

FUNDAMENTALS OF MARKETING

William J. Stanton and Charles Futrell



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EDITION**

FUNDAMENTALS OF MARKETING

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TO

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ABOUT THE AUTHORS



William J. Stanton and
Charles Futrell

William J. Stanton is a Professor of Marketing at the University of Colorado, in Boulder. He received his Ph.D. from Northwestern University. For over 30 years, Professor Stanton has worked extensively with both undergraduate and graduate students at Colorado, developing teaching-learning materials as well as curricular programs.

As an extension of his teaching interests through the years, Professor Stanton has worked in business and taught in several management development programs for marketing executives, some of which were in Europe, Mexico, and Canada. He has also served as a consultant for several business organizations and engaged in research projects for the federal government.

Fundamentals of Marketing has been translated into Spanish, Portuguese, Italian, and Indonesian languages, and separate editions have been adapted (with coauthors) for students in Canada, Australia, and Italy. Professor Stanton has lectured at universities in Europe, Asia, Mexico, and New Zealand. He is also the coauthor of the most widely used textbook in sales management courses, and he has written journal articles, monographs, and other books.

In a survey of marketing educators, Professor Stanton was voted one of the leaders in marketing thought, and he is listed in *Who's Who in America* and *Who's Who in the World*. In his "spare" time he thoroughly enjoys jogging, skiing, gardening, and traveling.

Charles Futrell is Professor of Marketing at Texas A&M University. He brings a rich and varied background of professional experience as he joins Professor Stanton as coauthor for the first time in this edition.

Before beginning his academic career Professor Futrell worked in sales and marketing capacities for eight years with the Colgate-Palmolive Company, Upjohn Company, and Ayerst Laboratories. An excellent classroom teacher, he has written or cowritten five successful texts for the college and professional audience, and his work in sales and marketing management has appeared in numerous national and international journals. Professor Futrell also serves as a frequent reviewer for several academic journals including the *Journal of Marketing* and the *Journal of Marketing Research*. In his fifteen years as a university instructor and teacher for various executive development programs and the Bank Marketing Association, he has developed numerous innovative instructional materials including computer simulations, computerized classroom materials, and video exercises.

Professor Futrell enjoys coaching Little League baseball, photography, and fishing.

THE BOOK—UPDATED FOR THE 1990s

Our first goal in revising this text for the 1990s was to reflect the major social and economic forces presenting serious challenges to business and particularly to marketing today. Thus many changes have been made in this edition to introduce recent developments and new concepts and thereby prepare students for marketing in the text decade.

As we move through the late 1980s and prepare for the 1990s, our socioeconomic setting is quite different from what it was when this book was first published. Both the economic growth rate and the birth rate have slowed in industrial nations. Values are changing as all of us become concerned about our social and physical environment and quality of life. The role of women continues to change significantly, and computers are dramatically altering many aspects of our lives. Foreign competition seriously affects many industries. Our text reflects all these influences.

THE MAJOR CHANGES IN THIS EDITION

Of the many changes reflecting our focus for the 1990s, the most immediately noticeable is the change in the physical appearance of the book. The new design which features full-color photographs and drawings is a dramatic improvement over the preceding edition and provides immense pedagogical benefits—the book is a delight to read and to teach from.

We also have made many significant changes in the content of the book. At the beginning of each chapter, there is a real-world vignette accompanied by related photographs. A new chapter (3) is now devoted to strategic marketing planning, thus reflecting the interest in this topic in marketing courses. Throughout the text we continue to develop this topic at a level and depth of coverage that we feel is appropriate for a beginning course in marketing. A new chapter (2) now is devoted to the marketing environment. We have also written a separate chapter (8) on market segmentation and demand forecasting.

The previous two chapters on sociological and psychological aspects of consumer buying behavior now are condensed and combined into one chapter. We also have condensed our treatment of pricing into two chapters, instead of three as in previous editions. This was done by covering price determination in a single chapter. The treatment of sales promotion and publicity in Chapter 20 has been expanded. The

discussions of types of consumer and industrial products have been moved to the introductory chapter (9) on product planning. Chapter 24 now includes coverage of the implementation stage in the management process (as well as the previous coverage of the evaluation stage).

Twelve of the 24 cases are new and several other chapters have been substantially rewritten. All material, including countless new examples, has been updated throughout the book. Except for some classic references, virtually all referenced sources are from the 1980s, including 1986. We have also prepared a much expanded and improved package of teaching and learning supplements (see below for full descriptions of each item).

THE BOOK—ITS BASIC STRUCTURE

Those familiar with the earlier editions will find that we retained the features that made the book an outstanding teaching and learning resource. The writing style continues to make the material clear and interesting to read. The organization is appropriate; material flows logically with a section-heading structure that makes for easier reading and outlining. We provide many excellent end-of-chapter discussion questions. Most of these are thought-provoking and involve the *application* of text material, rather than being answerable “straight out of the book.” The 24 short cases each focus on a topic covered in the text, and they provide students an opportunity for problem analysis and decision making.

We also have retained and updated such teaching-learning features as chapter objectives, chapter summaries, and a glossary. The key terms and concepts are highlighted in bold type throughout the text and are summarized in a list at the end of each chapter.

The basic theme, approach, and organization have been retained from previous editions. The central theme is that marketing is a total system of business action rather than a fragmented assortment of functions and institutions. While some attention is directed to the role of marketing in our socioeconomic system, the book is written largely from the viewpoint of marketing executives *in an individual firm*. This firm may be a manufacturer or a middleman, a business or a nonbusiness (nonprofit) organization, and it may be marketing products or services.

The marketing concept is a philosophy that stresses the need for a marketing orientation compatible with society’s long-run interests. This philosophy is evident in the framework of the strategic marketing planning process. A company sets its marketing objectives, taking into consideration the environmental forces that influence its marketing effort. Management next selects target markets. The company then has four strategic elements—its product, price structure, distribution system, and promotional activities—with which to build a marketing program to reach its markets and achieve its objectives. In all stages of the marketing process, management should use marketing research as a tool for problem solving and decision making.

This framework for the strategic marketing planning process is reflected generally in the organization of the book’s content. The text is divided into eight parts. Part 1 serves as an introduction and includes chapters on the marketing environment, strategic marketing planning, and marketing information systems. Part 2 is devoted to the analysis and selection of target markets—either consumer or industrial markets.


Parts 3 through 6 deal with the development of a marketing program, and each

of these parts covers one of the above-mentioned components of the strategic marketing mix. In Part 3 various topics related to the product are discussed. The company's price structure is the subject of Part 4, and Part 5 covers the distribution system, including the management of physical distribution. Part 6 is devoted to the total promotional program, including advertising, personal selling, and sales promotion.

Part 7 is devoted to marketing fundamentals as they are applied to three special fields—the marketing of services, marketing in nonbusiness organizations, and international marketing. Part 8 deals with the implementation and evaluation of the total marketing effort *in an individual firm*. Part 8 also includes an appraisal of the role of marketing *in our society*, including the subjects of consumer criticisms and the social responsibility of an organization. At the end of the book there are two appendices, one on marketing arithmetic, and the other a discussion of careers in marketing and how to get a job.

TEACHING AND LEARNING SUPPLEMENTS ■

The textbook is only the central element in a complete package of teaching and learning resources that have been considerably revised and expanded for this edition. This package includes:

- *Instructor's manual* with outlines for each chapter plus several hundred articles that have been outlined to provide examples not found in the text, and commentaries on the cases, end-of-chapter questions, and exercises from the *Study Guide*.
- *Study Guide* with chapter outlines, test questions, real-world readings for each chapter, and exercises that involve the students in practical marketing experiences.
- *Test bank* that includes an extensive assortment of multiple-choice and true-false questions for each chapter. This test bank also is available in computerized form for mainframe and microcomputers.
- *Color transparencies* that include all the figures from the book. We also provide lecture-outline transparencies for each chapter.
- *Cases for computer use*. Eight of the cases in the text are set up for use with Lotus IBM personal-computer software. They are indicated in the text by this symbol: .
- *Simulation exercise* for use on an IBM PC. This is a simple, one-product simulation calling for nine decisions primarily in marketing.

ACKNOWLEDGMENTS ■

Many people—our students, present and past colleagues, business executives, publishers, and other professors—have contributed greatly to this book over the years. In this edition several of the cases were written by other people, and in each instance the authorship is identified. The revised and expanded *Study Guide* once again was prepared by Thomas J. Adams of Sacramento City College. The excellent test bank was prepared by Charles L. Martin of Wichita State University. For their fine efforts in adapting some of our cases for use on personal computers we especially want to thank W. Austin Spivey, Raydel Tullous Spivey, and Jerre B. Richardson, all at the University of Texas at San Antonio.

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William J. Stanton

Charles Futrell

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