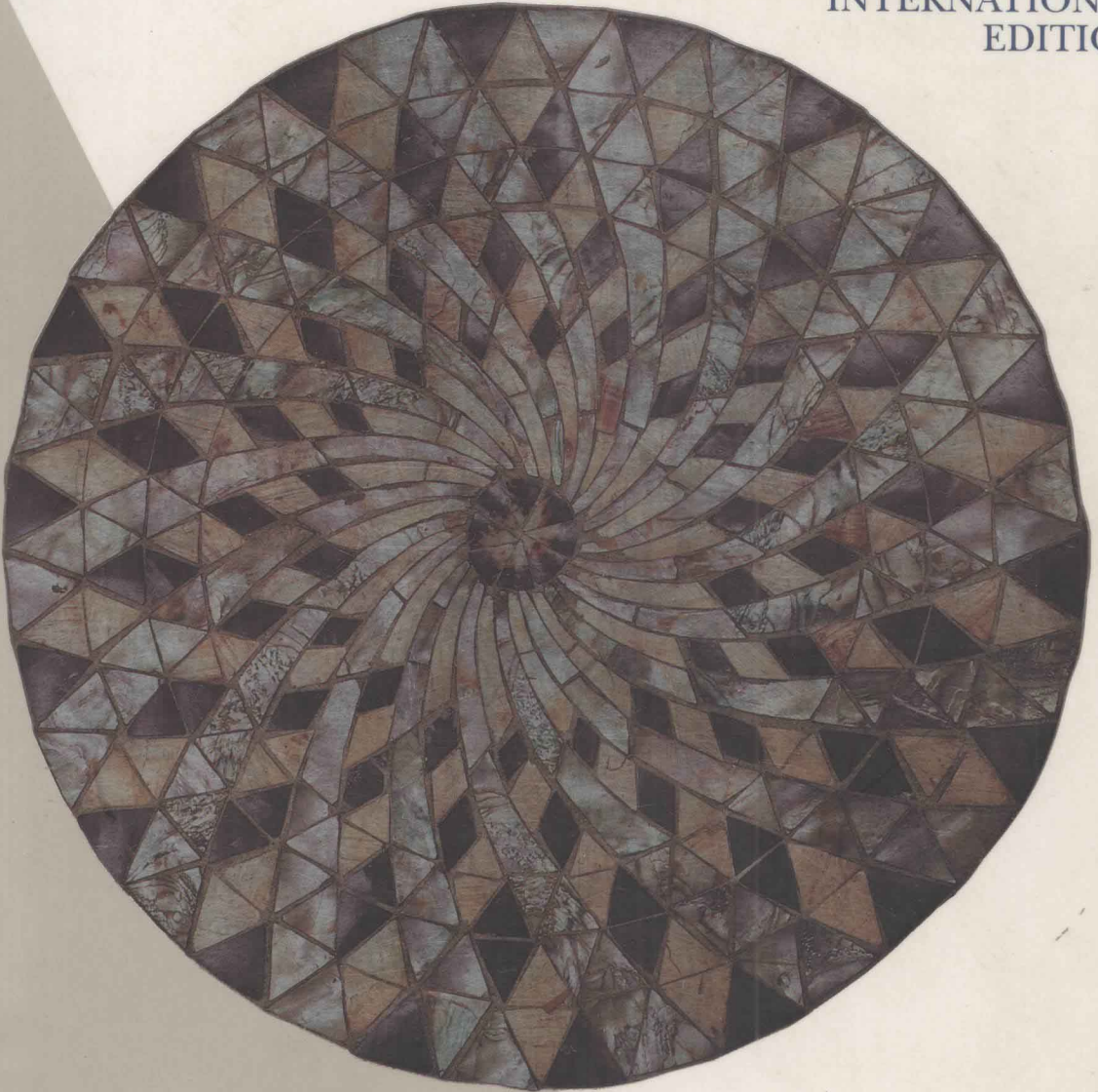


MARKETING MANAGEMENT

STRATEGIES AND PROGRAMS

FIFTH EDITION

INTERNATIONAL
EDITION



JOSEPH P. GULTINAN

GORDON W. PAUL

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JOSEPH P. GULTINAN

University of Notre Dame

GORDON W. PAUL

University of Central Florida

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Strategies and Programs

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To Our Families

*Sharon, Joanna, Jennifer,
and Shannon Gultinan*

Gloria, Christopher, and Bradley Paul

PREFACE

This book is specifically designed for advanced undergraduate students and for those MBA students with some previous coursework in marketing. It is intended for use in those courses in which the application of marketing concepts, tools, and decision-making processes is emphasized.

We have conscientiously written this book to accommodate a variety of teaching approaches. For those instructors who favor the lecture or discussion approach, there is ample material and coverage for the course. For those who prefer to use cases, simulations, or other pedagogy, the book provides the basic foundation for such an approach. In addition, practicing managers will find it useful in providing guidelines for developing marketing plans and programs.

As with previous editions, this book presents concepts from a decision-making perspective rather than from a descriptive point of view. For example, it does not include survey chapters on consumer behavior or marketing research. Instead, these topics are covered in the context of their relevance to managers, so that students will gain an appreciation of their importance in making product, price, distribution, and promotional decisions.

This approach reflects our emphasis on the middle-management marketing decisions that students are most likely to confront in their careers. Accordingly, top management's strategic decisions have been distinguished from the strategic and operating decisions that middle managers make for a specific product or product line. Additionally, because marketing managers are held accountable for profits as well as sales, the budgetary considerations of marketing decisions are given extensive coverage.

The book has been organized around the **marketing planning process** to clearly delineate the relationship among marketing decisions. In Part One we present the marketing planning process, and we examine the corporate marketing planning decisions that top management must make to provide direction for middle-management decisions. Part Two presents the analytical tools that middle managers must use in analyzing the situation confronting the products or product lines for which they are responsible. Included in this section are chapters on market analysis (presenting approaches for analyzing the buying process and market segmentation), market measurement, competitive analysis, and profitability and productivity analysis (for budgeting decisions). Part Three presents systematic planning approaches for developing a marketing strategy for a product and for program decisions needed to imple-

ment the overall marketing strategy. The programs discussed include product development, pricing, advertising, sales promotion, and sales and distribution. Part Four examines the coordination and control mechanisms available to marketing managers. Included in this section are chapters on organizing and managing marketing and sales activities and on the annual marketing plan.

Users of previous editions will note that in terms of philosophy and perspective, this edition follows that of previous editions. However, we have made some important changes. For one, we have incorporated coverage on quality and customer service throughout the book. Another important addition is the coverage of direct marketing. In both cases we have attempted to incorporate material that reflects and addresses these recent marketing trends. As the importance of international markets continues to expand, marketing managers find they cannot examine multinational concerns as appendages to strategy. As in the previous edition, we have integrated the international dimensions of marketing throughout the text and given emphasis to this important aspect of many marketing decisions.

In addition to these changes, we have added numerous up-to-date examples that illustrate marketing practices as they are applied to a variety of organizations. We have enhanced existing chapters by incorporating new material. In particular, we have made a number of important additions useful when defining market segments. We have combined the previously used five-step approach to competitive analysis into four steps and incorporated Porters' five competitive forces shaping strategy into the discussion. Materials on the use and benefits of utilizing internal databases for targeting high potential markets have been added to the chapter on market measurement. Additionally, issues such as category management, strategic alliances, changes in distribution, organizational downsizing, and flexibility are given prominent attention in this edition. Additional emphasis has been given to services and industrial marketing practices in this edition. New end-of-chapter discussion cases and questions have been added to reflect this emphasis as well as to help integrate the international perspective.

To a large extent, the modifications reflect the comments and suggestions of faculty members who have used previous editions as well as the insightful evaluations by several reviewers. For their support and constructive comments we are especially indebted to the following individuals: Sharon E. Beatty, University of Alabama; Cathy Cole, University of Iowa; Edward F. Fern, Virginia Polytechnic Institute and State University; Craig A. Kelley, California State University, Sacramento; Ronald T. Lonsdale, Loyola University of Chicago; Daryl McKee, Louisiana State University; Kenneth L. Rowe, Arizona State University; Mark Spriggs, University of Oregon; H. Rao Unnava, Ohio State University; and Larry K. Yarbrough, University of Arkansas.

We continue to be particularly appreciative to Sam Gillespie of Texas A&M University who has provided us with constructive suggestions and materials throughout several editions. Our thanks are due, too, to our editor Bonnie Binkert who has been an enthusiastic booster of the approach we have taken.

CONTENTS

Preface xv

PART ONE MANAGERIAL PERSPECTIVES ON MARKETING 3

CHAPTER 1 THE SCOPE OF MARKETING MANAGEMENT AND THE MARKETING PLANNING PROCESS 5

Overview	5
Customer Satisfaction and Quality	6
The Market-Oriented Organization	7
Levels of Marketing Management	10
The Marketing Planning Process	12
Basic Steps in Planning	14 / Marketing Management
and the Marketing Planning Process	15
Conclusion	16
Questions and Situations for Discussion	18
Suggested Additional Readings	20

CHAPTER 2 CORPORATE MARKETING PLANNING 22

Overview	22
Corporate Strategy	23
Environmental Problems and Opportunities	24 / Resources and
Competencies	25 / Corporate Mission and Objectives
Corporate Strategy	26 / Types of
Growth Strategies for Current Markets	28 /
Growth Strategies for New Markets	31 / Consolidation Strategies
Product Mix Strategy	34
The Product Life Cycle	36 / Product Portfolio Models
Product Portfolio Models	39 / Portfolio
Models and Product Planning	43 / Implications and Limitations
The Corporate Plan and Middle Management	44
Conclusion	45
	47

Questions and Situations for Discussion	49
Suggested Additional Readings	51

PART TWO SITUATION ANALYSIS 53

CHAPTER 3 MARKET ANALYSIS 55

Overview	55
Defining the Relevant Market	56
Describing the Product Market Structure	57 / Defining Broad Relevant Market Boundaries
58 / Defining Narrow Relevant Market Boundaries	58
Analyzing Primary Demand	60
Key Elements in Analyzing Primary Demand	60 / Buyer Identification
61 / Willingness and Ability to Buy	63
Analyzing Selective Demand	66
Identifying the Types of Decision Processes	67 / Identifying Determinant Attributes
69	
Defining Market Segments	71
Bases for Segmenting Markets	72 / Describing Segment Membership and Behavior
74	
Identifying Potential Target Markets	76
Conclusion	77
Questions and Situations for Discussion	79
Suggested Additional Readings	80

CHAPTER 4 COMPETITIVE ANALYSIS 81

Overview	81
Defining the Market	81
Identifying Direct Competitors	82
Perceptual Mapping Techniques	83
Examining Competitive Market Forces	86
Threat of New Entrants	87 / Threat of Substitution
90 / Powerful Buyers and Powerful Suppliers	91 / Competitive Intensity among Current Competitors
91	
Assessing Competitive Advantage	92
Positional Advantages	93 / Sources of Advantage
95 / Implementing a Competitive Analysis	99
Obtaining Competitive Intelligence	100
Published Material and Documents	100 / Competitors' Employees, Suppliers, or Customers
100 / Direct Observation	100

Conclusion	101
Questions and Situations for Discussion	103
Suggested Additional Readings	105

CHAPTER 5 MARKET MEASUREMENT 106

Overview	106
Basic Types of Market Measurements	107 / Defining What to Measure 109
Absolute Market Potential	109
Measuring Absolute Market Potential	110
Relative Market Potential	116
Measuring Relative Market Potential	116 / Targeting High Potential Markets 118
Sales Forecasting	123
Basic Types of Sales Forecasts	124 / Basic Forecasting Approaches 125 / Interpreting the Forecast 132
Conclusion	134
Questions and Situations for Discussion	137
Suggested Additional Readings	139

CHAPTER 6 PROFITABILITY AND PRODUCTIVITY ANALYSIS 140

Overview	140
Measuring Product Profitability	141
Variable versus Fixed Costs	142 / Types of Fixed Costs 144
Implications of Profitability Analysis	146
Cost-Volume-Profit Relationships	146 / Semi Fixed Costs 148 /
Special Profitability Issues for Retailers	149 / Implications for Marketing Budgets 151
Productivity Analysis	155
Traditional Methods of Productivity Analysis	155 / Single-Source Data 157 / Judgment-Based Productivity Estimates 157 / Cross-Elasticity Effects 161
Conclusion	163
Questions and Situations for Discussion	165
Suggested Additional Readings	167

PART THREE MARKETING STRATEGIES AND PROGRAMS 169

CHAPTER 7 MARKETING STRATEGIES 171

Overview	171
Primary-Demand Strategies	173
Strategies for Increasing the Number of Users	173 / Strategies for

Increasing Rates of Purchase	175
Selective-Demand Strategies	176
Acquisition Strategies	177 / Retention Strategies 179
Product-Line Marketing Strategies	182
Strategies for Substitutes	182 / Strategies for Complements 184
Selecting a Marketing Strategy	185
The Role of Product Objectives	186 / Implications from the Situation Analysis 186 / The Globalization Question 187
Dynamic Aspects of Marketing Strategy	189
The Product Life Cycle and Strategy Selection	189 / The Product Life Cycle and Marketing Programs 190
Conclusion	191
Questions and Situations for Discussion	194
Suggested Additional Readings	196

CHAPTER 8 PRODUCT DEVELOPMENT PROGRAMS 197

Overview	197
Types of New Products	197
Newness to the Firm	198 / Newness to the Market 200
The New-Product Development Process	202
Phased versus Parallel Development	203 / Strategic Direction 205 / Concept Generalization 205 / Concept Testing 207 / Screening 211 / Technical Feasibility 212 / Product-Use Testing 213 / Market Testing 214 / Market Testing through Test Markets 216 / Market Testing through Simulated Test Markets 218 / Financial Evaluation 219 / Launch 221
Alternatives to Internal Development	222
Advantages of Acquisitions and Licensing	222 / Establishing Acquisition and Licensing Criteria 222
Conclusion	223
Questions and Situations for Discussion	225
Suggested Additional Readings	226

CHAPTER 9 PRICING PROGRAMS 228

Overview	228
Pricing Objectives	229
Price-Elasticity of Demand	231
Market, Segment, and Company Elasticity	232
Estimating Price-Elasticity	234
Historical Ratios	234 / Experimentation 235 / Survey Methods 235 / Judgmental Estimates 236
Competitive Factors	238
Cost Factors	239

Types of Pricing Programs	241
Penetration Pricing	241 / Parity Pricing 242 / Premium Pricing 243
Pricing Programs for a Line of Substitutes	244
Pricing Programs for a Set of Complements	245
Additional Pricing Considerations	247
Political-Legal Environment	247 / International Considerations 248 /
Price Elements of Other Marketing Programs	249
Conclusion	250
Questions and Situations for Discussion	252
Suggested Additional Readings	253

CHAPTER 10 ADVERTISING PROGRAMS 255

Overview	255
Advertising Programs: Decisions and Organization	257
Responsibility for Advertising Programs	258 / Elements of the Advertising Program 259
Advertising Objectives	260
Types of Advertising Objectives	261 / Stating the Objective 266
The Budgeting Process	266
Establishing Baseline Budgets	268 / Message-Design and Media Costs 268 / Experimentation and Revisions 270
Design	270
Contents of an Effective Message	271 / Copy-Claim Alternatives 272 /
Execution Style	273
Media Scheduling	274
Selecting the Type of Medium	275 / Selecting Possible Vehicles 276 /
Determining Size, Length, and Position	277 / Determining the Desired Distribution of Messages 278 / Setting the Media Schedule 281
Evaluating Effectiveness	283
Procedures	284
Location	286
Conclusion	288
Questions and Situations for Discussion	290
Suggested Additional Readings	292

CHAPTER 11 SALES-PROMOTION PROGRAMS 293

Overview	293
Sales-Promotion Objectives	295
Objectives Directed at Final Buyers	296 / Trade-Promotion Objectives 299 / Relationship of Sales-Promotion Objectives to Marketing Strategies 300
Selecting a Specific Sales Promotion	300
Consumer Promotions	301 / Promotions to Resellers 304 /

International Considerations	305
Sales-Promotion Budgets	306
Determining Costs	306 / Estimating Market Response 307 / Assessing Profitability Implications 311 / Testing and Monitoring the Program 314
Conclusion	315
Questions and Situations for Discussion	317
Suggested Additional Readings	319

CHAPTER 12 SALES AND DISTRIBUTION PROGRAMS: ESTABLISHING OBJECTIVES AND APPEALS 321

Overview	321
Types of Sales and Distribution Systems	323
Distribution Channel Structure	327
Vertical Marketing Systems	329
Sales and Distribution Objectives	330
Selecting an Objective	332
Sales Appeals	333
Product Appeals	333 / Logistical Appeals 334 / Protective-Provision Appeals 336 / Simplification Appeals 337 / Price Appeals 337 / Financial-Assistance Appeals 338 / The Relationship between Appeals and Objectives 339
Selecting and Implementing Appeals	340
Buyer or Distributor Requirements	341 / Power Relationships 342 / Power and Relationship Building 345 / The Critical Role of the Sales Force 346
Conclusion	348
Questions and Situations for Discussion	351
Suggested Additional Readings	352

CHAPTER 13 SALES AND DISTRIBUTION PROGRAMS: BUDGETS AND PERFORMANCE EVALUATION 353

Overview	353
Establishing the Sales and Distribution Budget	354
Sales-Force Compensation Costs	354 / Estimating Required Call Frequency 356 / Special Compensation Costs 361 / Selling Costs and Manufacturer's Representatives 361 / Working-Capital Costs 364 / Transportation Costs 366 / Variable-Contribution-Margin Effects 367 / Finalizing the Budget 370
Evaluating Performance	371
Individual Salesperson and Distributor Performance	372 / Sales-Territory Performance 374 / Sales-Segment Performance 376

Conclusion	381
Questions and Situations for Discussion	386
Suggested Additional Readings	387

PART FOUR COORDINATION AND CONTROL 391

CHAPTER 14 ORGANIZING AND MANAGING MARKETING AND SALES ACTIVITIES 391

Overview	391
Executing Marketing Strategy	392
Types of Organizational Structures	395
Organizing by Function	395 / Organizing by Product 396 /
Organizing by Market	398 / Factors Influencing Marketing
Organizations	399 / Corporate Strategy 400 / Needs of Target-
Segment Customers	401 / Management Philosophy and
Resources	402
Managing Organizational Relationships	403
Research and Development	403 / Manufacturing 405 / Physical
Distribution	405 / Finance 407
Managing the Field Sales Force	408
Selecting Salespeople	409 / Training Programs 411 / Standard
Operating Procedures and Selling Tools	412 / Motivation and
Compensation	413
Conclusion	414
Questions and Situations for Discussion	417
Suggested Additional Readings	418

CHAPTER 15 THE ANNUAL MARKETING PLAN 420

Overview	420
Types of Annual Marketing Plans	421
The Business Level Annual Marketing Plan	421 / Annual Product or
Department Plans	421 / Annual Sales Plans 422
Developing the Plan	422
Comprehensive Situation Analysis	423 / Annual-Plan Objectives 424 /
An Annual Product Plan: Linkster, Inc.	426
Using the Plan for Control	428
Selecting Performance Measures	430 / Comparing Actual Performance
with Planned Performance	432 / Specifying Acceptable Degrees
of Deviation	432 / Identifying Implications of Deviations 433 /
Making Modifications to the Plan as Needed	434
Environmental Monitoring	436

XIV CONTENTS

Strategic Environment Monitoring Systems	436	/ Environmental
Information Sources	437	/ Other Sources of Intelligence 438
Organizing for Planning	439	
Conclusion	440	
Questions and Situations for Discussion	442	
Suggested Additional Readings	445	
<i>Appendix: Selected Sources of Information for Marketing Managers 446</i>		
<i>Acknowledgments 460</i>		
<i>Index 463</i>		