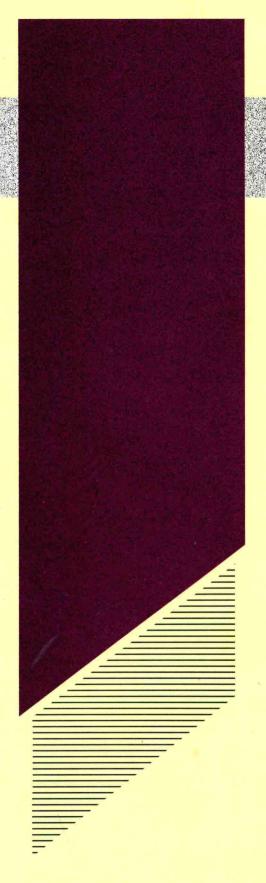
PRINCIPLES OF

MODERNMARKETING

Stewart W. Husted Dale L. Varble James R. Lowry





Principles of Modern Marketing

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Principles of Modern Marketing

To my parents . . . John and Katheryn; and Kathy, Ryan, and Evan

To Mary Ellen, Emily, Derek, Sarah, and Kathy

To Margaret, Stephen, Chip, and David

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Preface

Several years ago, we conceived the idea for a new Principles of Marketing text. We wanted to write a marketing text with a different twist, one that did more than just repeat the approaches already taken by existing texts.

Our initial task as authors of *Principles of Modern Marketing* was to assist our publisher in the development of a marketing plan for our text. As in all marketing plans, our first step was to conduct a situation analysis. In other words, we evaluated the competition in this market and the factors that would influence the success of our text in the marketplace. Our analysis revealed that there were several high-quality texts that followed a rather standard, theoretical approach to teaching marketing principles. These texts combined the functions of marketing with the management of those functions.

Information from a survey of more than 200 marketing instructors, and several focus groups, revealed what was perceived by many to be a major weakness in existing marketing texts—the lack of *applied marketing*. An appropriate blend or balance of marketing theory and application was missing.

Armed with this information, we sought to find such a balance. Our goal was not to write a book that skimped on theory, but rather to develop a text containing theory that could be applied using an integrated pedagogical method.

The missing link soon became apparent. We discovered that no existing marketing text gave the marketing plan appropriate emphasis. In real-world settings, the importance of the marketing plan cannot be overemphasized. However, in textbooks on marketing, it is very much underemphasized. The marketing plan is the key link between theory and application.



WHY ADOPT THIS TEXT?

Principles of Modern Marketing is the first text to provide a true balance of theory and application in the comprehensive marketing plan outline. By including this sevenpart marketing plan outline in the text and providing an overview of the components of a marketing plan in Chapter 2, the 4Ps are strongly reinforced for the students. This approach also helps them develop decision-making and other marketing management skills. In addition, we have included completed marketing plans in the Instructor's Manual for each of the four Comprehensive Cases appearing at the end of the text. Also included in the Instructor's Manual is an Extended Case and a completed marketing plan for it. (Details of the four Comprehensive Cases, as well as what is included in the Instructor's Manual, are discussed later in this preface.) We have provided comprehensive coverage of key topics, devoting at least two chapters to each of the 4Ps.

Each chapter of *Principles of Modern Marketing* was reviewed three times by separate groups of reviewers who worked hard to help us perfect our text plan. Students should enjoy reading the text and retain a high percentage of the material. Instructors will find a complete ancillary package, including instructor's manual, test bank, study guide, transparencies, videos, and the unique The Modern Marketing Planner software, a computer program that guides the student in creating a marketing plan.



STUDENT LEARNING AIDS

Principles of Modern Marketing was designed to make the study of marketing principles as rewarding as possible. Our state-of-the-art pedagogy includes:

Chapter Outlines

Each chapter is introduced by a chapter outline, which includes case titles, major chapter headings, and end-of-

chapter features.

Manual.

Learning Objectives

The learning objectives in Principles of Modern Marketing identify the knowledge and application skills the student should master after reading each chapter. A summary of each objective is provided in the Goal Summary section at the end of each chapter.

Introductory Cases/ The Case Continues Each chapter opens with an introductory real-life case. The Case Continues feature extends the case, appearing at three or four junctures throughout each chapter. This feature serves a dual purpose: It extends the story into the chapter, encouraging students to continue reading, and it reinforces the text material it directly precedes. In addition, answers to the "Issues for Discussion" questions for each case are provided in the Instructor's

Three Kinds of Marketing Highlight Boxes Appearing throughout the text are three kinds of boxes, including *Marketing in Action*, *Real People in Marketing*, and *The Rest of the Story*. These boxes link chapter content to real-world marketing people and events.

Margin Notes

Each chapter contains margin notes that highlight key concepts. Our intention when writing these notes was to amplify, rather than simply reiterate the text material. The margin notes provide an excellent additional "push" to the study process.

Goal Summary

As noted above, the Goal Summary section summarizes each learning objective.

Key Terms

Boldfaced key terms, appearing throughout each chapter, are listed at the end of the chapters and are crossreferenced to the pages in which they appear. Each boldfaced key term also appears in the glossary.

Check Your Learning

The Check Your Learning section consists of multiplechoice and true/false questions, with answers provided at the end of the book. This section provides students with quick feedback to help ensure that they are grasping key concepts. This feature was well received by reviewers and has proven successful in leading psychology texts.

Questions for Discussion and Review Some questions in this section focus on reviewing chapter material, while others are more thought-provoking and can serve as catalysts for classroom discussion. Answers to each chapter's questions are provided in the Instructor's Manual.

Concluding Cases

Each chapter ends with a real-world case that asks students to analyze contemporary marketing problems and opportunities that occur in the operation of an organization. Cases are drawn from a wide range of organizations, including those in the service, consumer products, industrial, and nonprofit sectors. Again, the answers to the "Issues for Discussion" questions for each concluding case are provided in the Instructor's Manual.

Glossary

All key terms are defined in the glossary.

The Comprehensive

Four comprehensive cases are provided at the end of the text. These may be used in conjunction with the marketing plan or read as discrete cases. They include nonprofit, industrial, consumer products, and retail organizations:

Cases

Case 1—Western Technical College

Case 2—Borg-Warner's Mechanical Seal Division: A Pulp Mill Market Plan

Case 3—Paws, Inc.—The Tale of Garfield Case 4—Marsh—Retail Food Distributor

THE MARKETING PLAN

This text uses the marketing plan as a focal point to aid in the teaching and learning of marketing principles. It offers great flexibility as a teaching tool.

The instructor has a variety of options in deciding either how much or how little this feature will be used. If the instructor does not wish to assign students the task of developing a marketing plan, the plan outline can simply serve as a unifying theme throughout the book—providing a structure and a coherence to the various aspects of marketing. Students often experience difficulty in understanding how the different facets of marketing (for example, marketing research, consumer behavior, pricing, and promotion) interact in the real world of marketing management. The marketing plan outline gives students a very clear idea of what a marketing manager actually does.

As a second option, the instructor can direct the student to select one or more of the four Comprehensive Cases to use in developing the marketing plan. Completed marketing plans for the Comprehensive Cases—which include a consumer products company, an industrial firm, a nonprofit organization, and a retail company—are provided in the Instructor's Manual.

A third option is to provide the students with the Extended Case on Newbury Comics in the Instructor's Manual. A completed marketing plan for The Newbury Comics Company is also provided in the manual.

The Modern Marketing Plan software can be integrated into any of these approaches to teaching the marketing plan.

SECTIONS IN THE TEXT WHERE THE PLAN APPEARS

MARKETING PLAN PART, PAGE NUMBER, SAMPLE QUESTIONS

Section Three Identification of Target Markets

(appears after Chapter 4)

SITUATION ANALYSIS

(Part 2 of the Marketing Plan, p. 115) Describe your company's product or service. Is the size of the market increasing? Decreasing? How fast is the market changing?

MARKETING PLAN OBJECTIVES

(Part 3 of the Marketing Plan, p. 116) What is the organization's mission? Have the firm's resources been identified? Are the objectives of the marketing plan compatible with the firm's mission?

Section Four The Product/

Service Plan (appears after Chapter 7)

MARKET SELECTION: TARGET MARKETS

(Part 4 of the Marketing Plan, p. 200) What are the characteristics of the market? Why were these target markets selected? Assess the potential of each market segment.