



MARKETING

JAMES H. MYERS



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MARKETING

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PREFACE

Peter Drucker once observed, “Business firms have only two major functions—innovation and marketing.” This book describes *what modern marketing is* and how it is carried out in business firms and other types of organizations. It also discusses the *role* marketing plays in *influencing* the innovative efforts of business firms. The point of view expressed in this book is that the most successful business firms over the long term are those that are relentlessly preoccupied with finding the right customers and then serving the needs of these customers well. The primary task of modern marketing is to help business firms select the best customers and then satisfy their needs and wants at a profit.

Every good textbook should have a central theme of some kind that runs throughout the book and helps to pull together many diverse activities into a meaningful whole. The central theme of this book is *planning*, including both strategic and operating marketing plans. Planning is the first step in managing any organization or activity. Business firms need to set clear objectives and then develop plans to meet these objectives. This is especially true for marketing activities. In most large, well-managed business firms today, marketing planners are the people who develop the plans to meet the objectives set by top management for each product and service line.

ORGANIZATION OF THIS BOOK

“If you don’t know where you are going, any step will take you there!” This is as true for the marketing operations of business firms and other organizations as it is in everyday life. In order to know where they are going, nearly all well-managed business firms now rely on *formal planning* of one kind or another. In a great many companies, overall strategic planning was first introduced into the firm by marketing planners. These activities have assumed much greater importance in recent years because of such factors in the external environment as recessions, inflation, increased foreign competition, the strong dollar, erratic growth in the economy, and many others.

This book is divided into five parts:

Part	Topic	Chapters
1	Introduction to Marketing	1-2
2	The Framework for Effective Marketing Planning	3-6
3	Understanding Consumer and Organizational Markets	7-10
4	Planning the Marketing MIX	11-19
5	An Expanded View of Marketing	20-23

The heart of this book is Part 2, dealing with planning concepts and tools. This is what distinguishes the book from most undergraduate marketing texts. It also provides the central theme that runs throughout the book. Many other texts simply describe and discuss the many diverse types of marketing activities of large business firms. Our point of view is that these diverse activities will not make sense unless they are *tied to a strategic marketing plan* that sets objectives and then defines the major strategies that will be used to meet these objectives. Then all marketing activities are designed to *support these strategic objectives*.

Part 1 introduces the student to the basics of what marketing is and does, with special emphasis on how it applies in U.S. business firms, and to the Marketing Concept. Then we see that all marketing plans and activities are greatly influenced by forces in the external environment over which companies have little or no control: cultural and social forces, economic conditions, the political and legal climate, technology state-of-the-art, and the competition.

Part 2 presents the basic framework for strategic *corporate* planning and then strategic *marketing* planning. The latter consists of identifying specific marketing opportunities, segmenting the market, positioning the product or service, setting specific goals, and then developing the marketing MIX to meet these goals. The remainder of this section presents a few of the most powerful and widely used strategic planning tools and concepts: the product life cycle, Profit Impact of Marketing Strategies, and product portfolio management.

Part 3 focuses on the importance of understanding customers, the heart of the Marketing Concept. One chapter discusses consumer demographics and psychographics, another presents various psychological concepts such as learning, motivation and attitudes, and another shows how social and cultural factors influence what people buy and how. There are many examples to show how each of these can affect marketing plans of business firms. A separate chapter is devoted to markets that consist of business firms of all types and not-for-profit organizations.

Part 4 discusses in detail each element of the marketing MIX: product or service, price, promotion, and distribution. We show how each of these can affect the others, but more importantly how each is designed to support the basic strategic plan for a product or service.

Part 5 discusses other aspects of marketing not tied specifically to the

planning process. First several ways of controlling progress toward the specific goals that have been set are presented. Then we discuss how U.S. multinational firms engage in marketing to foreign markets around the world. Next is a chapter on what is known “public policy” issues that affect marketing; specifically, consumerism and the social responsibilities of business. The final chapter contains an evaluation of the effectiveness of modern marketing in U.S. business firms. It also looks at changes in the role of marketing that have come about in recent years, as well as the probable future of marketing activities.

ACKNOWLEDGMENTS

Every textbook is the product of a great many minds and hands. While the author always gets credit for writing the book, it is really “written” by the activities of countless business executives who make the decisions (both good and bad) that enable all of us to learn what “works” and what doesn’t under various real-world circumstances; by the many scholars who have conducted research and developed theories to explain the basic principles behind successful business planning and decision-making; and by the many manuscript reviewers who make the specific suggestions that help to turn the first rough draft of a manuscript into a much improved and polished final draft.

I wrote the entire manuscript, including all cases, except for the sections on legislation at the ends of chapters on product, pricing, and promotion. Those were written by my esteemed colleague Professor Harold Kassarian, University of California at Los Angeles, who has had extensive “hands-on” experience with consumer affairs and with legislative issues. He also contributed greatly to the chapter on Public Policy. His encouragement provided the basic motivation for my writing this book, and his wise counsel provided direction and helped to get me out of one problem after another during the 7 years this manuscript was in preparation. Without his continuing support and editorial reviews of each chapter, this book certainly could have been written, but it never would have been.

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Finally, I want to thank my family for their continuing support and patience while this manuscript was being prepared and revised. Annabelle did without my company on countless occasions, suffered through the emotional ups and downs of completing the manuscript in final form, and provided helpful suggestions about content. Rick reviewed nearly every chapter and offered many helpful suggestions. Bob lent moral support throughout. I dedicate this book to them.

JAMES H. MYERS

ABOUT THE AUTHOR

James H. Myers is Professor of Marketing at The Claremont Graduate School. Prior to that he taught undergraduate students for twenty years at the School of Business Administration, University of Southern California. He received a Ph.D. degree in Industrial Psychology at USC in 1956.

Dr. Myers has written textbooks which include the first book published in consumer behavior, **CONSUMER BEHAVIOR AND MARKETING MANAGEMENT**, **THE MANAGEMENT OF MARKETING RESEARCH**, and his most recent publication with the American Marketing Association entitled **MARKET STRUCTURE ANALYSIS**. Author of over forty articles in professional journals in marketing, psychology, and retail credit, James Myers has been published in the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Advertising Research*, *California Management Review*, and *Journal of the American Statistical Association*.

Dr. Myers began his business career in the research department of the Western Home Office of the Prudential Insurance Company. He was there for nine years, becoming Manager of the Research Division for the last four years. In this capacity, he supervised research in the areas of marketing, investments, and personnel. After entering the academic world, Dr. Myers has consulted with a great many large consumer products and services companies in the areas of marketing research (primarily attitude measurement and multivariate analysis of consumer survey data for segmentation and positioning), and new product research and planning. His clients have included Star-Kist Foods, Southland Corporation (7-Eleven stores), Air New Zealand, Mattel Toys, Ore-Ida, Heublein, S.C. Johnson's Wax, Breck Shampoo, Yamaha, Carnation, Toyota, Pacific Telephone Company, Vidal Sassoon, Six Flags Amusement Parks, Vita Pakt, and many others.

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