CONTENTS

Preface xv
About the authors xx
Guided tour of the book xxii
Guided tour of the companion website xxiv
Case matrix xxv
Acknowledgements xxix

PART ONE
Defining marketing and the
marketing process 1

PART ONE VIDEO CASE:
Is marketing for everyone?

1 Marketing: Managing
profitable customer
relationships 2

Chapter objectives 2
THE WAY AHEAD Previewing the concepts 3
CASE STUDY Marketing European football 4
What is marketing? 6
Markets defined 7
What is marketing? Understanding the marketplace and
customer needs 7
Customer needs, wants and demands 8
Market offerings – products, services and
experiences 8
Customer value and satisfaction 9
Exchanges and relationships 9
Markets 9
Designing a customer-driven marketing
strategy 10
Selecting customers to serve 10
Choosing a value proposition 11
Marketing management orientations 11
Marketing at Work 1.1 Managers on
marketing 13

Preparing a marketing plan and
programme 15
MAKING CONNECTIONS Linking the
concepts 16
Building customer relationships 16
Managing marketing relationships 16
The changing nature of customer
relationships 18
Partner relationship management 20
Capturing value from customers 21
Creating customer loyalty and retention 22
Growing share of customer 22
Building customer equity 23
MAKING CONNECTIONS Linking the
concepts 24
The new marketing landscape 25
The new digital age 25
Rapid globalisation 26
The call for more ethics and social
responsibility 26
The growth of not-for-profit sector
marketing 27
Marketing at Work 1.2 The marketing
domain 27
So, what is marketing? Pulling it
all together 29
THE JOURNEY YOU’VE TAKEN Reviewing the
concepts 31
Navigating the key terms 33
Notes and references 33

2 Company and marketing
strategy: Partnering to build
customer relationships 36

Chapter objectives 36
THE WAY AHEAD Previewing the concepts 37
CASE STUDY Nike 38
Company-wide strategic planning:
Defining marketing’s role 40
Defining a market-oriented mission 40
Setting company objectives and goals 42
Designing the business portfolio 43
PART TWO
Understanding the marketplace and consumers 71

PART TWO VIDEO CASE: Making an effort to understand your customers

3 The marketing environment 72

Chapter objectives 72
THE WAY AHEAD Previewing the concepts 73
CASE STUDY The boycott of Arla Foods in the Middle East 74
The company’s microenvironment 76
The company 76
Suppliers 77
Marketing intermediaries 77

Customers 78
Competitors 78
Publics 78
The company’s macroenvironment 79
Demographic environment 79
Marketing at Work 3.1 Setanta: Pub channel to global sports broadcaster 83
MAKING CONNECTIONS Linking the concepts 87
Economic environment 88
Natural environment 90
Technological environment 91
Marketing at Work 3.2 Gibson: Making money and leaving the world a better place 92
Political environment 93
Cultural environment 98
MAKING CONNECTIONS Linking the concepts 100
Responding to the marketing environment 101
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 101
Navigating the key terms 102
Notes and references 103

4 Managing marketing information 106

Chapter objectives 106
THE WAY AHEAD Previewing the concepts 107
CASE STUDY Visit Scotland! 108
Assessing marketing information needs 111
Developing marketing information 112
Internal data 112
Marketing at Work 4.1 Does Boots the Chemist have an Advantage? 113
Marketing intelligence 115
Marketing research 117
Defining the problem and research objectives 117
Developing the research plan 118
Gathering secondary data 118
Primary data collection 121
Implementing the research plan 128
Interpreting and reporting the findings 128
MAKING CONNECTIONS Linking the concepts 128
Analysing marketing information 128
Customer relationship management 129
PART THREE
Designing a customer-driven marketing strategy and marketing mix 187

PART THREE VIDEO CASE: Putting marketing into action

6 Segmentation, targeting and positioning: Building the right relationships with the right customers 188

Chapter objectives 188
THE WAY AHEAD Previewing the concepts 189
CASE STUDY Baltika: Segmenting the beer market in Russia and the West 190
Market segmentation 192
Segmenting consumer markets 192
Marketing at Work 6.1 Coddling the well-heeled 196
Segmenting business markets 203
Segmenting international markets 203
Requirements for effective segmentation 204
MAKING CONNECTIONS Linking the concepts 205
Target marketing 205
Evaluating market segments 205
Selecting target market segments 206
Socially responsible target marketing 211
MAKING CONNECTIONS Linking the concepts 212
Positioning for competitive advantage 212
Positioning maps 213
Choosing a positioning strategy 213
Marketing at Work 6.2 Ryanair’s value proposition: Less for much less 218
Communicating and delivering the chosen position 220
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 221
Navigating the key terms 222
Notes and references 222
7 Product, services and branding strategy 226

Chapter objectives 226

THE WAY AHEAD Previewing the concepts 227

CASE STUDY Alfred Dunhill Ltd: Reconciling tradition and innovation in product and brand management 228

What is a product? 230

Products, services and experiences 230

Levels of product and services 231

Product and service classifications 232

Product and service decisions 235

Individual product and service decisions 235

Product line decisions 241

Product mix decisions 242

Branding strategy: Building strong brands 243

Brand equity 243

Building strong brands 244

Marketing at Work 7.1 Naming brands: Just how much does a name matter? 246

Managing brands 251

Marketing at Work 7.2 Cloon Keen Atelier: Developing a premium brand 252

Services marketing 254

Nature and characteristics of a service 254

Marketing strategies for service firms 255

Additional product considerations 258

Product decisions and social responsibility 258

International product and services marketing 259

THE JOURNEY YOU'VE TAKEN Reviewing the concepts 260

Navigating the key terms 262

Notes and references 262

8 New-product development and product life-cycle strategies 266

Chapter objectives 266

THE WAY AHEAD Previewing the concepts 267

CASE STUDY Apple Computer 268

New-product development strategy 270

Idea generation 271

Idea screening 273

Concept development and testing 273

Marketing strategy development 275

Business analysis 276

Product development 276

Test marketing 277

Commercialisation 278

Organising for new-product development 278

Marketing at Work 8.1 Electrolux: Cleaning up with customer-centred, team-based new-product development 280

MAKING CONNECTIONS Linking the concepts 282

Product life-cycle strategies 282

Introduction stage 284

Growth stage 284

Maturity stage 285

Decline stage 286

Marketing at Work 8.2 P&G: Working at both ends of the product life cycle 288

THE JOURNEY YOU'VE TAKEN Reviewing the concepts 289

Navigating the key terms 290

Notes and references 290

9 Pricing: Understanding and capturing customer value 294

Chapter objectives 294

THE WAY AHEAD Previewing the concepts 295

CASE STUDY Primark 296

What is price? 298

Factors to consider when setting prices 298

Customer perceptions of value 299

Company and product costs 302

Other internal and external considerations affecting price decisions 304

Marketing at Work 9.1 Steinway: Price is nothing; the Steinway experience is everything 305

MAKING CONNECTIONS Linking the concepts 310

New-product pricing strategies 310

Market-skimming pricing 310

Market-penetration pricing 311

Product mix pricing strategies 311

Product line pricing 311

Optional-product pricing 312

Captive-product pricing 312

By-product pricing 313

Product bundle pricing 313

Price adjustment strategies 314

Discount and allowance pricing 314

Segmented pricing 315

Psychological pricing 316

Marketing at Work 9.2 Quick, what's a good price for . . . ? We'll give you a cue 317

Promotional pricing 319

MAKING CONNECTIONS Linking the concepts 320

Geographical pricing 320

Dynamic pricing 321

International pricing 322

Price changes 323

Initiating price changes 323

Responding to price changes 324

Public policy and pricing 325
10 Marketing channels and supply chain management 332

Chapter objectives 332
THE WAY AHEAD Previewing the concepts 333
CASE STUDY Pinturas Fierro: Slow but safe growth 334
Supply chains and the value-delivery network 336
The nature and importance of marketing channels 337
  How channel members add value 337
  Number of channel levels 339
Channel behaviour and organisation 340
  Channel behaviour 340
  Vertical marketing systems 341
  Horizontal marketing systems 344
  Multichannel distribution systems 344
  Changing channel organisation 345
Marketing at Work 10.1 Disintermediation: The music industry dances to a new iTune 346
Channel design decisions 348
  Analysing consumer needs 348
  Setting channel objectives 349
  Identifying major alternatives 349
  Evaluating the major alternatives 350
  Designing international distribution channels 351
Channel management decisions 351
  Selecting channel members 352
  Managing and motivating channel members 352
  Evaluating channel members 352
Public policy and distribution decisions 352
Marketing logistics and supply chain management 353
  Nature and importance of marketing logistics 353
  Goals of the logistics system 354
  Major logistics functions 355
  Integrated logistics management 358
Marketing at Work 10.2 UPS: ‘Let us manage the supply chain; you focus on what you do best’ 360
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 361
Navigating the key terms 363
Notes and references 363

11 Retailing and wholesaling 366

Chapter objectives 366
THE WAY AHEAD Previewing the concepts 367
CASE STUDY Aldi: Don’t discount them 368
Retailing 369
  Types of retailers 370
MAKING CONNECTIONS Linking the concepts 375
  Retailer marketing decisions 375
  The future of retailing 379
Marketing at Work 11.1 Wal-Mart: The world’s largest company 381
MAKING CONNECTIONS Linking the concepts 383
Wholesaling 383
Marketing at Work 11.2 The Greenery: A fresh approach 383
  Types of wholesalers 385
  Wholesaler marketing decisions 385
  Trends in wholesaling 388
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 389
Navigating the key terms 390
Notes and references 390

12 Communicating customer value: Advertising, sales promotion and public relations 394

Chapter objectives 394
THE WAY AHEAD Previewing the concepts 395
CASE STUDY Renault: How a sausage, a sushi roll, a crispbread and a baguette have affected car sales in Europe 396
The promotion mix 398
Integrated marketing communications 399
  The new marketing communications landscape 399
  The shifting marketing communications model 399
  The need for integrated marketing communications 400
Shaping the overall promotion mix 402
  The nature of each promotion tool 402
  Promotion mix strategies 403
MAKING CONNECTIONS Linking the concepts 404
Advertising 405
  Setting advertising objectives 405
  Setting the advertising budget 407
  Developing advertising strategy 409
13 Communicating customer value: Personal selling and direct marketing 434

Chapter objectives 434

THE WAY AHEAD Previewing the concepts 435

CASE STUDY Innovating in business relationships: How Philips works with international retailers 436

Personal selling 438

The nature of personal selling 438
The role of the sales force 439

Managing the sales force 440

Designing sales force strategy and structure 440
Recruiting and selecting salespeople 444
Training salespeople 445
Compensating salespeople 446
Supervising and motivating salespeople 446
Evaluating salespeople and sales-force performance 448

MAKING CONNECTIONS Linking the concepts 449

The personal selling process 449
Steps in the selling process 449
Personal selling and customer relationship management 451

Direct marketing 452

The new direct marketing model 452

14 Marketing in the digital age 472

Chapter objectives 472

THE WAY AHEAD Previewing the concepts 473

CASE STUDY Second Life: Second market? 474

The digital age 476

The wonderful world of Internet statistics 476

Marketing strategy in the digital age 477

E-business, e-commerce and e-marketing in the digital age 477
Benefits to buyers 478
Benefits to sellers 479

E-marketing domains 479

B2C (business to consumer) 479
B2B (business to business) 482
C2C (consumer to consumer) 483
C2B (consumer to business) 484

Marketing on the Web 484

Click-only versus click-and-mortar e-marketers 485

MAKING CONNECTIONS Linking the concepts 487

Setting up an online marketing presence 487
The promise and challenges of e-commerce 493

The continuing promise of e-commerce 493
15 The global marketplace 506

Chapter objectives 506
THE WAY AHEAD Previewing the concepts 507
CASE STUDY Volkswagen in China: The People’s Car in the People’s Republic 508
Global marketing in the twenty-first century 510
Looking at the global marketing environment 512
- The international trade system 512
- Economic environment 514
- Political-legal environment 516
- Cultural environment 517
Marketing at Work 15.1 Globalisation versus Americanisation: Does globalisation wear Mickey Mouse ears? 518
Deciding whether to go international 520
Deciding which markets to enter 521
Deciding how to enter the market 522
- Exporting 522
- Joint venturing 523
- Direct investment 524
MAKING CONNECTIONS Linking the concepts 525
Deciding on the global marketing programme 525
- Product 527
- Promotion 528
Marketing at Work 15.2 Watch your language! 529
- Price 531
- Distribution channels 532
Deciding on the global marketing organisation 533
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 534
Navigating the key terms 535
Notes and references 535

16 Ethics, social responsibility and sustainability 540

Chapter objectives 540
THE WAY AHEAD Previewing the concepts 541
CASE STUDY HELP – For a life without tobacco 542
Social criticisms of marketing 545
- Marketing's impact on individual consumers 545
Marketing at Work 16.1 The international obesity debate: Who’s to blame? 548
MAKING CONNECTIONS Linking the concepts 551
- Marketing's impact on society as a whole 552
- Marketing’s impact on other businesses 554
Citizen and public actions to regulate marketing 555
- Consumerism 555
- Sustainability 556
Marketing at Work 16.2 The Marks & Spencer and Oxfam Clothes Exchange 558
- Public actions to regulate marketing 562
Business actions towards socially responsible marketing 562
- Enlightened marketing 563
MAKING CONNECTIONS Linking the concepts 565
- Marketing ethics 566
THE JOURNEY YOU’VE TAKEN Reviewing the concepts 569
- Navigating the key terms 570
Notes and references 571

Appendix 1, Marketing plan 575
Appendix 2, Marketing metrics 585
Appendix 3, Careers in marketing 592
Glossary 598
Index 606