



THIRD EDITION

Marketing

BERKOWITZ ■ KERIN ■ HARTLEY ■ RUDELIUS

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Marketing

ERIC N. BERKOWITZ
UNIVERSITY OF MASSACHUSETTS

ROGER A. KERIN
SOUTHERN METHODIST UNIVERSITY

STEVEN W. HARTLEY
UNIVERSITY OF DENVER

WILLIAM RUDELIUS
UNIVERSITY OF MINNESOTA

IRWIN

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PRODUCTION MANAGER Irene H. Sotiroff
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Preface

Marketing is exciting for students today, not only because of dramatic changes in the marketplace, but also because each student brings experience as a consumer to the classroom. To facilitate an interesting, interactive, and effective classroom experience, a marketing textbook must encourage students to consider their experiences and become active participants in the learning process. Like our first two editions of *Marketing*, this new edition continues the tradition of involving you, the reader, in the dynamic field of marketing, and we are pleased to have this opportunity to share the many elements of the field with you.

Since 1985, over 225,000 students and 1,500 instructors have used *Marketing*. This success and the positive feedback from both groups of users have encouraged us to continue to utilize many of the key features of our textbook and our innovative pedagogical approach. The rapid changes in the marketing discipline have also provided ideas for new material. We believe the combination of the strengths of previous editions and complete, up-to-date information about new developments in marketing provides you with one of the best marketing textbooks available today.

NEW IN THIS EDITION

We have added a chapter titled Ethics and Social Responsibility in Marketing (Chapter 4) to provide a framework for students to address ethical and social responsibility questions about current and future business practices. The chapter also provides exposure to the American Marketing Association's Code of Ethics and introduces the concept of consumer ethics and social responsibility.

To allow students and instructors to analyze contemporary ethical and social responsibility issues, each chapter now ends with a box titled

Ethics and Social Responsibility in the 1990s. These examples are illustrative of the difficult decisions marketing managers face in today's marketplace.

To address the revolution in marketing information collection and use, a new chapter titled Micromarketing, Information Technology, and Forecasting (Chapter 9) expands the material covered in Chapter 7 of the previous edition. This discussion of some of the most exciting changes in marketing keeps students abreast of the impact of new information technologies on marketing research, segmentation, forecasting, and many other marketing tasks.

Many other new marketing topics have also been added. These include green marketing, Japanese-style marketing, the new trademark legislation, brand equity, gray marketing, international trade, and service gap analysis. In addition, we elaborate on trends identified in the first and second editions, such as the move toward "lean" management structures and regional and ethnic segmentation, and analyze new trends such as the declining use of 15-second television ads and the move toward parallel development in the new-product development process.

Twelve of the cases are new or updated. In addition, most of the cases now provide students with an opportunity to perform both quantitative and qualitative analyses of marketing situations. To help students relate to the cases, well-known companies and products are the subjects of the cases.

The author team for this edition has been expanded to allow in-depth coverage of the many diverse topics included in the textbook, and to facilitate author involvement in the production of all instructional resource materials. The newest member of the author team, Professor Steven Hartley, had authored or edited the Services Marketing chapter, the Careers in Marketing Appendix, the Test Bank, the Computer Problem Software, and several video cases in the first and second editions. With this experience and expertise he was a logical addition to our team.

Finally, the package of supplements has been expanded, updated, and integrated to provide every possible learning and teaching tool for students and instructors. New to the package are in-class activities for each chapter, 14 new video cases, a marketing-planning computer software disk, and a collection of *Wall Street Journal* articles.

PEDAGOGICAL FEATURES OF THE THIRD EDITION

As in the first and second editions, we want to involve you in the study of marketing by encouraging you to think about your personal experiences as a consumer and by asking you to take the role of a marketing decision maker. We introduce you to contemporary people and organizations that have made both brilliant and disastrous marketing decisions. These extended examples appear both in the text and in the Marketing Action Memos found throughout the book, which apply marketing principles to actual situations.

Each chapter also integrates recent research related to the marketing discipline. We believe that students must be aware of important research that analyzes and explains marketing concepts and the success or failure of marketing programs. This edition continues to utilize Marketing Research Reports

throughout the book to relate research findings to important issues facing marketing managers. Marketing Action Memos and Marketing Research Reports are color-coded to help you identify key topic areas. These areas include: general topics (■), ethics (■), and international topics (■).

The book reinforces major concepts as they are introduced in each chapter to stimulate your understanding of them and foster your ability to apply them appropriately. At the end of every major section, Concept Checks pose two or three questions to test your recall. The Learning Objectives at the beginning of each chapter and the Summary and Key Terms and Concepts at the close provide further reinforcement.

We believe that the use of these unique learning aids lets you learn about, understand, and integrate the many marketing topics covered in our textbook, and allows you to apply them in the constantly changing marketing environment you will encounter as a consumer and a marketing manager.

TEXT ORGANIZATION

Marketing, Third Edition, is divided into six main parts. Part I, Initiating the Marketing Process, looks first at what marketing is and how it identifies and satisfies consumer needs (Chapter 1). Then Chapter 2 provides an overview of the strategic marketing process that occurs in an organization—planning, implementation, and control—which provides a structure for the text. Chapter 3 analyzes the five major environmental factors in our changing marketing environment, while Chapter 4 discusses the significance of ethics and social responsibility in marketing decisions.

Part II, Understanding Buyers and Markets, first describes, in Chapter 5, how ultimate consumers reach buying decisions. Next, because of their important differences from ultimate consumers, industrial and organizational buyers and how they make purchase decisions are covered in Chapter 6.

In Part III, Targeting Marketing Opportunities, the marketing research function is discussed in Chapter 7. The process of segmenting and targeting markets and positioning products appears in Chapter 8. The increasing importance of micromarketing, how today's marketing managers use strategic information systems, and sales forecasting are described in Chapter 9.

Part IV, Satisfying Marketing Opportunities, covers the four Ps—the marketing mix elements. Unlike most competitive textbooks, the product element is divided into the natural chronological sequence of first developing new products (Chapter 10) and then managing the existing products (Chapter 11). Pricing is covered in terms of underlying pricing analysis (Chapter 12), followed by actual price setting (Chapter 13), and the related Appendix A, Financial Aspects of Marketing. Three chapters address the place (distribution) aspects of marketing: Marketing Channels and Wholesaling (Chapter 14), Physical Distribution and Logistics Management (Chapter 15), and Retailing (Chapter 16). Retailing is a separate chapter because of its importance and interest as a career for many of today's students. Promotion is also covered in three chapters. Chapter 17 discusses marketing communications in general and presents an in-depth treatment of sales promotion, an activity that often exceeds advertising in the pro-

motional budgets of many firms but receives minimal coverage in many textbooks. Advertising (Chapter 18) and Personal Selling and Sales Management (Chapter 19) complete the coverage of promotional activities.

Part V, Managing the Marketing Process, expands on Chapter 2 to show how the four marketing mix elements are blended to plan (Chapter 20) and implement and control (Chapter 21) marketing programs. Because these topics can become very abstract, both chapters close with a detailed example of how Yoplait yogurt's marketing program is planned, implemented, and controlled.

Part VI, Expanding Marketing Settings, devotes separate chapters to two marketing topics of increasing importance in today's world: International Marketing (Chapter 22) and Marketing of Services (Chapter 23). The part closes with Appendix B, Career Planning in Marketing, which discusses marketing jobs themselves and how to get them.

Cases from actual organizations, a detailed glossary, and three indexes (author; company and product; and subject) complete the book.

As we observe in Chapter 1, we genuinely hope that somewhere in *Marketing* the reader will discover not only the challenge and excitement of marketing, but possibly a career as well.

SUPPLEMENTAL RESOURCE MATERIALS

Developing a comprehensive and integrated package of high-quality instructional supplements was a primary objective for this edition. We have been involved, as authors or supervisors, in the production of all of the supplements that now accompany our text. In addition, all of the supplements that accompanied our first two editions have been updated and revised, while many new supplements have been added to the package. Much attention has been given to providing elements and features in these supplements that were requested by both inexperienced and experienced instructors. As a result, each supplement contains several features not offered with any other marketing text.

Instructor's Manual The Instructor's Manual includes lecture notes, transparencies and transparency masters, discussions of the ethics and social responsibility examples, and answers to the end-of-chapter Problems and Applications questions. Supplemental Lecture Notes (Marketing Action Memos and Marketing Research Reports) and In-Class Activities are also provided.

Transparency Acetates A set of 200 four-color overhead transparency acetates is available free to adopters. More than 50 percent of these have been culled from outside the text.

Test Bank Our Test Bank has been developed to ensure clarity, accuracy, and an appropriate range and level of difficulty. It contains more than 2,000 questions, categorized by chapter, major topic, and subject area within the chapter, and level of learning (definitional, conceptual, or application). The Test Bank

includes approximately 10 essay questions, and 75 to 100 multiple choice questions per chapter, making it one of the most comprehensive test packages on the market.

Irwin's Computerized Testing Software In addition to the printed format, a computerized test bank is available free to adopters. The easy-to-use test bank includes all the questions contained in the printed version. Additional benefits include the ability to:

- Add or delete individual test items
- Personalize individual questions
- Generate several versions of the same exam
- Maintain class files and test scores on disk

Video Case Studies A unique series of contemporary marketing cases is available on a videotape cassette. Subjects range from the conception and launching of new products to strategies used in designing advertising programs.

Study Guide Authored by educational consultant, Erica Michaels, the Study Guide enables the student to learn and apply marketing principles instead of simply memorizing facts for an examination. New case problems and five types of exercises are used to accomplish this goal: (1) application exercises, (2) matching terms to definitions, (3) matching concepts to examples, (4) recognition and identification exercises, and (5) chapter recall.

Computer-Problem Software This software features short cases and problems that allow students to learn about and apply marketing concepts and see the results of marketing decisions on a personal computer.

Marketing Planning Software The marketing plan software disk is designed to help students use the strategic marketing process introduced in Chapter 2 and discussed in detail in Chapters 20 and 21. The software and accompanying handbook provide a personal and computer-based tool for involving students in the course.

Newsletter/Update An annual newsletter will update the text with supplemental Marketing Research Reports, Marketing Action Memos, transparency masters, and reprints of pertinent magazine and newspaper articles.

Wall Street Journal Articles A collection of recent *Wall Street Journal* articles with corresponding questions is provided to facilitate class discussion.

DEVELOPMENT OF THIS BOOK

As with any new product, developing a good textbook requires extensive market research and comparative analysis of the competition. We were fortunate in having the developmental resources of Richard D. Irwin to support this effort.

To guide the basic focus of the book, we conducted focus groups, group discussions, and reviews of the manuscript, as well as classroom testing of the manuscript in actual teaching situations. In creating the second edition, we also drew on multiple sources. In addition to another focus group, we commissioned faculty who were using the first edition to keep regular diaries documenting their classroom experiences. We also commissioned instructors who were familiar with other textbooks to do comparative reviews that told us how our book could be improved. The wealth of information that resulted from these reviews enabled us to determine which features of the manuscript were most effective and to revise those that needed more work.

Finally, to write the third edition, a survey of over 150 instructors, including users and nonusers, was conducted to determine the key strengths and weaknesses of the second edition, and faculty from various schools nationwide were commissioned to review our revisions on a chapter-by-chapter basis. Our textbook cases, Test Bank, software, and Study Guide also underwent this painstaking attention and concern for quality.

ACKNOWLEDGMENTS

The preceding section demonstrates the amount of reviewing that went into this project, and we are deeply grateful to the numerous people who have shared their ideas with us. Reviewing a book or supplement takes an incredible amount of energy and attention, and we are glad that the people listed below took the time to do it. Their comments have inspired us to do our best.

Reviewers who contributed to the first and second editions of this book include:

William D. Ash *California State University, Long Beach*

Siva Balasubramanian *University of Iowa*

A. Diane Barlar *University of West Florida*

James Barnes *University of Mississippi*

Thomas Bertsch *James Madison University*

William Brown *University of Nebraska, Omaha*

William G. Browne *Oregon State University*

Stephen Calcich *Norfolk State University*

Gerald Cavallo *Fairfield University*

S. Tamer Cavusgil *Michigan State University*

Clark Compton *University of Missouri, St. Louis*

Ken Crocker *Bowling Green State University*

Joe Cronin *University of Kentucky*

Lowell E. Crow *Western Michigan University*

John H. Cunningham *University of Oregon*

Bill Curtis *University of Nebraska, Lincoln*

Dexter Dalton *St. Louis Community College at Meramec*

Dan Darrow *Ferris State University*

Martin Decatur *Suffolk County Community College*

Francis DeFea *El Camino College*

Bill Dodds *Boston College*

James Donnelly *University of Kentucky*

Roger W. Egerton *Southwestern Oklahoma State University*

Barbara Evans *University of Melbourne (Australia)*

Charles Ford *Arkansas State University*

Donald Fuller *University of Central Florida*

Leslie A. Goldgehn *California State, Hayward*

Kenneth Goodenday *University of Toledo*

James Grimm *Illinois State University*

Richard Hill *University of Illinois*

Al Holden *St. John's University*

Jarrett Hudnall *Stephen F. Austin State University*

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 Elena Martinez *University of Puerto Rico*
 James McAlexander *Iowa State University*
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 Ron Michaels *Indiana University*
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 Allan Palmer *University of North Carolina, Charlotte*
 Dennis Pappas *Columbus Technical Institute*
 Richard Penn *University of Northern Iowa*
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 Joe Puri *Florida Atlantic University*
 James P. Rakowski *Memphis State University*
 Heikki Rinne *Brigham Young University*
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 Harlan Wallingford *Pace University*
 James Wilkins *University of Southwestern Louisiana*
 Kaylene Williams *University of Delaware*
 Wilton Lelund Wilson *Southwest Texas State University*
 Robert Witherspoon *Triton College*
 Van R. Wood *Texas Tech University*
 William R. Wynd *Eastern Washington University*

Reviewers who helped us create this new edition include:

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 Patricia Baconrind *Fort Hays State University*
 Siva Balasubramanian *University of Iowa*
 James H. Barnes *University of Mississippi*
 James Cross, *University of Las Vegas*
 John H. Cunningham *University of Oregon*
 Linda M. Delene *Western Michigan University*
 Paul Dion Bryant *College*
 James Gould *Pace University—White Plains Campus*
 Marc Goldberg *Portland State University*
 Kristine Hovsepian *Ashland University*
 Ram Kesavan *University of Detroit*
 Gary Law *Cuyahoga Community College*
 Richard Leventhal *Metropolitan State College*
 Leonard Lindenmuth *State University of New York—Binghamton*

Donald G. Norris *Miami University (OH)*

Dave Olson *North Hennepin Community College*

William S. Piper *The University of Southern Mississippi—Gulf Park*

Gary Poorman *Normandale Community College*

James P. Rakowski *Memphis State University*

Harold S. Sekiguchi *University of Nevada*

Miriam B. Stamps *University of South Florida*

Tom L. Tritipo *Central State University*

Ron Weston *Contra Costa College*

Max White *Southwestern Oklahoma State University*

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*Eric N. Berkowitz
Roger A. Kerin
Steven W. Hartley
William Rudelius*

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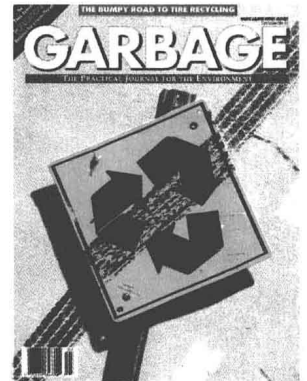
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