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# 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.

Part One	Marketing Strategy and Customer Relationships			
	Provides an overview of marketing, strategic marketing planning,			
	and implementation.			

Part Two The Global Environment and Social and Ethical Responsibilities
Provides an overview of the marketing environment, social responsibility, global markets, and international marketing.

Part Three Using Technology and Information to Build Customer Relationships Focuses on e-marketing, customer relationship management, marketing research, and information systems.

Part Four Target Markets and Customer Behavior
Covers target markets, segmentation, and consumer and business markets' buying behavior.

Part Five Product Decisions

Discusses product concepts, developing and managing products, branding, packaging, and services marketing.

Part Six

Distribution Decisions
Provides coverage of marketing channels, supply chain managers, wholesaling, and physical distribution.

Part Seven Promotion Decisions
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<sup>TM</sup> 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.

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- Color transparencies. A set of over 250 color transparencies offers the instructor visual teaching assistance. About half of these are illustrations from the text. The rest are figures, tables, and diagrams that can be used as additional instructional aids.
- Call-in test service. This service lets instructors select items from the Test Bank and call our toll-free number to order printed tests.
- Instructor's Resource Manual. Written by the text's authors, the Instructor's Resource Manual includes a complete set of teaching tools. For each chapter of the text, there is (1) a teaching resources quick reference guide, (2) a purpose and perspective statement, (3) a guide for using the transparencies, (4) a comprehensive lecture outline, (5) special class exercises, (6) a debate issue, (7) a chapter quiz, (8) answers to discussion and review questions, (9) comments on the end-of-chapter cases, and (10) video information. In addition, the Instructor's Resource Manual includes comments on the end-of-part strategic cases and answers to the questions posed at the end of Appendix B, Financial Analysis in Marketing.
- Role-play exercises. Three role-play exercises that allow students to assume various roles within an organization are available in the *Instructor's Resource Manual* and on the instructor's website. The exercises are designed to help students understand the real-world challenges of decision making in marketing. Decisions require a strategic response from a class group or team. These exercises simulate a real-world experience, and give students an opportunity to apply the marketing concepts covered in the text. The *Instructor's Resource Manual* provides in-depth information concerning the implementation and evaluation of these exercises.

# A Format and Supplements to Meet Student Needs

### **Text Format**

We have heard students' complaints about price. In response, we continue to offer all the benefits of a comprehensive textbook, but in the convenient, low-cost loose-leaf format. Students have told us they like this format—they can carry only those chapters they need, and it is available for about two-thirds the cost of a hardcover textbook. For professors or students who want a bound book, we do offer the traditional hardcover, Library Edition version. We also offer a low-cost ebook version of the text. For more information about an ebook, contact your Houghton Mifflin sales representative.

### **Supporting Supplements**

The complete package available with *Marketing: Concepts and Strategies* includes support materials that facilitate student learning.

- Marketing Bonus Pack: Your Guide to an 'A.' This guide to all the tools in the textbook and student supplements includes important study tips to help students achieve success in this class. Packaged with every new book, the Marketing Bonus Pack also includes a unique passkey for access to premium online study guide content on the student website. For students buying a used textbook, the Marketing Bonus Pack is available for less than the price of a traditional Study Guide.
- Student Website. With premium content accessible via the unique passkey provided in the Marketing Bonus Pack, this website contains a variety of study tools including
  - ACE online self-tests. By far the most popular online content with students, these questions allow students to practice taking tests and get immediate scoring results.

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- Flashcards. All the key terms in every chapter are presented as electronic flashcards (that can also be printed) to help students master marketing vocabulary.
- Marketing Plan worksheets. These worksheets take students step-by-step through the process of creating their own marketing plan. Along with the text discussion and sample marketing plan, this is a project that will help students apply their knowledge of marketing theories.
- Career Center. Downloadable "Personal Career Plan Worksheets" and links to various marketing careers websites will help students explore their options and plan their job search.
- Internet exercises. Including the text exercises with links and updates as necessary, these reinforce chapter concepts by guiding students through specific websites and asking them to assess the information from a marketing perspective. Additional exercises are also offered for professors who want to assign them.
- Company links. Hot links to companies featured in the text are provided so that students can further their research and understanding of the marketing practices of these companies.
- Online glossary and chapter summary. These sections help students review key concepts and definitions.
- Study Guide. Written by the text's authors, this printed supplement helps students to review and integrate key marketing concepts. The Study Guide contains questions different from those in the online study aids, and includes chapter outlines as well as matching, true/false, multiple-choice, and minicase sample test items with answers.

# **Your Comments and Suggestions are Valued**

Bill Pride and O.C. Ferrell have been co-authors of *Marketing: Concepts and Strate-gies* for the past twenty-seven years. Their major focus has been on teaching and preparing learning material for introductory marketing students. They have both traveled extensively to work with students and understand the needs of professors of introductory marketing courses. Both authors teach this marketing course on a regular basis and test the materials included in the book, *Test Bank*, and other ancillary materials to make sure they are effective in the classroom.

Through the years, professors and students have sent us many helpful suggestions for improving the text and ancillary components. We invite your comments, questions, and criticisms. We want to do our best to provide materials that enhance the teaching and learning of marketing concepts and strategies. Your suggestions will be sincerely appreciated. Please write us, or e-mail us at w-pride@tamu.edu or oc.ferrell@colostate.edu, or call 909-845-5857 (Pride) or 970-491-4398 (Ferrell). You can also send a feedback message through the website at http://www.pride ferrell.com.

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# Brie Contents

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