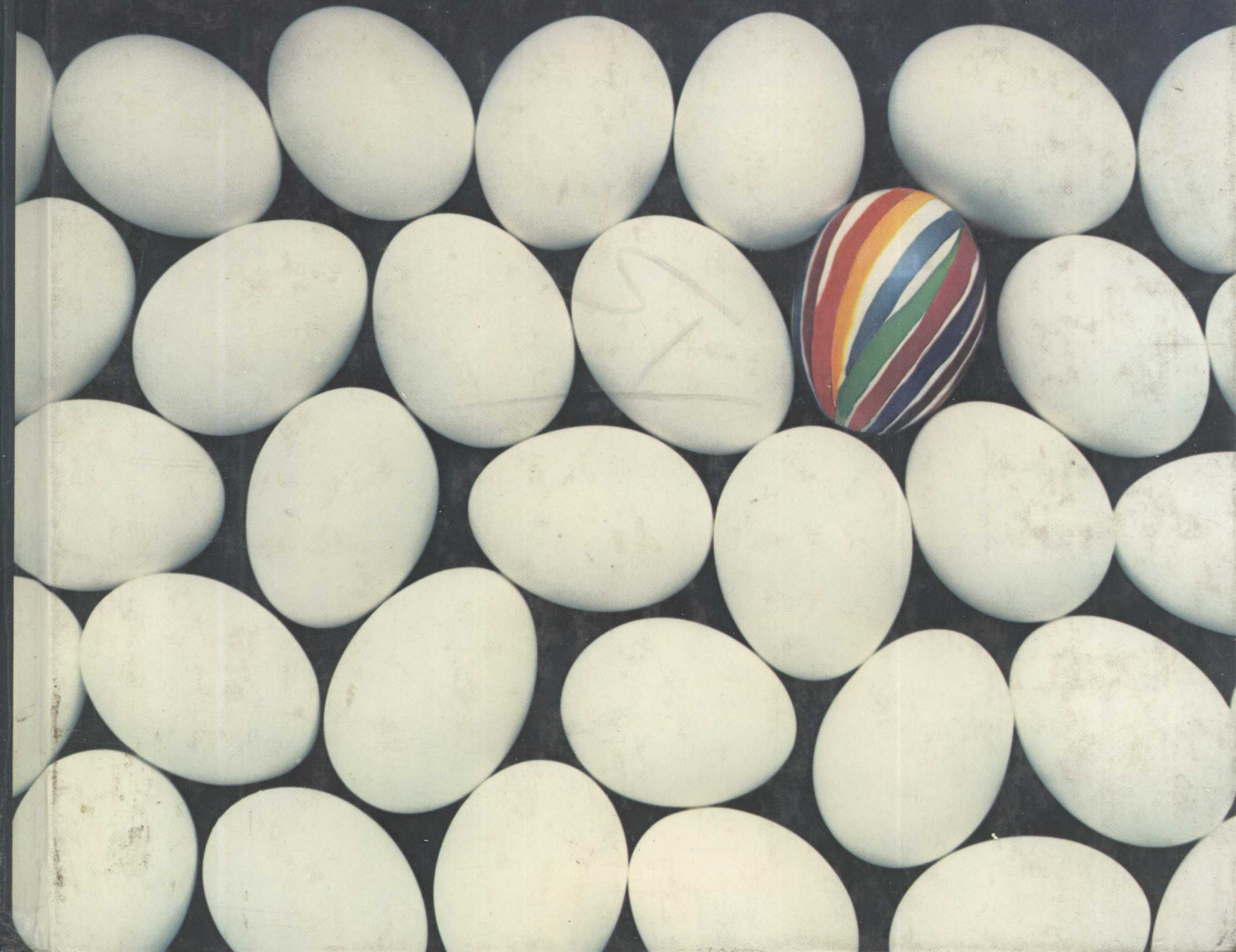


MARKETING

CONTEMPORARY CONCEPTS AND PRACTICES

Schoell and Ivy



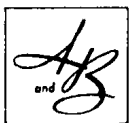
MARKETING:

Contemporary Concepts and Practices

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University of Southern Mississippi

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Preface

Not long ago, marketing was low on the list of important business functions. Production and finance, for example, almost always preceded it in perceived importance to business success. Marketing simply meant finding buyers for a firm's products and moving those products to the buyers.

In fact, it was not until the middle of this century that business people began to recognize marketing's importance. That recognition fostered a gradual movement from a production orientation to a marketing orientation in many companies. The revolutionary new idea was that businesses exist mainly to satisfy their customers—that is how they will profit most over the long haul.

Today more than ever before, effective marketing is recognized as an essential ingredient in the successful operation of any type of organization, including business firms, governments, nonprofit organizations, and individuals. It is not unusual, today, to hear the statement "We need to do a better job of marketing ourselves" from college and university presidents, hospital administrators, heads of government bureaus and agencies, police chiefs, museum directors, politicians, and spokespersons for charitable organizations and churches. As marketing has become more essential to the successful operation of all types of organizations, it has become more complex, more controversial, more challenging, more dynamic, more socially responsive, and perhaps most importantly, infinitely more interesting and exciting.

Considerable marketing effort preceded and accompanied the writing and production of this text. We began by surveying students and instructors in introductory marketing courses con-

cerning what they wanted in a basic marketing text. Based on the results, we realized that students in the course have various backgrounds and academic majors. We learned that some of them are not business majors, many are not marketing majors, and many are employed full- or part-time. The average age of the students also seems to be rising. Finally, it became clear that today's students demand more of the texts they use and are not hesitant to complain about texts to their instructors.

What about the instructors? We found that many are teaching larger sections, many are having to perform an increasing variety of nonteaching activities, and they want a text that has no gaps in coverage. They want a basic, but comprehensive, text that is teachable, contemporary, relevant, and presents marketing as a dynamic, interesting, and exciting discipline.

Thus our primary mission in *Marketing: Contemporary Concepts and Practices* is to convey the excitement of marketing and provide students with a basic understanding of fundamental marketing concepts and how they are applied in contemporary marketing practice. Some students will have little or no previous formal exposure to marketing other than through their roles as consumers. Others, as we said earlier, will be employed full- or part-time. This text should be relevant and useful to both groups. We make no assumptions regarding any prerequisite work experience or college courses.

This text presents concepts in adequate breadth to give a comprehensive overview of the marketing discipline. They also are presented in sufficient depth to develop and maintain the interest of students who have had some on-the-job exposure to marketing, whether in a business

or nonbusiness organization. Numerous examples of real world marketing practices illustrate the application of the concepts.

Marketing is the process of managing effort, in a dynamic environment and in a socially responsible manner, to facilitate exchange relationships that match an organization's capabilities and resources with the wants of selected market targets. Although it views marketing as a process of managing effort, this is not a marketing management text. You will get a taste of marketing management and decision making, for example, from the chapters on selecting market targets and developing and managing marketing mixes. Matching an organization's capabilities and resources with the wants of selected market targets is a major task of marketing. All organizations have limited capabilities and resources which they must direct toward satisfying target groups' wants.

As we suggested earlier, the marketing process occurs in a dynamic environment whose pace of change has accelerated in recent years. This has been accompanied by an equally rapid change in marketing practice. You will encounter frequent references to this environment and see how it affects, and is affected, by marketing practices.

The issue of social responsibility is an important part of this change. More than ever before society is holding marketers accountable for their actions. Thus some marketing practices that may have been acceptable only a few years ago may be unacceptable today. Marketing is no longer a simple matter of stimulating demand without regard to customer and social welfare. This makes marketing decision making more complex and requires marketers to consider the social consequences of their decisions.

Because instructors want a text that will facilitate teaching, learning, and comprehension, we focused a great deal of effort on organizing the material in a logical and straightforward manner. The text is organized into eight sections. We introduce a basic model in Chapter 1 to link them together. Each section begins with a preview of the material to be covered in the related chapters.

Section One traces the evolution of marketing and presents an overview of the marketing process and its environment. Section Two focuses on the American consumer market, its buy-

ing decisions and behavior, and the industrial market, with its buying decisions and behavior. Section Three examines how a marketing organization matches its capabilities and resources with the wants of its market targets. The focus is on the analysis of market opportunity, the selection of market targets, and marketing research. Sections Four through Seven develop the concept of the marketing mix in detail. The product component is the central concern in Section Four, the distribution component is covered in Section Five, the promotion component is examined in Section Six, and the price component is analyzed in Section Seven. Section Eight focuses specifically on international marketing.

Each chapter opens with a set of objectives you should be able to accomplish after completing the chapter, and a list of the chapter's key concepts. These concepts are listed in the order of their appearance in the chapter and are highlighted in the margins where they are introduced into the discussion.

Following the list of key concepts is a brief attention-getter. Some are vignettes, some raise contemporary issues related to the chapter content, and some seek to stimulate thinking about how marketing affects our daily lives. Next is a short introduction to the chapter material. Each chapter includes numerous examples, tables, and figures to enrich discussion, and a summary outlines the chapter's main points and provides a brief look ahead to the next one. Each chapter ends with two types of questions. The review questions are a good tool for self-testing. They can be answered directly from material presented in the chapter. The discussion questions require more original input from you. Their purpose is to stimulate critical thinking, application, and discussion.

In addition to various supplements for the instructor, a *Study Guide* is available to reinforce text discussion for students. Many of the exercises permit self-testing.

We sincerely want to encourage both students and instructors to send us their comments regarding the text and its supplements. That type of feedback from you will help us in future editions to do a better job of satisfying your need for an up-to-date marketing text that is relevant, teachable, and learnable.

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Section I

Background

The two chapters in Section I set the stage for our discussion of contemporary marketing. In Chapter 1 we will learn that marketing exists at two levels, the macro and the micro levels. All countries need a marketing system to resolve the basic problem of allocating their limited resources to satisfy the unlimited wants of society. A marketing system provides a way to organize production and consumption activities. This economy-wide perspective of marketing is called macro marketing. Micro marketing, on the other hand, focuses on the marketing effort of individual marketers—business firms, nonprofit organizations, and individuals.

Chapter 2 discusses the environmental setting within which the marketing process takes place. This environment includes economic, competitive, technological, sociocultural and ethical, and political and legal factors that basically are beyond the marketer's control. They are uncontrollable variables in the marketing environment.

