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**PRIDE-FERRELL**  
*Marketing*



# Marketing

## Concepts and Strategies

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Printed in the U.S.A.

Library of Congress Control Number: 2004111266

ISBN —

Student text: 0-618-47446-3

Library edition: 0-618-47445-5

3 4 5 6 7 8 9 — DOW — 09 08 07 06 05

# Brief Contents

## **Part One**    **Marketing Strategy and Customer Relationships**    **1**

- 1 An Overview of Strategic Marketing    2
- 2 Planning, Implementing, and Controlling Marketing Strategies    27

## **Part Two**    **The Global Environment and Social and Ethical Responsibilities**    **57**

- 3 The Marketing Environment    58
- 4 Social Responsibility and Ethics in Marketing    87
- 5 Global Markets and International Marketing    117

## **Part Three**    **Using Technology and Information to Build Customer Relationships**    **145**

- 6 E-Marketing and Customer Relationship Management    146
- 7 Marketing Research and Information Systems    171

## **Part Four**    **Target Markets and Customer Behavior**    **201**

- 8 Target Markets: Segmentation and Evaluation    202
- 9 Consumer Buying Behavior    231
- 10 Business Markets and Buying Behavior    259

## **Part Five**    **Product Decisions**    **285**

- 11 Product Concepts    286
- 12 Developing and Managing Products    309
- 13 Branding and Packaging    335
- 14 Services Marketing    361

## **Part Six**    **Distribution Decisions**    **389**

- 15 Marketing Channels and Supply Chain Management    390
- 16 Wholesaling and Physical Distribution    415
- 17 Retailing and Direct Marketing    443

## **Part Seven**    **Promotion Decisions**    **471**

- 18 Integrated Marketing Communications    472
- 19 Advertising and Public Relations    499
- 20 Personal Selling and Sales Promotion    527

## **Part Eight**    **Pricing Decisions**    **557**

- 21 Pricing Concepts    558
- 22 Setting Prices    585

- Appendix A    Careers in Marketing    A-1
- Appendix B    Financial Analysis in Marketing    A-17
- Appendix C    Sample Marketing Plan    A-27

# Contents

Note: Each chapter concludes with a Summary, Important Terms, Discussion and Review Questions, Application Questions, and Internet Exercise & Resources.

Preface xii

## Part One Marketing Strategy and Customer Relationships 1

### 1 An Overview of Strategic Marketing 2

#### Defining Marketing 4

- Marketing Focuses on Customers 4
- Marketing Deals with Products, Distribution, Promotion, and Price 6
- Marketing Builds Satisfying Exchange Relationships 9
- Marketing Occurs in a Dynamic Environment 10

#### Understanding the Marketing Concept 10

- Evolution of the Marketing Concept 12
- Implementing the Marketing Concept 13

#### Managing Customer Relationships 13

#### Value-Driven Marketing 14

#### Marketing Management 16

#### The Importance of Marketing in Our Global Economy 17

- Marketing Costs Consume a Sizable Portion of Buyers' Dollars 17
- Marketing Is Used in Nonprofit Organizations 17

- Marketing Is Important to Business and the Economy 18
- Marketing Fuels Our Global Economy 18
- Marketing Knowledge Enhances Consumer Awareness 18
- Marketing Connects People Through Technology 19
- Socially Responsible Marketing Can Promote the Welfare of Customers and Society 20
- Marketing Offers Many Exciting Career Prospects 21

**BUILDING CUSTOMER RELATIONSHIPS** The Perils of Using Celebrities in Advertising 8

**GLOBAL MARKETING** Gruma Tortillas Folds up U.S. Market 19

**Video Case 1.1** Finagle A Bagel 23

**Case 1.2** Indy Racing League vs. Open Wheel Racing Series: Who Will Win the Race? 25

### 2 Planning, Implementing, and Controlling Marketing Strategies 27

#### Understanding the Strategic Planning Process 29

#### Assessing Organizational Resources and Opportunities 30

SWOT Analysis 31

#### Establishing an Organizational Mission and Goals 33

#### Developing Corporate, Business-Unit, and Marketing Strategies 34

- Corporate Strategy 35
- Business-Unit Strategy 36
- Marketing Strategy 37

#### Creating the Marketing Plan 40

#### Implementing Marketing Strategies 40

Approaches to Marketing Implementation 41

- Organizing Marketing Activities 43
- Controlling Marketing Activities 45

**ETHICS AND SOCIAL RESPONSIBILITY** Recycling Disposable Cameras 32

**BUILDING CUSTOMER RELATIONSHIPS** Red Bull Energizes Sales with Stimulating Marketing Strategy 46

**Video Case 2.1** The Global Expansion of Subway Sandwich Shops 49

**Case 2.2** Saturn: "A Different Kind of Company. A Different Kind of Car." 51

**Strategic Case 1** *USA Today*: The Nation's Newspaper 53

## Part Two The Global Environment and Social and Ethical Responsibilities 57

### 3 The Marketing Environment 58

#### Examining and Responding to the Marketing Environment 60

- Environmental Scanning and Analysis 60
- Responding to Environmental Forces 61

#### Competitive Forces 62

- Types of Competition 62
- Types of Competitive Structures 63
- Monitoring Competition 64

#### Economic Forces 65

Economic Conditions 65

- Buying Power 66
- Willingness to Spend 67

#### Political Forces 68

#### Legal and Regulatory Forces 69

- Procompetitive Legislation 69
- Consumer Protection Legislation 69
- Encouraging Compliance with Laws and Regulations 71

Regulatory Agencies 73  
 Self-Regulatory Forces 74  
**Technological Forces 76**  
 Impact of Technology 76  
 Adoption and Use of Technology 77  
**Sociocultural Forces 79**  
 Demographic and Diversity Characteristics 79  
 Cultural Values 80  
 Consumerism 82

**4 Social Responsibility and Ethics in Marketing 87**

**The Nature of Social Responsibility 89**  
 The Dimensions of Social Responsibility 91  
 Social Responsibility Issues 94  
**The Nature of Ethics 98**  
 Ethical Issues in Marketing 100  
 The Ethical Decision-Making Process 101  
 Improving Ethical Conduct in Marketing 103  
**Incorporating Social Responsibility and Ethics into Strategic Planning 107**  
 Being Socially Responsible and Ethical Is Not Easy 108

**5 Global Markets and International Marketing 117**

**The Nature of International Marketing 119**  
**Environmental Forces in International Markets 119**  
 Cultural, Social, and Ethical Forces 120  
 Economic Forces 123  
 Political and Legal Forces 124  
 Technological Forces 125  
**Regional Trade Alliances, Markets, and Agreements 126**  
 The North American Free Trade Agreement (NAFTA) 126  
 The European Union (EU) 128  
 The Common Market of the Southern Cone (MERCOSUR) 128  
 Asia-Pacific Economic Cooperation (APEC) 128  
 General Agreement on Tariffs and Trade (GATT) and World Trade Organization (WTO) 129

**ETHICS AND SOCIAL RESPONSIBILITY** Is Sharing Digital Music and Movie Files Ethical? 72  
**TECH KNOW** Cellphones: Technology Fuels Competition 78  
**Video Case 3.1** Netscape Navigates a Changing Environment 84  
**Case 3.2** Frito-Lay Adapts to Changes in the Environment 85

Social Responsibility and Ethics Improve Marketing Performance 109  
**ETHICS AND SOCIAL RESPONSIBILITY** Has Wal-Mart Become Too Powerful? 92  
**ETHICS AND SOCIAL RESPONSIBILITY** Qwest Struggles with Legal Issues 99  
**Video Case 4.1** New Belgium Brewing Company 113  
**Case 4.2** Scandal at Martha Stewart Living Omnimedia, Inc. 114

**International Involvement 130**  
 Importing and Exporting 131  
 Trading Companies 131  
 Licensing and Franchising 132  
 Contract Manufacturing 133  
 Joint Ventures 133  
 Direct Ownership 134  
**Customization Versus Globalization of International Marketing Strategies 135**  
**GLOBAL MARKETING** Supersizing Europeans 122  
**GLOBAL MARKETING** Chupa Chups: Sweetening the World, One Country at a Time 136  
**Video Case 5.1** BMW International 138  
**Case 5.2** Gillette Company 140  
**Strategic Case 2** Mattel Takes on Global Challenges 142

**Part Three Using Technology and Information to Build Customer Relationships 145**

**6 E-Marketing and Customer Relationship Management 146**

**Marketing on the Internet 148**  
 Basic Characteristics of Electronic Marketing 149  
 E-Marketing Strategies 154  
**Customer Relationship Management 160**  
 Technology Drives CRM 161  
 Customer Satisfaction Is the End Result of CRM 162  
**Legal and Ethical Issues in E-Marketing 162**

**BUILDING CUSTOMER RELATIONSHIPS** Harris Poll Uses Internet to Survey Consumers 154  
**ETHICS AND SOCIAL RESPONSIBILITY** Europe Takes the Lead in Privacy Protection 164  
**Video Case 6.1** 4SURE.com Targets Business Customers 169  
**Case 6.2** eBay Auctions Everything 169

## 7 Marketing Research and Information Systems 171

- The Importance of Marketing Research 173**
- The Marketing Research Process 174**
  - Locating and Defining Problems or Research Issues 174
  - Designing the Research Project 175
  - Collecting Data 177
  - Interpreting Research Findings 186
  - Reporting Research Findings 186
- Using Technology to Improve Marketing Information Gathering and Analysis 187**
  - Marketing Information Systems 188
  - Databases 189
  - Marketing Decision Support Systems 189
  - The Internet and Online Information Services 190

## Issues in Marketing Research 191

- The Importance of Ethical Marketing Research 191
- International Issues in Marketing Research 192
- BUILDING CUSTOMER RELATIONSHIPS** Reality TV or Marketing Research? 185
- ETHICS AND SOCIAL RESPONSIBILITY** Burger King's Relationship with Coke Fizzles After Marketing Research Debacle 191
- Video Case 7.1** IRI Provides Marketing Research Data from Multiple Sources 196
- Case 7.2** A Look-Look at Youth Trends 197
- Strategic Case 3** FedEx Corporation 198

## Part Four Target Markets and Customer Behavior 201

### 8 Target Markets: Segmentation and Evaluation 202

- What Are Markets? 204**
  - Requirements of a Market 204
  - Types of Markets 204
- Target Market Selection Process 205**
- Step 1: Identify the Appropriate Targeting Strategy 206**
  - Undifferentiated Strategy 206
  - Concentrated Strategy Through Market Segmentation 206
  - Differentiated Strategy Through Market Segmentation 209
- Step 2: Determine Which Segmentation Variables to Use 209**
  - Variables for Segmenting Consumer Markets 209
  - Variables for Segmenting Business Markets 219
- Step 3: Develop Market Segment Profiles 220**
- Step 4: Evaluate Relevant Market Segments 220**
  - Sales Estimates 220
  - Competitive Assessment 221
  - Cost Estimates 222

### Step 5: Select Specific Target Markets 222

- Developing Sales Forecasts 223**
  - Executive Judgment 223
  - Surveys 224
  - Time Series Analysis 225
  - Regression Analysis 225
  - Market Tests 225
  - Using Multiple Forecasting Methods 226
- BUILDING CUSTOMER RELATIONSHIPS** The New American Household 214
- BUILDING CUSTOMER RELATIONSHIPS** Understanding Mature Customers 217
- Video Case 8.1** BuyandHold.com Is Bullish on Smaller Investors 228
- Case 8.2** IKEA Targets Do-It-Yourselfers 229

### 9 Consumer Buying Behavior 231

- Level of Involvement and Consumer Problem-Solving Processes 233**
- Consumer Buying Decision Process 235**
  - Problem Recognition 235
  - Information Search 236
  - Evaluation of Alternatives 237
  - Purchase 238
  - Postpurchase Evaluation 238
- Situational Influences on the Buying Decision Process 238**
- Psychological Influences on the Buying Decision Process 240**
  - Perception 240
  - Motives 242
  - Learning 243
  - Attitudes 244
  - Personality and Self-Concept 245
  - Lifestyles 246

### Social Influences on the Buying Decision Process 246

- Roles 247
- Family Influences 247
- Reference Groups and Opinion Leaders 248
- Social Classes 249
- Culture and Subcultures 250
- BUILDING CUSTOMER RELATIONSHIPS** Observing Customers in Their Native Habitats 239
- BUILDING CUSTOMER RELATIONSHIPS** One Nation, Many Subcultures 252
- Video Case 9.1** Building Customer Experiences at Build-A-Bear 256
- Case 9.2** AutoTrader.com Fuels Online Buying of Used Cars 257

**10 Business Markets and Buying Behavior 259****Business Markets 261**

- Producer Markets 261
- Reseller Markets 262
- Government Markets 263
- Institutional Markets 264

**Dimensions of Marketing to Business Customers 265**

- Characteristics of Transactions with Business Customers 265
- Attributes of Business Customers 266
- Primary Concerns of Business Customers 266
- Methods of Business Buying 268
- Types of Business Purchases 269
- Demand for Business Products 270

**Business Buying Decisions 272**

- The Buying Center 272

- Stages of the Business Buying Decision Process 273
- Influences on the Business Buying Decision Process 275

**Using Industrial Classification Systems 276**

- Identifying Potential Business Customers 276
- Estimating Purchase Potential 278

**ETHICS AND SOCIAL RESPONSIBILITY Is It Ethical to Buy Business from Your Customers? 267****TECH KNOW Online Auctions Click with Businesses 269****Video Case 10.1 VIPdesk Brings Concierge Services to Business Markets 280****Case 10.2 WebMD Delivers Online Services to Health Care Providers 281****Strategic Case 4 Reebok Races into the Urban Market 283****Part Five Product Decisions 285****11 Product Concepts 286****What Is a Product? 288****Classifying Products 289**

- Consumer Products 289
- Business Products 291

**Product Line and Product Mix 293****Product Life Cycles and Marketing Strategies 294**

- Introduction 294
- Growth 296
- Maturity 297
- Decline 299

**Product Adoption Process 300****Why Some Products Fail and Others Succeed 303****TECH KNOW Nokia: Phone Fun and Games 296****BUILDING CUSTOMER RELATIONSHIPS Kodak Pictures a Digital Future 301****Video Case 11.1 Sony's PlayStation Plays On and On 306****Case 11.2 Dell Mixes It Up with Computers, Electronics, and More 307****12 Developing and Managing Products 309****Managing Existing Products 311**

- Line Extensions 311
- Product Modifications 311

**Developing New Products 313**

- Idea Generation 314
- Screening 315
- Concept Testing 315
- Business Analysis 316
- Product Development 317
- Test Marketing 317
- Commercialization 319

**Product Differentiation Through Quality, Design, and Support Services 320**

- Product Quality 321

## Product Design and Features 322

## Product Support Services 323

**Product Positioning and Repositioning 324****Product Deletion 326****Organizing to Develop and Manage Products 328****ETHICS AND SOCIAL RESPONSIBILITY Lying to Customers 323****BUILDING CUSTOMER RELATIONSHIPS General Motors Takes Slow-Selling Products Off the Road 327****Video Case 12.1 Cali Cosmetics Positions Products with Olive Oil 331****Case 12.2 Using the 3Rs to Drive Product Innovation at 3M 332****13 Branding and Packaging 335****Branding 337**

- Value of Branding 338
- Brand Loyalty 338

## Brand Equity 339

## Types of Brands 342

## Selecting a Brand Name 343



- Protecting a Brand 345
- Branding Policies 346
- Co-Branding 348
- Brand Licensing 348

### **Packaging 349**

- Packaging Functions 349
- Major Packaging Considerations 349
- Packaging and Marketing Strategy 352
- Criticisms of Packaging 354

## **14 Services Marketing 361**

### **The Nature and Importance of Services 363**

#### **Characteristics of Services 364**

- Intangibility 364
- Inseparability of Production and Consumption 365
- Perishability 366
- Heterogeneity 366
- Client-Based Relationships 366
- Customer Contact 367

#### **Developing and Managing Marketing Mixes for Services 368**

- Development of Services 369
- Distribution of Services 371
- Promotion of Services 372
- Pricing of Services 373

#### **Service Quality 374**

- Customer Evaluation of Service Quality 374
- Delivering Exceptional Service Quality 376

## **Part Six**

## **Distribution Decisions 389**

### **15 Marketing Channels and Supply Chain Management 390**

#### **The Nature of Marketing Channels 392**

- Marketing Channels Create Utility 393
- Marketing Channels Facilitate Exchange Efficiencies 393
- Marketing Channels Form a Supply Chain 395

#### **Types of Marketing Channels 397**

- Channels for Consumer Products 397
- Channels for Business Products 398
- Multiple Marketing Channels and Channel Alliances 400

#### **Intensity of Market Coverage 401**

- Intensive Distribution 402
- Selective Distribution 403
- Exclusive Distribution 403

#### **Supply Chain Management 403**

- Channel Leadership, Cooperation, and Conflict 403
- Channel Integration 406

### **Labeling 354**

**BUILDING CUSTOMER RELATIONSHIPS** The Power of Private Distributor Brands 344

**TECH KNOW** Technology Brings Eye-Catching Colors to Packaging 351

**Video Case 13.1** PlumpJack Winery Pours Out Cork Controversy 358

**Case 13.2** The Harley-Davidson Brand Roars into Its Second Century 359

### **Nonprofit Marketing 378**

- How Is Nonprofit Marketing Different? 379
- Nonprofit Marketing Objectives 380
- Developing Nonprofit Marketing Strategies 380

**BUILDING CUSTOMER RELATIONSHIPS** Segmentation Blurred by Combining Marketing Efforts in Car Rental Services 369

**ETHICS AND SOCIAL RESPONSIBILITY** Nonprofits Benefit from Brand Savvy 381

**Video Case 14.1** The New Wave of Marketing at New England Aquarium 385

**Case 14.2** AARP Strengthens Its Brand and Services 386

**Strategic Case 5** Radio Goes Sky-High at XM Satellite Radio 387

### **Legal Issues in Channel Management 408**

- Dual Distribution 408
- Restricted Sales Territories 408
- Tying Agreements 408
- Exclusive Dealing 409
- Refusal to Deal 409

**TECH KNOW** U.S. Armed Forces Revamp Their Supply-Chain Management Strategies 396

**BUILDING CUSTOMER RELATIONSHIPS** Partnering with Channel Members 405

**Video Case 15.1** Smarter Channel Management at SmarterKids 412

**Case 15.2** Grainger Wires the Channel for Business Products 413

### **16 Wholesaling and Physical Distribution 415**

#### **The Nature of Wholesaling 417**

- Services Provided by Wholesalers 418
- Types of Wholesalers 419

#### **The Nature of Physical Distribution 424**

- Physical Distribution Objectives 425
- Functions of Physical Distribution 427

Strategic Issues in Physical Distribution 436  
**TECH KNOW** TAL Manages JCPenney Shirt Inventory 429  
**GLOBAL MARKETING** How OshKosh B’Gosh Brings Bib Overalls from Abroad 437

**Video Case 16.1** Quick International Courier Delivers Time-Sensitive Shipments 440  
**Case 16.2** Wal-Mart Competes Using Efficient, Low-Cost Physical Distribution 441

**17 Retailing and Direct Marketing 443**

**The Nature of Retailing 445**  
**Major Types of Retail Stores 446**  
 General-Merchandise Retailers 446  
 Specialty Retailers 450  
**Direct Marketing 452**  
 Catalog Marketing 452  
 Direct-Response Marketing 453  
 Telemarketing 453  
 Television Home Shopping 453  
 Online Retailing 454  
**Other Types of Nonstore Retailing 455**  
 Direct Selling 455  
 Automatic Vending 456  
**Franchising 456**  
 Major Types of Retail Franchises 457  
 Advantages and Disadvantages of Franchising 458

**Strategic Issues in Retailing 459**  
 Location of Retail Stores 459  
 Retail Positioning 462  
 Store Image 462  
 Scrambled Merchandising 463  
 The Wheel of Retailing 463  
**TECH KNOW** Dell Builds PCs and Profits Through Direct Marketing 455  
**GLOBAL MARKETING** Fueling Customers in Thailand with Gas, Coffee, and Convenience 458  
**Video Case 17.1** REI Scales New Heights in Retailing 467  
**Case 17.2** Costco Offers Low Prices and a Unique Product Mix 468  
**Strategic Case 6** The Home Depot Reinforces Its Strong Channel Strategy 469

**Part Seven Promotion Decisions 471**

**18 Integrated Marketing Communications 472**

**The Nature of Integrated Marketing Communications 474**  
**The Role of Promotion 475**  
**Promotion and the Communication Process 477**  
**Objectives of Promotion 480**  
 Create Awareness 480  
 Stimulate Demand 480  
 Encourage Product Trial 482  
 Identify Prospects 482  
 Retain Loyal Customers 482  
 Facilitate Reseller Support 483  
 Combat Competitive Promotional Efforts 483  
 Reduce Sales Fluctuations 483  
**The Promotion Mix 484**  
 Advertising 484  
 Personal Selling 485  
 Public Relations 486  
 Sales Promotion 486  
**Selecting Promotion Mix Elements 488**  
 Promotional Resources, Objectives, and Policies 488  
 Characteristics of the Target Market 489

Characteristics of the Product 489  
 Costs and Availability of Promotional Methods 490  
 Push and Pull Channel Policies 491  
**Criticisms and Defenses of Promotion 492**  
 Is Promotion Deceptive? 492  
 Does Promotion Increase Prices? 492  
 Does Promotion Create Needs? 492  
 Does Promotion Encourage Materialism? 493  
 Does Promotion Help Customers Without Costing Too Much? 494  
 Should Potentially Harmful Products Be Promoted? 494  
**BUILDING CUSTOMER RELATIONSHIPS** Rivals Team Up to Advertise Cereal 476  
**ETHICS AND SOCIAL RESPONSIBILITY** Truth in Advertising 493  
**Video Case 18.1** Jordan’s Furniture 496  
**Case 18.2** Carb Wars: New Diets Turn the Food Industry Upside Down 497

**19 Advertising and Public Relations 499**

**The Nature and Types of Advertising 501**  
**Developing an Advertising Campaign 503**  
 Identifying and Analyzing the Target Audience 504

Defining the Advertising Objectives 504  
 Creating the Advertising Platform 505  
 Determining the Advertising Appropriation 506

Developing the Media Plan 507  
 Creating the Advertising Message 510  
 Executing the Campaign 515  
 Evaluating Advertising Effectiveness 515  
**Who Develops the Advertising Campaign? 516**  
 Public Relations 517  
 Public Relations Tools 518  
 Evaluating Public Relations Effectiveness 521  
 Dealing with Unfavorable Public Relations 521

**20 Personal Selling and Sales Promotion 527**

**The Nature of Personal Selling 529**  
**Elements of the Personal Selling Process 530**  
 Prospecting 530  
 Preapproach 531  
 Approach 531  
 Making the Presentation 533  
 Overcoming Objections 533  
 Closing the Sale 533  
 Following Up 534  
**Types of Salespeople 534**  
 Order Getters 534  
 Order Takers 535  
 Support Personnel 536  
**Managing the Sales Force 536**  
 Establishing Sales Force Objectives 536  
 Determining Sales Force Size 537  
 Recruiting and Selecting Salespeople 537

**Part Eight Pricing Decisions 557**

**21 Pricing Concepts 558**

**The Nature of Price 560**  
 Terms Used to Describe Price 560  
 The Importance of Price to Marketers 560  
**Price and Nonprice Competition 561**  
 Price Competition 562  
 Nonprice Competition 563  
**Analysis of Demand 563**  
 The Demand Curve 563  
 Demand Fluctuations 565  
 Assessing Price Elasticity of Demand 565  
**Demand, Cost, and Profit Relationships 567**  
 Marginal Analysis 567  
 Break-Even Analysis 570  
**Factors Affecting Pricing Decisions 571**  
 Organizational and Marketing Objectives 572  
 Types of Pricing Objectives 572

**22 Setting Prices 585**

**Development of Pricing Objectives 587**  
 Survival 588

**BUILDING CUSTOMER RELATIONSHIPS** Remodeling Advertising Messages 509  
**BUILDING CUSTOMER RELATIONSHIPS** PR Battles 518  
**Video Case 19.1** Vail Resorts Uses Public Relations to Put Out a Fire 524  
**Case 19.2** Microsoft: Crafting an Image Through Public Relations 525

Training Sales Personnel 538  
 Compensating Salespeople 540  
 Motivating Salespeople 542  
 Managing Sales Territories 542  
 Controlling and Evaluating Sales Force Performance 543  
**The Nature of Sales Promotion 544**  
 Consumer Sales Promotion Methods 544  
**ETHICS AND SOCIAL RESPONSIBILITY** Responsible Selling Improves Customer Relationships 532  
**BUILDING CUSTOMER RELATIONSHIPS** Whirlpool Puts Salespeople in the “Real Whirled” 539  
**Video Case 20.1** Selling Bicycles and More at Wheelworks 552  
**Case 20.2** IBM Reorganizes to Improve Selling Solutions 553  
**Strategic Case 7** Bass Pro Shops Reel Them in with Sales Promotion 555

Costs 572  
 Other Marketing Mix Variables 573  
 Channel Member Expectations 573  
 Customers’ Interpretation and Response 574  
 Competition 575  
 Legal and Regulatory Issues 576  
**Pricing for Business Markets 576**  
 Price Discounting 576  
 Geographic Pricing 578  
 Transfer Pricing 579  
**BUILDING CUSTOMER RELATIONSHIPS** Inside the PC Price War 562  
**BUILDING CUSTOMER RELATIONSHIPS** The Ups and Downs of Beef Prices 566  
**Video Case 21.1** JetBlue’s Flight Plan for Profitability 582  
**Case 21.2** Priceline.com Lets Online Customers Set Prices 583  
 Profit 588  
 Return on Investment 588

Market Share 588  
Cash Flow 588  
Status Quo 589  
Product Quality 589  
**Assessment of Target Market's Evaluation of Price 590**  
**Evaluation of Competitors' Prices 590**  
**Selection of a Basis for Pricing 591**  
Cost-Based Pricing 591  
Demand-Based Pricing 592  
Competition-Based Pricing 593  
**Selection of a Pricing Strategy 594**  
Differential Pricing 595  
New-Product Pricing 596

Product-Line Pricing 597  
Psychological Pricing 598  
Professional Pricing 601  
Promotional Pricing 602  
**Determination of a Specific Price 603**  
**BUILDING CUSTOMER RELATIONSHIPS** Wireless Companies  
Ring Up Competitive Pricing Strategies 593  
**BUILDING CUSTOMER RELATIONSHIPS** Family Dollar Stores'  
Strategy Is Driven by Everyday Low Prices 600  
**Video Case 22.1** Pricing for New Balance 605  
**Case 22.2** General Motors Tries to Reduce Reliance on  
Rebates 607  
**Strategic Case 8** Napster 2.0: The Cat Is Back 608

**Appendix A Careers in Marketing A-1**

**Changes in the Workplace A-1**  
**Career Choices Are Major Life Choices A-1**  
Personal Factors Influencing Career Choices A-1  
**Job Search Activities A-2**  
**Planning and Preparation A-4**  
**The Résumé A-4**  
The Job Interview A-6  
After the Interview A-7  
After the Hire A-7  
**Types of Marketing Careers A-8**

Marketing Research A-8  
Sales A-9  
Industrial Buying A-10  
Public Relations A-11  
Distribution Management A-12  
Product Management A-12  
Advertising A-13  
Retail Management A-13  
Direct Marketing A-14  
E-Marketing and Customer Relationship  
Management A-15

**Appendix B Financial Analysis in Marketing A-17**

**The Income Statement A-17**  
**Performance Ratios A-19**  
**Operating Ratios A-21**  
Inventory Turnover Rate A-22  
Return on Investment A-22

**Price Calculations A-23**  
Markups A-23  
Markdowns A-25

**Appendix C Sample Marketing Plan A-27**

**Glossary G-1**  
**Notes N-1**  
**Sources N-19**  
**Credits N-25**  
**Name Index I-1**  
**Organization Index I-6**  
**Subject Index I-13**

# Preface

## The Challenges of Teaching and Learning Marketing

Teaching the introductory marketing course creates many challenges for most professors. Engaging and motivating students with diverse backgrounds and different interest levels in marketing requires stimulating and effective teaching and learning materials. This edition of *Marketing: Concepts and Strategies* has been revised to engage and motivate students to learn about marketing. We take cutting-edge marketing knowledge and make it interesting and relevant to students through the use of real-world examples, cases, and features. We connect marketing to the realities of the business world and relate marketing to students' personal lives. One of our goals is that students will view marketing as an important part of society that enhances our standard of living and can be used to achieve socially responsible individual and organizational objectives.

Our experience indicates that prior to taking their introductory marketing course, students believe marketing is mainly selling, advertising, and other elements of promotion. In addition, some students question whether marketing is an important and responsible business function. This limited view of marketing can be overcome by presenting a balanced, integrated, and comprehensive view of marketing in business and society. We accomplish this by focusing on a framework that provides complete coverage of marketing issues and best practices validated by the latest research. Our text is informative and interesting to enhance and create an effective learning environment.

## Keeping Pace with the Challenges and the Changing World

In this new edition, as in previous editions, we continue to work hard, listening to adopters and students and keeping pace with changes. Many changes in the marketing environment have occurred since the last edition. Advancing technologies, including customer relationship management, help in understanding customers. The Internet and e-marketing strategies continue to create new opportunities for marketing success. Direct marketing, supply chain management, and growth of large retailers such as Wal-Mart, Best Buy, and The Home Depot are changing the competitive forces. Starbucks' success indicates that customers are trading up to services and experiences that provide enjoyment in a busy world. At the same time companies such as Starbucks are contributing more to society by providing environmentally responsible products and promoting fair trade activities to enhance the welfare of all marketing channel members. Ethics and social responsibility in marketing continue to be requirements—not options—in relating to customers and other stakeholders. All of these changes are emphasized in the content, examples, and boxes of this edition.

We examine the challenges that marketers face in developing global marketing strategies. Many of our products come from foreign markets, and foreign markets represent a sizable opportunity for U.S. products. For example, imported shrimp account for 90 percent of U.S. shrimp sales. Next year, General Motors expects to sell as many Buicks in China as in the U.S. With the help of a \$124 billion U.S. trade deficit with China, this country has developed the second largest world economy in output behind the U.S. China is the largest broadband DSL market, and companies such as Motorola and Intel have invested billions of dollars in China. India's middle class of over 300 million consumers is buying consumer products from companies such as Procter & Gamble and Coca-Cola. These dramatic changes in international markets mean that students need to understand how global marketing

strategies are developed and implemented in a changing world. We provide a revised chapter on this issue as well as global boxed features, cases, examples, and content throughout the text.

An introductory marketing text must be revised on a timely basis to stay current and reflect up-to-date changes in marketing and the marketing environment. In late 2004 the American Marketing Association finalized a new definition of marketing. This definition is included in Chapter 1 along with a more traditional definition so students can see how perceptions about marketing's role in business and society are changing. In Chapter 4, we provide the new American Marketing Association Code of Ethics that stresses appropriate values and norms for the practice of marketing. Throughout the text we have updated content with the most recent research that supports the frameworks and best practices for marketing.

## Building on Established Strengths

### Features of the Book

As with previous editions, this edition of the text provides a comprehensive and practical introduction to marketing that is both easy to teach and to learn. *Marketing: Concepts and Strategies* continues to be one of the most widely adopted introductory textbooks in the world. We appreciate the confidence that adopters have placed in our textbook and continue to work hard to make sure that, as in previous editions, this edition keeps pace with changes. The entire text is structured to excite students about the subject and to help them learn completely and efficiently.

- An *organizational model* at the beginning of each part provides a “roadmap” of the text and a visual tool for understanding the connection between concepts.
- *Learning objectives* at the start of each chapter present concrete expectations about what students are to learn as they read the chapter.
- An *opening vignette* about a particular organization or current market trend introduces the topic for each chapter. The issues in these vignettes surround a variety of products and services from diverse organizations such as Porsche Cayenne, McDonald's, Google, and Skechers. Through these vignettes, students are exposed to contemporary marketing realities and are better prepared to understand and apply the concepts they will explore in the text.
- *Key term definitions* appear in the margins to help students build their marketing vocabulary.
- Numerous *figures, tables, photographs, advertisements, and Snapshot and Net Sights* features increase comprehension and stimulate interest.
- Four types of *boxed features* reinforce students' awareness of the particular issues affecting marketing and the types of choices and decisions marketers must make.



*Tech Know* boxes include discussions about the impact of technological advances on products and how they are marketed. Examples of topics include online auctions, cell phone competition, and using color preferences in packaging.



*Ethics and Social Responsibility* boxes raise students' awareness of social responsibility and ethical issues and the types of ethical choices that marketers face every day. Some of the organizations on which we focus are Burger King, Qwest, and Wal-Mart.



*Global Marketing* boxed features examine the challenges of marketing in widely diverse cultures for companies such as Conoco, Chupa Chups, and Gruma Tortillas.



*Building Customer Relationships* boxes look at how organizations try to build long-term relationships with their customers. Examples include Red Bull, Kodak, General Motors, and Dell.

- A complete *chapter summary* reviews the major topics discussed, and the list of *important terms* provides another end-of-chapter study aid to expand students' marketing vocabulary.
- *Discussion and review questions* at the end of each chapter encourage further study and exploration of chapter content, and *application questions* enhance students' comprehension of important topics.
- An *Internet exercise* at the end of each chapter asks students to examine a website and assess one or more strategic issues associated with the site. This section also points students to the various learning tools that are available on the text's website.
- Two in-depth *cases* at the end of each chapter help students understand the application of chapter concepts. One of the end-of-chapter cases is related to a video segment. Some examples of companies highlighted in the cases are BMW, Vail Resorts, New Balance, and Finagle A Bagel.
- A *strategic case* at the end of each part helps students integrate the diverse concepts that have been discussed within the related chapters. Some of the organizations highlighted in these cases include *USA Today*, Mattel, Bass Pro Shops, Napster, and XM Satellite Radio.
- *Appendixes* discuss marketing career opportunities, explore financial analysis in marketing, and present a sample marketing plan.
- A comprehensive *glossary* defines more than 625 important marketing terms.

## Text Organization

We have organized the eight parts of *Marketing: Concepts and Strategies* to give students a theoretical and practical understanding of marketing decision making.

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| <b>Part One</b>   | <b>Marketing Strategy and Customer Relationships</b><br>Provides an overview of marketing, strategic marketing planning, and implementation.  |
| <b>Part Two</b>   | <b>The Global Environment and Social and Ethical Responsibilities</b><br>Provides an overview of the marketing environment, social responsibility, global markets, and international marketing. |
| <b>Part Three</b> | <b>Using Technology and Information to Build Customer Relationships</b><br>Focuses on e-marketing, customer relationship management, marketing research, and information systems.               |
| <b>Part Four</b>  | <b>Target Markets and Customer Behavior</b><br>Covers target markets, segmentation, and consumer and business markets' buying behavior.   |
| <b>Part Five</b>  | <b>Product Decisions</b><br>Discusses product concepts, developing and managing products, branding, packaging, and services marketing.  |
| <b>Part Six</b>   | <b>Distribution Decisions</b><br>Provides coverage of marketing channels, supply chain managers, wholesaling, and physical distribution.  |
| <b>Part Seven</b> | <b>Promotion Decisions</b><br>Focuses on integrated communications, advertising, public relations, personal selling, and sales promotion.   |

**Part Eight Pricing Decisions**

Covers pricing concepts and the setting of prices in a dynamic marketing environment.

**What's New to this Edition?**

This edition is revised and updated to address the dynamic issues emerging in the current technology-driven environment, and to still stress the importance of traditional marketing issues. These revisions assist students in gaining a full understanding of marketing practices pertinent today and helping them anticipate increasing future changes.

**Organizational Changes**

- *Consolidation of strategic planning and implementation.* The chapter on implementing and controlling marketing strategies has moved to the front of the text and been consolidated with Chapter 2 on planning marketing strategy. This should help students recognize that strategic planning is a comprehensive process that requires implementation and control in order to be successful.
- *Changes in the treatment of e-marketing and customer relationship management.* The chapter about marketing on the Internet has been moved forward in the text and combined with our discussion of customer relationship management. This chapter has also been updated to reflect new trends in the constantly changing environment of the Internet. This allows for greater integration of technology into the discussion of marketing mix elements throughout the remainder of the text.

**Changes In Every Chapter**

- *Opening vignettes.* All of the chapter opening vignettes are new. They are written to introduce the theme of each chapter by focusing on actual companies and how they deal with real-world situations.
- *Boxed features.* Each chapter includes two of the four types of boxed features that highlight important themes: “Building Customer Relationships,” “Ethics and Social Responsibility,” “Tech Know,” and “Global Marketing.” All of the boxed features are new in this edition.
- *New Snapshot features.* All twenty-three Snapshot features are new and engage students by highlighting interesting, up-to-date statistics that link marketing theory to the real world.
- *New illustrations and examples.* New advertisements from well-known firms are employed to illustrate chapter topics. Experiences of real-world companies are used to exemplify marketing concepts and strategies throughout the text. Most of these examples are new. Others have been updated or expanded.
- *End-of-chapter cases.* Each chapter contains two cases, including a video case, profiling firms to illustrate concrete application of marketing strategies and concepts. A number of the cases are new to this edition.
- *End-of-part Strategic Cases.* These cases incorporate issues found throughout all the chapters in each part and require students to integrate the content of these multiple chapters to answer the questions at the end of each case. Six of these cases are new and the other two have been updated.



## A Comprehensive Instructional Resource Package

For instructors, this edition of *Marketing* includes an exceptionally comprehensive package of teaching materials.

- *Instructor's website.* This continually updated, password-protected site includes valuable tools to help design and teach the course. Contents include sample syllabi, downloadable text files from the *Instructor's Resource Manual*, role-play exercises, PowerPoint® slides, and suggested answers to questions posed on the student website. A downloadable game, *Who Wants to Be an "A" Student*, by John Drea, Western Illinois University, is useful for stimulating classroom participation. This easy-to-use game makes in-class review challenging and fun, and has been proven to increase students' test scores.
- *PowerPoint® slide presentations.* For each chapter, over twenty-five slides related to the learning objectives have been specially developed for this edition. The slides are original representations of the concepts in the book, providing a complete lecture for each chapter. These slides include key figures and tables from the textbook as well as additional data and graphics. The slides are available on the website.
- *HMClassPrep™ CD.* This software package provides all the tools instructors need to create customized multimedia lecture presentations for display on computer-based projection systems. The software makes available lecture outlines from the *Instructor's Resource Manual*, figures and tables from the text and transparencies, the PowerPoint® slides, and a link to the Web. Instructors can quickly and easily select from and integrate all of these components, and prepare a seamless customized classroom presentation.
- *Online/distance learning support.* Instructors can create and customize online course materials to use in distance learning, distributed learning, or as a supplement to traditional classes. The *Blackboard Course Cartridge*, *WebCT e-Pack*, and *Eduspace* course include a variety of study aids for students as well as course-management tools for instructors.
- *Test Bank.* The expanded *Test Bank* now provides more than 4,000 test items including true/false, multiple-choice, and essay questions. Each objective test item is accompanied by the correct answer, a main text page reference, and a key that shows whether the question tests knowledge, comprehension, or application. The *Test Bank* also provides difficulty and discrimination ratings derived from actual class testing for many of the multiple-choice questions. Lists of author-selected questions that facilitate quick construction of tests or quizzes appear in an appendix. These author-selected lists of multiple-choice questions are representative of chapter content. An outside consultant working with the authors was used to review, improve, and test this edition of the *Test Bank*.
- *HMTesting.* This computerized version of the *Test Bank* allows instructors to select, edit, and add questions, or generate randomly selected questions to produce a test master for easy duplication. An Online Testing System and Gradebook function allows instructors to administer tests via a network system, modem, or personal computer, and sets up a new class, records grades from tests or assignments, analyzes grades, and produces class and individual statistics. This program is available for use on IBM, IBM-compatible, and Macintosh computers, and is included on the *HMClassPrep* CD.
- *Marketing videos.* In this edition, about half of the videos for use with the end-of-chapter video cases are new. The *Instructor's Resource Manual* provides specific information about each video segment. The videos are now available on both VHS and DVD.