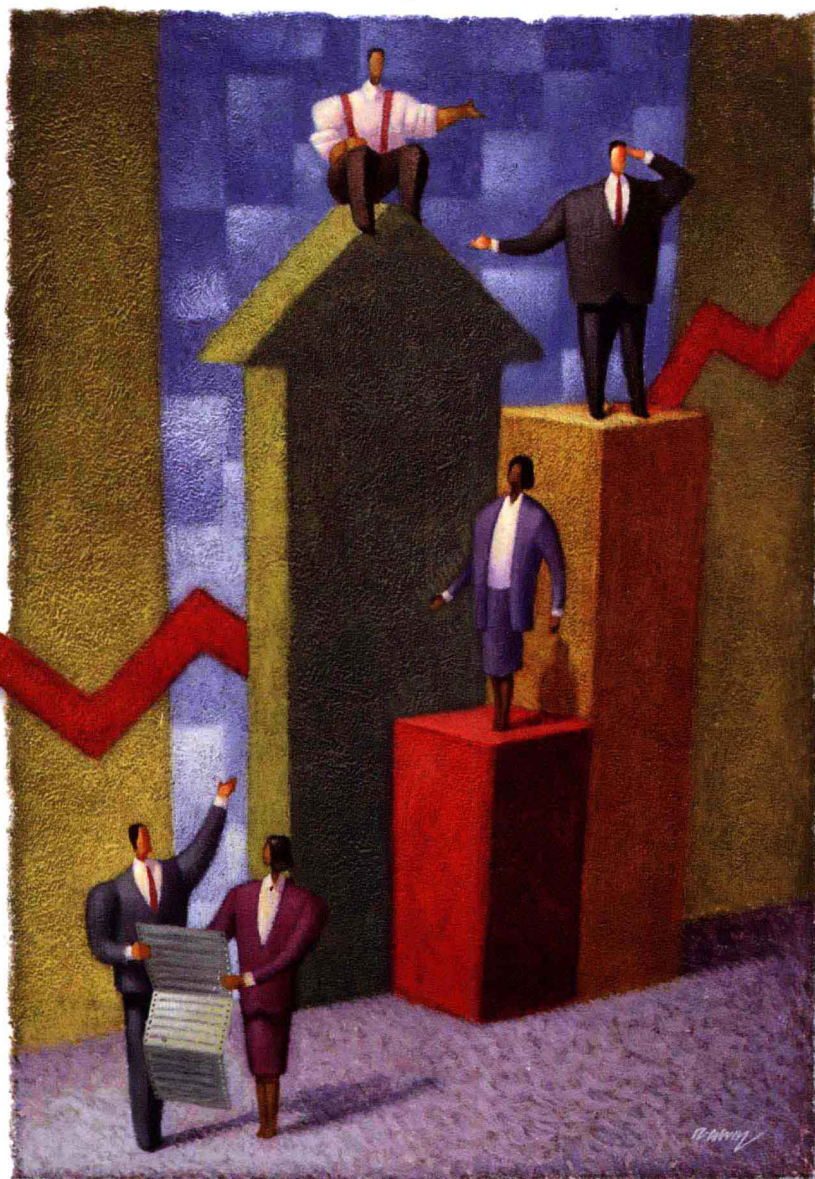


Market-Based Management



**STRATEGIES
FOR GROWING
CUSTOMER
VALUE AND
PROFITABILITY**

Second Edition

Roger J. Best

MARKET-BASED MANAGEMENT

**STRATEGIES FOR GROWING
CUSTOMER VALUE AND PROFITABILITY**

SECOND EDITION

Roger J. Best

Professor of Marketing
University of Oregon

**Prentice
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*To my wife, Robin, and my
children, Mary and Oliver.*

preface

Based on positive feedback from students, professors, and those working in the field of marketing, I was encouraged to pursue a second edition of *Market-Based Management*. The strength of the book remains its focus on market orientation and the process and tools for building marketing strategies that deliver superior levels of customer value and profitability. A differentiating feature of this book is its focus on marketing profitability, and the role marketing strategies play in building the profits of a business. The best way to accomplish this is with a market-driven strategy that can attract, satisfy, and retain customers with a value that is superior to competing products or services.

The second edition builds on this theme in several ways. First, at the end of each chapter there is an Application Problem. These are comprehensive problems built around real companies such as Dell Computer, Gardenburger, Hewlett Packard, and Amazon.com. Each problem highlights a key concept presented in the chapter. Those interested can work the Application Problem and check their understanding by reviewing a discussion of the problem at www.prenhall.com/phbusiness. Other noteworthy features of the second edition include a separate chapter for Strategic Market Planning, a sample Marketing Plan, Glossary, and more examples of how well-known companies utilize the marketing tools presented to build marketing strategies that deliver profitable growth.

Market-based management is intuitively easy but deceptively difficult. The reason students and professionals like this book is because it is readable, and because it presents the tools and processes needed to actually build a market-driven strategy. The concepts, by themselves, are important and the backbone of market-based management. However, they are of limited value if they cannot be applied in a way that delivers superior customer value and profitability. Those in marketing need to take a greater level of responsibility for managing profits and the external performance of a business. This is an important benefit of this book. It is my hope that this book will help you in your understanding of, commitment to, and practice of market-based management.

Roger J. Best

Professor of Marketing

University of Oregon

acknowledgments

To steal ideas from one person is plagiarism. To steal ideas from many is research.

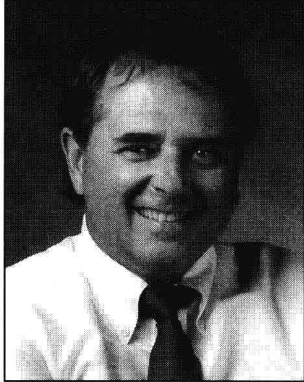
A book such as this is an assimilation of knowledge from many sources. It is an integration of perspectives intended for a particular audience. An author's added value is in the focus, integration, and presentation, but the basic knowledge is derived from many sources. I would like to acknowledge specific individuals whose knowledge contributed to the writing of this book.

First, I would like to acknowledge three individuals who shaped my career and greatly influenced the way I think about marketing: Don S. Tull (deceased), University of Oregon; Del I. Hawkins, Professor of Marketing, University of Oregon, and Charles M. Lillis, CEO, MediaOne Group. Each provided a great deal of insight into my thinking of marketing and eventually market-based management. From each, I have learned a great deal.

Second, I would like to acknowledge the individual feedback I received from Brian T. Engelland, Mississippi State University; Dave Jones, LaSalle University; Ruth Smith, Virginia Tech; and Joseph Belonax, Western Michigan, who provided reviews of this book prior to its revision. Their thoughtful reviews and suggestions for improvement are greatly appreciated and will enhance this second edition.

Finally, this book would not have been possible without the very thorough and dedicated support of Hal Sipe. His participation and contributions were critical to every aspect of the book and are greatly appreciated. I also owe a special thanks to my wife, Robin Best, and Marcia LeBlanc for their time and effort in proofreading this book and making it more readable.

about the author



Roger J. Best is Professor of Marketing at the University of Oregon. Dr. Best earned a Bachelor of Science in Electrical Engineering from California State Polytechnic University in 1968. Following graduation, he joined General Electric where he worked in both engineering and product management. In 1971, he received a patent for a product he invented while with GE. He completed his MBA at California State University–Hayward in 1972 and went on to complete his Ph.D. in Business at the University of Oregon in 1975.

Over the past 25 years, he has published many academic articles. In 1998, Dr. Best was awarded an Excellence in Teaching award by the American Marketing Association.

He is also co-author of *Consumer Behavior: Implications for Marketing Strategy*, which is in its sixth edition. More recently, Dr. Best has developed the Marketing Excellence Survey, an assessment tool for measuring an individual's marketing knowledge and market orientation. He also developed a business simulation called BID-STRAT that requires business teams to develop global marketing strategies in high-tech industries.

Dr. Best also has worked with a variety of companies in both marketing consulting and management education over the past 25 years. These companies include: Dow Chemical, Eastman Kodak, ESCO Corporation, General Electric, James Hardie Industries, Lucas Industries, Pacific Western Pipe, Tektronix, US West, and Xerox. Dr. Best has also taught many executive management education programs at INSEAD in Fontainebleau, France.

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