price  
Determination 325

Cost-Plus Pricing 330

Break-Even Analysis 333

Prices Based on Marginal Analysis 335

Prices Set in Relation to Market  
Alone 336



Marketing in the Information Economy /  
Who Gets a Price Advantage from the  
Internet? 337

You Make the Decision / Can You Deal  
with a Kinked Demand Curve? 339

A Global Perspective / How Is the Euro  
Affecting Pricing in Europe? 340

More about PRICELINE.COM 341

## **13 Pricing Strategies 344**

Can BOSE stay on the Crest  
of the Wave? 345

Price versus Nonprice Competition 346

A Global Perspective / Does the Wal-Mart  
Way Work around the Globe? 348

Market-Entry Strategies 350

Discounts and Allowances 352

Geographic Pricing Strategies 356

Special Pricing Strategies and  
Situations 358

An Ethical Dilemma? 363

You Make the Decision / Is It No Longer  
Possible to Raise Prices? 365

More about BOSE 366

**Cases for Part 4 369**

**Case 1: Southwest Airlines 369**

**Case 2: Dell 372**

## **Part Five Distribution**

## **14 Channels of Distribution 376**

Can TOYS "R" US Survive to Play  
Another Day? 377

Middlemen and Distribution  
Channels 378

Designing Distribution Channels 381

Selecting the Type of Channel 383

A Global Perspective / Why Do Gray  
Markets Give Producers and Middlemen  
Gray Hair? 383

Marketing in the Information Economy /  
Will the Growth of the Internet Be the  
Demise of Middlemen? 392

Determining Intensity of Distribution 393

Conflict and Control in Channels 395

An Ethical Dilemma? 399

Legal Considerations in Managing  
Channels 401

More about TOYS "R" US 404

## **Retailing 406**

Does WALGREENS Have the Prescription  
for Long-Term Success? 407

Nature and Importance of Retailing 408

Retailers Classified by Form of  
Ownership 415

You Make the Decision / Would You Buy  
a Retail Franchise? 416

Retailers Classified by Marketing  
Strategies 418

Nonstore Retailing 423

An Ethical Dilemma? 423

Marketing in the Information Economy /  
Have "Bots" Changed Shopping and  
Pricing on the Internet? 427

Institutional Change in Retailing 428

A Global Perspective / Are All Retailers  
Moving into Foreign Countries? 429

More about WALGREENS 430

## **Wholesaling and Physical Distribution 434**

**Can W. W. GRAINGER Gain Share in a Fragmented Industry? 435**

**Nature and Importance of Wholesaling 436**

**Merchant Wholesalers 441**

**Agent Wholesaling Middlemen 443**

**Nature and Importance of Physical Distribution 445**

**An Ethical Dilemma? 446**

**Marketing in the Information Economy / Can the Locations of over 63,000 Truck Tractors and Trailers Be Pinpointed? 447**

**Tasks in Physical Distribution Management 451**

**You Make the Decision / Will RFID Replace Bar Codes? 454**

**A Global Perspective / How Large Can Container Ships Become? 457**

**More about W. W. GRAINGER 461**

**Cases for Part 5 464**

**Case 1: Target 464**

**Case 2: Costco versus Sam's Club 466**

## **Part Six Promotion**

### **Integrated Marketing Communication 472**

**Can NETFLIX Create a Real-World Message for Fantasy-Minded Consumers? 473**

The Role of Promotion in Marketing	474
Promotion Methods	476
You Make the Decision / When Should a Marketer Go Beyond the Traditional Modes of Communication?	477
Integrated Marketing Communication	478
The Communication Process and Promotion	481
Determining the Promotion Mix	483
A Global Perspective / Is a Dongfeng, Lenovo, or Nongo Bird in Your Future?	483
Marketing in the Information Economy / What are the Limits of Permission Marketing?	488
The Promotion Budget	489
Regulation of Promotion	490
An Ethical Dilemma	492
More about NETFLIX	494

## **Personal Selling and Sales Management 496**

**Can CDW use Relationships to Differentiate Its Sales Force? 497**

Nature of Personal Selling	498
Changing Patterns in Personal Selling	502
A Global Perspective / How Important Is Situational Sensitivity in Personal Selling?	503
Marketing in the Information Economy / Can Sales-Force Technology Be Counterproductive?	507
The Personal Selling Process	508
Strategic Sales-Force Management	510
Staffing and Operating a Sales Force	511

You Make the Decision / How Important  
Is the Design of an Incentive? 514

An Ethical Dilemma? 515

Evaluating a Sales Person's  
Performance 516

More about CDW 518

## **19 Advertising, Sales Promotion, and Public Relations 520**

**Can NIKE Run Up Even Bigger  
Results? 521**

Nature and Scope of Advertising 522

Developing an Advertising Campaign 526

An Ethical Dilemma? 529

You Make the Decision / Should  
Advertising and Promotion Be Treated as  
an Expense or an Investment? 535

Marketing in the Information Economy /  
Is Improving the Precision in TV  
Audience Size Measurement  
Enough? 537

Organizing for Advertising 537

Sales Promotion 538

A Global Perspective / What Determines  
How a Medium Can Be Used? 538

Public Relations 544

More about NIKE 547

**Cases for Part 6 549**

**Case 1: The Hummer 549**

**Case 2: Coca-Cola Co. versus  
PepsiCo 552**

# Part Seven

## Managing the Marketing Effort

### **Strategic Marketing Planning 556**

**Does STARBUCKS Have a Whale of a Plan for Growth? 557**

- Planning as Part of Management 558
- Strategic Company Planning 562
- Strategic Marketing Planning 563
- You Make the Decision / Which Meat Has the Edge? 566
- Annual Marketing Planning 567
- An Ethical Dilemma? 567
- Selected Planning Models 569
- A Global Perspective / Is Expansion into China a Desirable Growth Strategy? 571
- Marketing in the Information Economy / Does the Internet Foster Cannibalization? 573
- More about STARBUCKS 578

### **Marketing Implementation and Evaluation 582**

**How Does ZARA Move So Fast in Fashion Marketing? 583**

- Implementation in Marketing Management 584
- Organizing for Implementation 585
- An Ethical Dilemma? 586
- Postsale Follow-Through 590
- A Global Perspective / Which Postsale Services Can Be Outsourced, Perhaps to Foreign Firms? 593

Marketing in the Information Economy /  
Can Online Customer Service Be  
Personal—and Pleasing? 595

Evaluating Marketing Performance 596

Analyses of Sales Volume and Market  
Share 598

Marketing Cost Analysis 600

Use of Findings from Volume and Cost  
Analyses 605

More about ZARA 607

## 2 Marketing and the Information Economy 610

Can AMAZON Keep the Sales  
Flowing? 611

The Importance of Information in  
Marketing 612

Information Technology in  
Marketing 613

You Make the Decision / Does the  
Information Exist to Measure the Value of  
Product Placement? 614

The Impact of the Internet on  
Markets 618

The Impact of the Internet on Marketing  
Strategy 621

Issues and Opportunities in the  
Information Economy 626

An Ethical Dilemma? 629

The Future 630

A Global Perspective / What Happens  
When High Technology Products Meet  
Low Technology Infrastructure? 630

More about AMAZON 632

## **Cases for Part 7 634**

**Case 1: McDonald's 634**

**Case 2: BlackBerry 637**

Notes and References 640

Photo Credits 665

Glossary 667

Indexes 681

Name Index 681

Subject Index 696