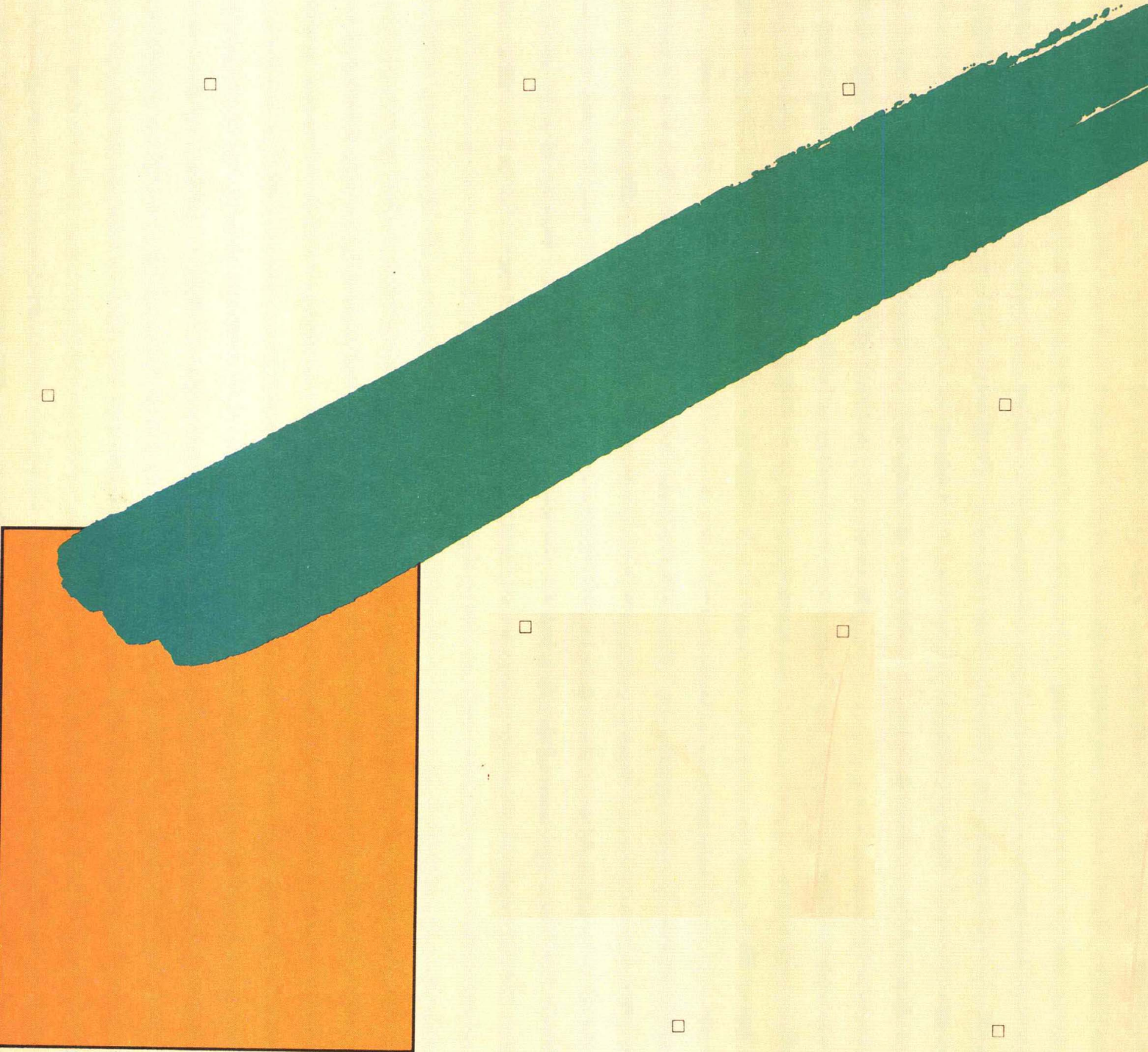


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MARKETING

□ □ **PETER D. BENNETT** □ □

MARKETING



To Mary Lou, Bonnie Kathleen, and Blythe

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2 3 4 5 6 7 8 9 0 K G P K G P 8 9 3 2 1 0 9 8

ISBN 0-07-004721-9

This book was set in Garamond Book by Waldman Graphics, Inc.
The editors were Daniel Kaizer, Sam Costanzo,
Sheila Gillams, and Michael Asher;
the production supervisor was Diane Renda.
Drawings were done by Caliber Design Planning, Inc.
Arcata Graphics/Kingsport was printer and binder.

Library of Congress Cataloging-in-Publication Data

Bennett, Peter D.

Marketing / Peter D. Bennett in collaboration with Robert P. Lamm
and Robert A. Fry.

p. cm.—(McGraw-Hill series in marketing)

Bibliography: p.

Includes index.

ISBN 0-07-004721-9

1. Marketing. I. Lamm, Robert P. II. Fry, Robert A.

III. Title. IV. Series.

HF5415.B4293 1988 87-17335

658.8—dc19 CIP

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PREFACE



Economics is about exchange—people, businesses, and other organizations exchanging one thing for another. Production is about making that something of value which is exchanged. Accounting is about recording and reporting exchanges. *Marketing* is about making those exchanges happen, and about establishing the environment in which they can happen. In the very crude economies that characterized human existence before the twentieth century, and that still do exist in many parts of the world, marketing is not central to exchange. But in our current economic order, which happily involves making many economic choices, the role of marketing is central.

This book is designed to help the student learn about marketing in this fundamental way, leading toward an understanding of the full scope of marketing principles and practices in the modern world. The text is thorough, at a level of rigor appropriate to the student being formally introduced to the subject for the first time, and it is written specifically to make the subject both lively and interesting.

Approach

Any book must bear the stamp of its author's particular approach to the subject. After over a quarter of a century of teaching marketing, I am fully persuaded that students learn marketing best by seeing how it is done by the most sophisticated and effective marketing organizations. After an equal number of years working in and with marketing organizations—both effective and ineffective—I have developed solid views about what makes for sophisticated marketing.

The approach of the best marketers can be described in two ways. It includes a disciplined process, and it involves a particular content. The **process** must begin with **analysis** of markets and the environments in which marketing operates. It proceeds to planning marketing efforts to reach organizational goals, and on to the implementation of those plans. The process ends with a mechanism for **control**, or an evaluation of how well plans have been implemented. The **content** is that which is planned and implemented—the key decisions and actions of the marketing organization. This encompasses the products to be marketed, the prices charged for those products, how those products are distributed, and how they are promoted. These subplans, the so-called “4-Ps” (product, place, price, promotion), comprise the detail of marketing.

In addition to this view of the process and content of marketing, a strong aspect of this book's approach to marketing is its focus on competition. The essence of marketing is choices and about how organizations attempt to influence those choices. When competitors also attempt to influence those choices, marketing is more likely to take a leading role. There is much being said these days about

marketing warfare. While “warfare” is often an exaggeration, there are competitive battles going on between the colas, the personal computers, and a host of other products. Marketing strategy is often at the heart of competitive strategy, and so those competitive battles are a *major part of marketing*.

This fundamental orientation to the world of marketing has guided the development of the book and has led to a number of its key features:

Action-oriented: Serious scholarship in the discipline of marketing constantly pushes back the frontiers of our understanding of the subject. However, scholarly treatise is not the focus of this principles book. Beginning students learn the fundamentals by seeing how successful organizations *do* marketing. The book is therefore liberally sprinkled with real marketing examples. All the concepts in the book are illustrated with examples of marketing decisions by *real* companies or other organizations.

Environmental: Of all of the various functions of an organization, from production to accounting, marketing is the one in most contact with the external environment. The influences of consumers and customers; of governments; of competitors; and of changes in technology, the economy, and the larger society are felt first and most directly in an organization's marketing efforts. The effects of these environmental forces permeate the entire book; and there is a chapter devoted directly to what managers can do to anticipate, plan for, and *manage* change in these environments.

Strategic: This book is not just about the day-to-day things marketing organizations do—rather, it views those practices in the light of the marketer's larger goals. The strategic orientation of the book places a strong emphasis on the role of marketing in the overall strategy of the corporation or other organization. As more and more organizations become market-focused, that role is central.

Complete: Modern, sophisticated marketing, as practiced by private firms that manufacture physical consumer products, has become a model for how marketing is done in other organizations. This book treats the marketing of services together with that of physical products, and also discusses industrial and business marketing throughout. It includes the marketing carried out by nonprofit organizations as well as business firms. And, it describes not just the domestic marketing of U.S. firms—it is global in its coverage.

Engaging: Marketing can be, and should be, an interesting subject to study. This book is unique among “principles of marketing” texts in the way it was written. As the author, the marketing expert, I wrote it all first. After that, it was completely rewritten by Rob Fry and Bob Lamm, who both worked very closely with me. These men brought to the book their special expertise as professional writers. The result is a crisp, lucid style that is easy to read, but that doesn't detract one bit from the rigor of the treatment.

Aids to Learning

In developing the text, we have paid constant attention to ways to help students learn marketing. These include:

Vignettes: Each chapter opens with a description of an organization and its marketing problem. Each is a lively story that raises the issues dealt with in the chapter. It *invites* the student into the chapter material.

Boxes: Throughout the text are a number of brief lively discussions about specific organizations or issues. Some carry the heading Competition in Marketing to highlight one theme of the book. Others are labeled Marketing Issues. These reflect the

dynamic and changing nature of marketing. They focus on issues that are still being debated—issues which the students can decide about for themselves. Other boxes are of a more general nature. All are there to both engage and add perspective without detracting from the solid treatment in the text proper.

Figures and Exhibits: Whenever it is appropriate, we present material in diagrammatic or tabular form. These brief figures or exhibits are designed to help the student grasp the material more easily and more thoroughly.

Photographs: There are over 250 color photographs in the text, each chosen because of its vivid visualization of the text. Each of these photographs is presented with a meaty caption that drives home its teaching and learning purpose.

End-of-Chapter Material: Each chapter ends with a numbered set of summary statements that captures “in a nutshell” a whole section of the chapter. These are followed by a set of review questions that challenge the student to go beyond the examples in the chapter. They ask the student to think about the material in the chapter and to apply the concepts. Also included at the end of chapters is a set of key terms, each of which appears in the text in **boldface** type. At the end of the book is a Dictionary of Marketing Terms, with definitions of each of these key terms.

Cases: At the end of each major part or subpart of the book are case studies of real companies or other organizations. These are designed to provide a well developed situation which requires the application of marketing concepts in the text. They can be a valuable source of class discussion or form the basis of the instructor's lecture. However used, the cases will help make the concepts meaningful by showing how they apply in a real situation.

An important aid to learning available to students is the *Student Study Guide*, prepared by this author and Dr. A. Jackson McCormack. This guide is designed with one purpose in mind—to help the student learn the material and make the best possible grade in the course. Each chapter contains an *overview* that vividly describes the central purpose of the chapter in the text, an extended *summary* of the text chapter's contents that pays particular attention to the text's key terms, a wide variety of test *exercises*, a *checklist* of main chapter concepts, and some case *applications*. The test exercises include thought completion (fill-in), matching, multiple choice, and true-false.

Aids to Teaching

Test Bank: The test bank features over 2500 multiple choice, true-false, and fill-in questions. The multiple choice questions require factual recall, as well as conceptual application. Each chapter has 2 or 3 sets of application questions in which some brief data are given (a sort of mini-case); questions follow requiring students to apply specific marketing concepts to the information given. The entire test bank has been edited by Dr. William Kline, the former Director of Test Development of the California Testing Bureau, and a leading expert in objective testing. Dr. Kline, who has a Ph.D. in Psychometrics from Princeton, has been a professional writer and editor of objective tests for over 30 years. He has personally assured the quality of every test question.

Instructor's Manual: Prepared by Daryl McKee (Louisiana State University), the Instructor's Manual features a brief outline of each chapter, an extended lecture outline for each chapter's topic, and many “instructor's notes.” These notes provide a wealth of stories, examples, and exercises for the instructor to enhance classroom instruction. The Instructor's Manual also features in-depth answers to the review

questions at the end of each text chapter and analysis of each of the book's cases.

Overhead Transparencies: Prepared by Les Dlabay (Lake Forest University), these four-color transparencies consist of advertisements and original line art. Each of the 150 OHTs (100 of which are not in the text) is accompanied by a set of teaching notes, with background of the transparency and suggestions for classroom use.

Video Tapes: Adopters of the book have available video tapes that consist of clusters of commercial advertisements that exemplify essential marketing concepts. These up-to-date commercials have been specifically selected for use in Principles of Marketing classes by Ron Herr of Southeast Missouri State University, who has utilized video tapes in his classroom instruction for the last 10 years. Professor Herr has also written a manual for these tapes, which gives background for each commercial and specific suggestions for their classroom use.

Larréché MARKOPS—A Marketing Operations and Strategy Simulation: This simulation, developed by Jean-Claude Larréché, allows students to make marketing mix, portfolio, segmentation, and positioning decisions under competitive situations.

Business Week Reader: A collection of recent articles from *Business Week* that covers important marketing concepts. The articles were selected by Charles Futrell of Texas A&M University.

Acknowledgments

A book such as this one owes a debt of gratitude to a host of people. A deep debt is owed to the past, to all those scholars and practitioners who have developed and written about modern marketing practices. If we stand tall at the end of the twentieth century, it is because we are standing on the shoulders of giants. In my own case, those giants include professors I have studied with, and the authors whose writings I have read.

The most diverse, but perhaps the deepest, gratitude I owe is to my students of almost three decades of teaching. As I have sought to help them learn about marketing, they have taught me about how to teach and about what really matters to students. All of that has gone into the preparation of this book.

I wish to thank my colleagues in the two universities at which I have taught, Penn State University and The University of Texas at Austin. In reality, there is a whole nation of colleagues who have influenced my understanding of marketing who cannot be thanked individually. They know who they are. I do wish to thank those colleagues in the marketing profession who have taken the time and effort to read and critique drafts of this book. I would not put on them any of the responsibility for any errors that may persist, but their guidance at various stages has made the book better than it would otherwise have been. They include:

Rolph Anderson
Drexel University

David Andrus
Kansas State University

Peter Bloch
Louisiana State University

Paul Dion
University of Minnesota at Duluth

Ronald Dornoff
University of Cincinnati

Michael Fowler
Brookdale Community College

Cathy Goodwin
California State University at Chico

Richard Goodwin
Broward Community College

Greg Gundlach
University of Tennessee

Jon Hawes
University of Akron

Don English
Winona State University

Marye Hilger
University of Texas

Carol Kaufman
Rutgers University

Priscilla LaBarbera
New York University

James Maskulka
Lehigh University

Wayne Norvell
Kansas State University

Thomas O'Connor
University of New Orleans

Allen Smith
Florida Atlantic University

Ronald H. Herr
Southeast Missouri State University

Vernon Stauble
California State Polytechnic University

Gerald Stiles
Mankato State University

Gerald Tellis
University of Iowa

Paul Thistlethwaite
Western Illinois University

Robert Thompson
Indiana State University

Erhard Valentin
Weber State College

I would also like to thank my dean and good friend, Eugene J. Kelley. In his support for my research and writing over the years, he has acted as mentor and cheer leader and proved an understanding administrator when those efforts took so much of my time. He is a respected marketing scholar himself, and has influenced my views of the discipline.

No book is complete without the people at the publishing company who make so many things happen. My editor, Daniel Kaizer, shoved, prodded, pleaded, questioned, and supported me throughout the last two years. His talent, as well as his good humor, made the process bearable. Sam Costanzo played a key role in guiding the overall development of the total package of text and supplements. The production process was ably guided by Sheila Gillams. The total photography program is the result of the creative Inge King.

A special thank you is due to Roger Emblen, now a Denver stock broker. Roger is the person, more than any other, who convinced me that I should write this book, and I have learned to agree with him.

There are a number of people who gave of their time and talent in getting the details of the project done. Joan Kerstetter, Sue Rinehart, and Tina Jones typed and retyped manuscript. Graduate students who provided assistance with a number of sections of the book included Xiao-hong Sun and Christine Perintino. I also appreciate the help and support of the Browns, and others around Chaffey's Lock.

It would not do to fail to point out my deep debt of gratitude to the late Rob Fry, and to Bob Lamm, for the use of their writing talent to make the book not only clear, but lively and interesting to read. Their hands can be seen throughout the book.

Finally, I thank my family for the love and support they showed to me during the writing of the book. My wife of 35 years, Mary Lou Bennett, has been a constant support, as have my two daughters, Kathy and Blythe.

Peter D. Bennett

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