



MARKETING

BERKOWITZ • KERIN • RUDELIUS

SECOND EDITION

MARKETING

SECOND EDITION

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MARKETING

PREFACE

What makes marketing unique? Perhaps it is the blend of people and organizations, science and art, conscious decisions and blind chance. A textbook must recognize the challenges, controversies, and constraints that marketing professionals encounter. Like our first edition of *Marketing*, this new edition tries to capture the vitality of marketing for you, the reader.

We are delighted by the success of the first edition of *Marketing*. To date, over 150,000 students and 1,000 instructors have used it, and we value highly both the positive comments and the suggestions for improvement we've received from both groups. In this edition we have tried to build on the strengths of the original book while adding new material that reflects the latest developments in this dynamic field.

NEW IN THIS EDITION

- We have expanded coverage of ethical, legal, and regulatory issues to attempt to demonstrate how they affect marketing. We've

added new material in “Promotional Process, Sales Promotion, and Publicity” (Chapter 16), discussing possible abuses of promotion and its ethical and social dimensions. In other chapters we discuss laws and regulatory trends that affect pricing, advertising, and packaging decisions.

- Significant new marketing topics have also been added, such as hypermarkets, single-source data, the “people meter,” and just-in-time inventory. We also analyze current trends in the field, including the move toward “lean” management structures, regional and ethnic market segmentation, entrepreneurial startup businesses and the resurrection of old stand-bys as new stars in many companies’ product lines.

- Finally, significant recent research related to marketing is utilized. We believe that students must be aware of important research that analyzes and explains consumer behavior and the success or failure of marketing programs. This edition features an in-depth treatment of consumer behavior (Chapter 4) that examines both classic research and the latest studies on psychographics, demographics, and psychology. In addition, Marketing Research Reports throughout the book relate research findings to important issues facing marketing managers.

As in the first edition, we want to move you out of the role of bystander and to involve you in the role of the 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.

Our innovative pedagogical approach was overwhelmingly endorsed in the first edition, and we utilize it again in this edition. 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 2 to 3 questions to test your recall. The Learning Objectives at the beginning of each chapter and the Key Terms and Concepts and Summary at the close provide further reinforcement. We also include Suggested Readings, which are annotated to help you decide which source would be most useful to investigate for further information. We believe these features are a giant stride toward capturing on paper the dynamic nature of marketing.

Marketing, Second Edition, is divided into six main parts. Part One, 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.

Part Two, Understanding Buyers and Markets, first describes, in Chapter 4, 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 5.

In Part Three, Targeting Marketing Opportunities, the marketing research function is divided into two important parts: collecting (Chapter 6) and using

(Chapter 7) marketing information. Chapter 7 also describes how today's marketing managers use marketing decision support systems and make market and sales forecasts. The process of segmenting and targeting markets and positioning products appears in Chapter 8.

Part Four, Satisfying Marketing Opportunities, covers the four *P*'s—the marketing mix elements. Unlike most competitive textbooks, the product element is divided into the natural chronological sequence of first developing new products (Chapter 9) and then managing the existing products (Chapter 10). Pricing is covered in terms of underlying pricing analysis (Chapter 11), followed by actual price setting (Chapter 12) and the related Appendix A, "Financial Aspects of Marketing." Three chapters address the place (distribution) aspects of marketing: "Marketing Channels and Wholesaling" (Chapter 13), "Physical Distribution" (Chapter 14), and "Retailing" (Chapter 15). 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 16 discusses marketing communications in general and presents an in-depth treatment of sales promotion, an activity that often exceeds advertising in the promotional budgets of many firms but receives minimal coverage in many current textbooks. "Advertising" (Chapter 17) and "Personal Selling and Sales Management" (Chapter 18) complete the coverage of promotional activities.

Part Five, Managing the Marketing Process, expands on Chapter 2 to show how the four marketing mix elements are blended to plan (Chapter 19) and implement and control (Chapter 20) marketing programs. Because these topics can become very abstract, both chapters close with an example of how Yoplait Yogurt's marketing program is planned, implemented, and controlled.

Part Six, Expanding Marketing Settings, devotes separate chapters to two marketing topics of increasing importance in today's world: international marketing (Chapter 21) and marketing of services (Chapter 22). The part closes with Appendix B, "Career Planning in Marketing," which discusses the marketing jobs themselves and how to get them.

Cases from actual organizations, a detailed glossary, and three indexes (brand, product, and firm; author; 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.

Supplements

Producing supplements of extraordinary quality and utility to complement the text itself was, from the onset, a primary objective of the authors and publisher. Too often, emphasis and investment in these key components are based on quantity, not utility. All supplements accompanying this text that are to be used with students, from the test items to the study guide, have been reviewed by many of the same instructors who critiqued various drafts of the text. Additionally, much attention has been given throughout to providing elements and features in these supplements that were requested by both inexperienced and experienced instructors. As a result, each component contains several features not offered with any other marketing text.

Instructor's Manual

The Instructor's Manual includes conversion notes, lecture outlines, transparencies and transparency masters, and answers to text questions. Supplementary Marketing Action Memos and Marketing Research Reports are also provided.

Transparency Acetates

A set of 200 overhead transparency acetates in both two and four colors is available free to adopters. More than two-thirds of these have been developed from outside the text.

Test Bank

Our Test Bank has been reviewed to ensure clarity, accuracy, and an appropriate range and level of difficulty. It contains more than 2,000 questions, categorized by chapter, by subject area within the chapter, and by level of difficulty. With this edition, the bank also includes approximately 20 applications questions, 5 essay questions, and approximately 75 to 100 multiple choice questions per chapter, making it one of the most comprehensive test packages on the market.

Computest II Microcomputer Testing System

In addition to the printed format, the computerized test bank is also available free to adopters. The easy-to-use test bank includes all the questions 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.

Videotape Case Studies

A unique series of contemporary marketing programs 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

Coauthored by an educational consultant, the Study Guide enables the student to learn and apply marketing 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 make marketing decisions and see the results.

Newsletter

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.

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 Times Mirror/Mosby and 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 class-testing the manuscript in actual teaching situations. Additionally, photo researchers worked closely with us to select illustrations that would effectively reinforce the textual narrative.

In creating the second edition, we 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 revise those which needed more work.

Finally, faculty from various schools nationwide were commissioned to review our first and second drafts, 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

Writing and publishing a major textbook and supplements package are beyond the capacity of one author—or even three! 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 edition and basic focus of this book include:

William D. Ash <i>California State University, Long Beach</i>	Joe Cronin <i>University of Kentucky</i>
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helpful advice on the Test Bank, and educational consultant Erica Michaels, assisted by Ron Michaels of the University of Kansas, wrote the Study Guide and coauthored the Test Bank. Carl Obermiller of the University of Washington also contributed to the Test Bank.

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We thank all these people and organizations for their contributions. We feel that together we have provided you with the second edition of an educationally vital yet immensely readable book.

ERIC N. BERKOWITZ
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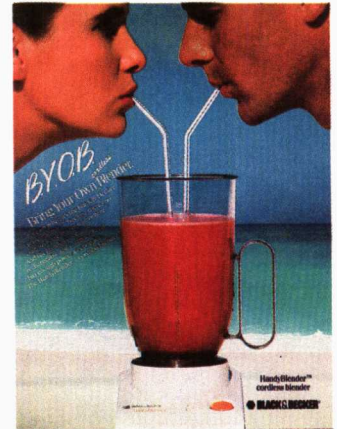
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