



MARKETING

Concepts and Strategies

Twelfth Edition

William M. Pride

Texas A&M University

O.C. Ferrell

Colorado State University

Houghton Mifflin Company Boston New York

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Printed in the United States of America.

ISBN: 0-618-26244-X
N00968

7 8 9 - DS - 04

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PREFACE

Marketing: Concepts and Strategies has become the most widely adopted introductory marketing textbook in the world. We appreciate the confidence that adopters have placed in our textbook and continue to work hard to make sure that, as in previous editions, this edition keeps pace with changes. This edition provides new marketing knowledge, and a complete balanced approach to teaching this important course. We feel that our book has been successful because it focuses on a comprehensive framework and provides complete coverage of marketing's best practices validated by the latest research. In fact, nearly three-quarters of all of the references used in this edition are from 2000 and 2001. This indicates our desire to reflect the latest changes reshaping the development and implementation of marketing strategies.

While we provide cutting-edge marketing knowledge, there are many marketing issues that all students should learn. Therefore, we provide many new real-world examples, cases, and boxed features that make the traditional content come alive. Our reviewers tell us that we have done an excellent job in presenting marketing in an engaging, readable way that connects students to the realities of marketing. We emphasize emerging developments in the field of marketing such as information technology, customer relationship management, marketing on the Internet, and social issues. But we also provide balance in our coverage, avoiding overemphasis of trendy topics. For example, the role of the Internet in marketing is still evolving. We provide a completely revised chapter on this topic as well as an online chapter on e-marketing to stay current. Most of the issues related to customer relationship management are integrated throughout our textbook, making it clear to students that although this term is now more widely used, marketers have been doing most of these activities for many years. Our book and the online Pride/Ferrell Marketing Learning Center provide all of the resources instructors and students need to maximize learning in introductory marketing courses.

We have also been careful to retain the strengths that have made this the most successful introductory marketing text in the United States and throughout the world. Primary among those strengths is a dedication to customer value and customer relationships—two crucial aspects of today's competitive environment. We listen closely to the feedback of both students and instructors, in order to continue to provide exceptional student value and the most complete, usable, and relevant teaching package available today.

Building on Established Strengths

Features of the Book

As with previous editions, we are providing a comprehensive and practical introduction to marketing that is both easy to teach and to learn. The entire text is structured to excite students about the subject and to help them learn completely and efficiently.

- An *organizational model* at the beginning of each part provides a “roadmap” of the text and a visual tool for understanding the connection between concepts.

- *Learning objectives* at the start of each chapter present concrete expectations about what students are to learn as they read the chapter.
- An *opening vignette* about a particular organization or current market trend introduces the topic for each chapter. Vignettes in this edition include interesting anecdotes about the marketing issues surrounding a variety of products and services from diverse organizations such as FedEx, Nokia, McDonald's, and eBay. Through these vignettes, students are exposed to contemporary marketing realities and are better prepared to understand and apply the concepts they will explore in the text.
- *Key term definitions* appear in the margin to help students build their marketing vocabulary.
- Numerous *figures, tables, photographs, advertisements, and Snapshot and Net Sights* features increase comprehension and stimulate interest.
- Four types of *boxed features* reinforce students' awareness of the particular issues affecting marketing and the types of choices and decisions marketers must make.



*Tech*know* boxes include discussions about the impact of technological advances on products and how they are marketed. Examples of topics are online co-branding, traditional versus online retailing, and using software to set prices.



Marking Citizenship boxes raise students' awareness of social responsibility and ethical issues and the types of ethical choices that marketers face every day. Some of the organizations on which we focus are Wal-Mart, Royal Caribbean, and TRUSTe.



Global Marketing boxed features examine the challenges of marketing in widely diverse cultures for companies such as Universal Studios, Heinz, and De Beers.



Building Customer Relationships boxes look at how organizations try to build long-term relationships with their customers. Examples include Home Depot, NASCAR, and Great Harvest Bread Company.

- A complete *chapter summary* reviews the major topics discussed, and the list of *important terms* provides another end-of-chapter study aid to expand students' marketing vocabulary.
- *Discussion and review questions* at the end of each chapter encourage further study and exploration of chapter content, and *application questions* enhance students' comprehension of important topics.
- An *Internet exercise* at the end of each chapter asks students to examine a website and assess one or more strategic issues associated with the site. *E-Center Resources* points students to the various learning tools that are available on the text's website, the Marketing Learning Center.
- Two in-depth *cases* at the end of each chapter help students understand the application of chapter concepts. One of the end-of-chapter cases is related to a video segment. Some examples of companies highlighted in the cases are New Belgium Brewing Company, Build-A-Bear, JetBlue, VIPdesk.com, and PETsMART.
- A *strategic case* at the end of each part helps students integrate the diverse concepts that have been discussed within the related chapters. Some of the organizations highlighted in these cases include *USA Today*, The American Dairy Industry, and DoubleClick.

- *Appendixes* discuss marketing career opportunities, explore financial analysis in marketing, and present a sample marketing plan.
- A comprehensive *glossary* defines more than 625 important marketing terms.

Text Organization

We have organized the seven parts of *Marketing: Concepts and Strategies* to give students a theoretical and practical understanding of marketing decision making. Part 1 presents an overview of marketing and examines strategic market planning, marketing environment forces, social responsibility and ethics, and international marketing. Part 2 considers information systems and marketing research, target market analysis, and consumer and business buying behavior. Part 3 focuses on the conceptualization, development, management, and branding and packaging, of goods and services. Part 4 deals with marketing channels and supply chain management, wholesaling and physical distribution, and retailing. Part 5 covers integrated marketing communications and promotion methods including advertising, personal selling, sales promotion, and public relations. Part 6 is devoted to pricing decisions. Part 7 discusses implementation and control, e-commerce, and marketing and the Internet.

What's New to This Edition?

To stay on top of the fast-paced changes in the practice of marketing—and new developments in teaching and learning about it—we have added a number of new features to this edition of *Marketing*.

- All the videos are new! A brand new video package accompanies this new edition. Each video (one per chapter) provides the student with an opportunity to put to use the information learned within the context of issues discussed in the chapter.
- A new boxed feature in each chapter, Net Sights, highlights websites that students can visit to learn more about the concepts, companies, and issues that are relevant to the topics discussed in the chapter.
- A brand new text design for this edition makes this book even more reader friendly. A stronger pedagogical use of colors, additional photos, and examples all come together to help students make the connection between concepts discussed in the book and examples taken from a variety of real-world businesses.
- All the boxed features are new or updated. Over half the cases are new and the others have been revised.
- Throughout the text the authors evaluated recent research and best practices to update key concepts presented in the text. Nearly three-quarters of the citations used in this edition of *Marketing* are taken from 2000 and 2001 academic and trade sources. These revisions represent a ground-up rebuilding of cutting-edge concepts and examples.
- Customer relationship management (CRM) is introduced in Chapter 1 and integrated throughout the text at appropriate discussion points. CRM examines how companies acquire customer-related information and how they use it to develop long-term relationships with customers. CRM examines how companies use various sources, including the Internet, to better understand their customers.

- The text presents the latest understanding and role of information technology. Information technology managers rank customer relationship management as their most important issue. New innovations such as streaming video, wireless communication, and the expansion of broadband continue to provide new marketing opportunities. This coverage is integrated into the text at appropriate discussion points in Chapters 1, 3, 6, and 23.
- Coverage of e-marketing (Chapter 24) has been significantly revised and rewritten to reflect current trends including the latest perspectives on the future of e-marketing and the demise of the dot-coms. This chapter continues to appear online on the Pride/Ferrell Marketing Learning Center.
- Over half of the Internet Exercises are new and the others have been revised.
- Global marketing (Chapter 5) material has been updated and rewritten to include the latest coverage of global trade agreements, issues, and trends in global marketing, and the latest research in the area.
- Ethics and social responsibility (Chapter 4) coverage has been expanded to include the latest information on how domestic and international companies contributed support efforts in the aftermath of the September 11 terrorist attacks.
- The pricing chapters (20 and 21) have been reorganized to provide a clearer presentation of this topic. Discussion of demand, elasticity, and costs has been moved to the first pricing chapter.

A Comprehensive Instructional Resource Package

For instructors, this edition of *Marketing* includes an exceptionally comprehensive package of teaching materials.

- *Instructor's website.* This continually updated, password-protected site includes valuable tools to help design and teach the course. Contents include sample syllabi, downloadable text files from the *Instructor's Resource Manual*, role-play exercises, PowerPoint® slides, and suggested answers to questions posed on the student website. New to this edition is a downloadable game, *Who Wants to Be an "A" Student?*, by John Drea, Western Illinois University. This easy-to-use game makes in-class review challenging and fun, and has been proven to increase students' test scores.
- *PowerPoint® slide presentations.* For each chapter, over 25 slides related to the learning objectives have been specially developed for this edition. The slides are original representations of the concepts in the book, providing a complete lecture for each chapter. These slides include key figures and tables from the textbook as well as additional data and graphics. These slides, along with a PowerPoint® reader, are available on the website.
- *HMClassPrep™ CD.* This new software package provides all the tools instructors need to create customized multimedia lecture presentations for display on computer-based projection systems. The software makes available lecture outlines from the *Instructor's Resource Manual*, figures and tables from the text and transparencies, the PowerPoint® slides, and a link to the Web. Instructors can quickly and easily select from and integrate all of these components, and prepare a seamless customized classroom presentation.
- *Online/distance learning support.* Instructors can create and customize online course materials to use in distance learning, distributed learning, or as a supplement to traditional classes. The *Blackboard Course Cartridge* and *WebCT e-Pack* include a variety of study aids for students as well as course-management tools for instructors.

- *Test Bank.* The *Test Bank* provides more than 3,000 test items including true/false, multiple-choice, and essay questions. Each objective test item is accompanied by the correct answer, a main text page reference, and a key to whether the question tests knowledge, comprehension, or application. The *Test Bank* also provides difficulty and discrimination ratings derived from actual class testing for most of the multiple-choice questions. Lists of author-selected questions that facilitate quick construction of tests or quizzes appear in an appendix. These author-selected lists of multiple-choice questions are representative of chapter content. An outside consultant working with the authors was used to review, improve, and test this edition of the *Test Bank*.
- *HMTTesting.* This computerized version of the *Test Bank* allows instructors to select, edit, and add questions, or generate randomly selected questions to produce a test master for easy duplication. An Online Testing System and Gradebook function allows instructors to administer tests via a network system, modem, or personal computer; and sets up a new class, records grades from tests or assignments, analyzes grades, and produces class and individual statistics. This program is available for use on IBM, IBM-compatible, and Macintosh computers.
- *Marketing videos.* This series contains all new videos for use with the end-of-chapter video cases. The *Instructor's Resource Manual* provides specific information about each video segment.
- *Color transparencies.* A set of over 250 color transparencies offers the instructor visual teaching assistance. About half of these are illustrations from the text. The rest are figures, tables, and diagrams that can be used as additional instructional aids.
- *Call-in test service.* This service lets instructors select items from the *Test Bank* and call our toll-free number to order printed tests.
- *Instructor's Resource Manual.* Written by the text's authors, the *Instructor's Resource Manual* includes a complete set of teaching tools. For each chapter of the text, there is (1) a teaching resources quick reference guide, (2) a purpose and perspective statement, (3) a guide for using the transparencies, (4) a comprehensive lecture outline, (5) special class exercises, (6) a debate issue, (7) a chapter quiz, (8) answers to discussion and review questions, (9) comments on the end-of-chapter cases, and (10) video information. In addition, the *Instructor's Resource Manual* includes comments on the end-of-part strategic cases and answers to the questions posed at the end of Appendix B, Financial Analysis in Marketing.
- *Role-play exercises.* Three role-play exercises that allow students to assume various roles within an organization are available in the *Instructor's Resource Manual* and instructor's website. The exercises are designed to help students understand the real-world challenges of decision making in marketing. Decisions require a strategic response from a class group or team. These exercises simulate a real-world experience, and give students an opportunity to apply the marketing concepts covered in the text. The *Instructor's Resource Manual* provides indepth information concerning the implementation and evaluation of these exercises.

A Complete Package of Student Supplements

The complete package available with *Marketing: Concepts and Strategies* includes numerous support materials that facilitate student learning.

- *Pride/Ferrell Marketing Learning Center.* Our student website at <http://www.prideferrell.com> contains the following:

- *Chapter 24, e-Marketing.* This chapter, which appears online at the Pride/Ferrell Marketing Learning Center, explores the world of online marketing, and will be updated as needed to incorporate the latest developments.
- *Internet Exercises.* Including the text exercises with updates as necessary, these reinforce chapter concepts by guiding students through specific websites and asking them to assess the information from a marketing perspective.
- *ACE online self-tests.* Written by the text authors, these questions allow students to practice taking tests and get immediate scoring results.
- *General Resources.* This comprehensive list, which will be continually updated, provides links to numerous authoritative marketing information resources, categorized in a way that makes them accessible and helpful to both students and instructors.
- *Company links.* Hot links to companies featured in the text are provided so that students can further their research and understanding of the marketing practices of these companies.
- *Online glossary and chapter summary.* These sections help students review key concepts and definitions.
- *Marketing plan worksheets.* These worksheets take students step-by-step through the process of creating their own marketing plan. Along with the text discussion and sample marketing plan, this is a project that will help students apply their knowledge of marketing theories.
- *Career center.* Downloadable “Personal Career Plan Worksheets” and links to various marketing careers websites will help students explore their options and plan their job search.
- *Real Deal UpGrade CD.* This self-study aid includes information and exercises on time management, muscle reading, note taking, and testing to help students improve their overall study skills. It also includes practice tests for every chapter in the textbook.
- *Study Guide.* Written by the text’s authors, this printed supplement helps students to review and integrate key marketing concepts. The *Study Guide* contains questions different from those in the online study aids and *Real Deal UpGrade CD*, and includes chapter outlines as well as matching, true/false, multiple-choice, and minicase sample test items with answers.

Your Comments and Suggestions Are Valued

Bill Pride and O.C. Ferrell have been coauthors of *Marketing: Concepts and Strategies* for the past 25 years. Their major focus has been on teaching and preparing learning material for introductory marketing students. They have both traveled extensively to work with students and understand the needs of professors of introductory marketing courses. Both authors teach this marketing course on a regular basis and test the materials included in the book, *Test Bank*, and other ancillary materials to make sure they are effective in the classroom.

Through the years, professors and students have sent us many helpful suggestions for improving the text and ancillary components. We invite your comments, questions, and criticisms. We want to do our best to provide materials that enhance the teaching and learning of marketing concepts and strategies. Your suggestions will be sincerely appreciated. Please write us, or e-mail us at w-pride@tamu.edu or oferrell@lamar.colostate.edu, or call 979-845-5857 (Pride) or 970-491-4398 (Ferrell). You can also send a feedback message through the website at <http://www.prideferrell.com>.

Acknowledgments

Like most textbooks, this one reflects the ideas of many academicians and practitioners who have contributed to the development of the marketing discipline. We appreciate the opportunity to present their ideas in this book.

A special faculty advisory board assisted us in making decisions during the development of the text and the instructional package. For being “on-call” and available to answer questions and make valuable suggestions, we are grateful to those who participated:

David Andrus
Kansas State University
Jenell Bramlage
University of Northwestern Ohio
Renée Florsheim
Loyola Marymount University
Richard C. Hansen
Ferris State University
Manoj Hastak
American University
Joan M. Inzinga
Bay Path College
Marilyn Lavin
University of Wisconsin—Whitewater

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Mohammed Rawwas
University of Northern Iowa
Morris A. Shapero
Schiller International University
Eric R. Spangenberg
Washington State University
Scott J. Vitell
The University of Mississippi
George W. Wynn
James Madison University

A number of individuals have made helpful comments and recommendations in their reviews of this and earlier editions. We appreciate the generous help of these reviewers:

Zafar U. Ahmed
Minot State University
Thomas Ainscough
University of Massachusetts—Dartmouth
Joe F. Alexander
University of Northern Colorado
Mark I. Alpert
University of Texas at Austin
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University of Nebraska
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The University of Akron

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Bert Rosenbloom
Drexel University

Kenneth L. Rowe
Arizona State University

Elise Sautter
New Mexico State University

Ronald Schill
Brigham Young University

Bodo Schlegelmilch
*Vienna University of Economics and
Business Administration*

Edward Schmitt
Villanova University

Thomas Schori
Illinois State University

Donald Sciglimpaglia
San Diego State University

Stanley Scott
University of Alaska—Anchorage

Harold S. Sekiguchi
University of Nevada—Reno

Gilbert Seligman
Dutchess Community College

Richard J. Semenik
University of Utah

Beheruz N. Sethna
Lamar University

Terence A. Shimp
University of South Carolina

Mark Siders
Southern Oregon University

Carolyn F. Siegel
Eastern Kentucky University

Dean C. Siewers
Rochester Institute of Technology

Lyndon Simkin
University of Warwick

Roberta Slater
Cedar Crest College

Paul J. Solomon
University of South Florida

Robert Solomon
Stephen F. Austin State University

Sheldon Somerstein
City University of New York

Rosann L. Spiro
Indiana University

William Staples
University of Houston—Clear Lake

Bruce Stern
Portland State University

Claire F. Sullivan
Metropolitan State University

Carmen Sunda
University of New Orleans

Robert Swerdlow
Lamar University

Steven A. Taylor
Illinois State University

Hal Teer
James Madison University

Ira Teich
Long Island University—C. W. Post

Dillard Tinsley
Stephen F. Austin State University

Sharynn Tomlin
Angelo State University

Hale Tongren
George Mason University

James Underwood
University of Southwest Louisiana

Barbara Unger
Western Washington University

Tinus Van Drunen
University Twente (Netherlands)

Dale Varble
Indiana State University

R. Vish Viswanathan
University of Northern Colorado

Charles Vitaska
Metropolitan State College

Kirk Wakefield
University of Mississippi

Harlan Wallingford
Pace University

Jacquelyn Warwick
Andrews University

James F. Wenthe
Georgia College

Sumner M. White
*Massachusetts Bay Community
College*

Alan R. Wiman
Rider College

Ken Wright
*West Australia College of Advanced
Education—Churchland Campus*

George Wynn
James Madison University

Poh-Lin Yeoh
Bentley College

Irvin A. Zaenglein
Northern Michigan University

We deeply appreciate the assistance of Barbara Gilmer and Marian Wood for providing editorial suggestions, technical assistance, and support. Gwyneth Walters assisted in research, editing, and content development for the text, supplements, and the Pride/Ferrell Marketing Learning Center. For assistance in completing numerous tasks associated with the text and supplements, we express appreciation to Dana Schubert, Robyn Smith, Adele Lewis, Clarissa Sims, Colette Williams, Reagen Ladd, Niki Manning, Marian Wood, Karen Guessford, and Patricia Thomas.

We especially want to thank Linda Ferrell, University of Northern Colorado, who participated in all aspects of content and supplement development. Daniel Sherrell, University of Memphis, developed the framework used in Chapter 23. We especially appreciate his work in developing the six major characteristics of marketing on the Internet. Michael Hartline, Samford University, helped in the development of the marketing plan outline and the sample marketing plan in Appendix C as well as the career worksheets on the website. Debbie McAlister, Southwest Texas State University, provided assistance with Marketing Citizenship content and boxes.

We appreciate Charlie Cook, the University of West Alabama, for developing the PowerPoint® slide presentations. We also wish to thank Kirk Wakefield, University of Memphis, for developing the class exercises included in the *Instructor's Resource Manual*, and John Drea, Western Illinois University, for developing the "A" *Student* game. We especially thank Jim L. Grimm, Illinois State University, for drafting the financial analysis appendix.

We express appreciation for the support and encouragement given to us by our colleagues at Texas A&M University and Colorado State University. We are also grateful for the comments and suggestions we receive from our own students, student focus groups, and student correspondents who provide ongoing feedback through the website.

A number of talented professionals at Houghton Mifflin have contributed to the development of this book. We are especially grateful to Charlie Hartford, George Hoffman, Steve Mikels, Susan Kahn, Cathy Brooks, Lindsay Frost, Julia Perez, Lisa Boden, Henry Rachlin, Marcy Kagan, and Penny Peters. Their inspiration, patience, support, and friendship are invaluable.

William M. Pride

O. C. Ferrell

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