



# MARKETING MANAGEMENT IN CHINA



Philip Kotler  
Kevin Lane Keller  
Taihong Lu

# Marketing Management In China

Philip Kotler ■ Kevin Lane Keller ■ Taihong Lu

Prentice Hall  
is an imprint of

PEARSON

Singapore London New York Toronto Sydney Tokyo Madrid  
Mexico City Munich Paris Capetown Hong Kong Montreal

Published in 2009 by  
Prentice Hall  
Pearson Education South Asia Pte Ltd  
23/25 First Lok Yang Road, Jurong  
Singapore 629733

Pearson Education offices in Asia: *Bangkok, Beijing, Hong Kong, Jakarta, Kuala Lumpur, Manila, New Delhi, Seoul, Singapore, Taipei, Tokyo*

Authorized adaptation from the United States edition, entitled *MARKETING MANAGEMENT*, 13th Edition, ISBN: 0136009980 by KOTLER, PHILIP; KELLER, KEVIN, published by Pearson Education, Inc, publishing as Prentice Hall, Copyright © 2009.

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage retrieval system, without permission from Pearson Education, Inc.

CHINA adaptation edition published by PEARSON EDUCATION SOUTH ASIA PTE LTD., Copyright © 2009.

Printed in Singapore

4 3 2 1  
12 11 10 09

ISBN 13 978-981-06-7997-2  
ISBN 10 981-06-7997-1

While every effort has been made to trace the copyright holders of reproductions, we have been unsuccessful in some instances. To these we offer our sincere apologies and hope that they will take our liberty in good faith. We would appreciate any information that would enable us to acknowledge the copyright holders in future editions of this book.

---

**Copyright © 2009 by Pearson Education South Asia.** All rights reserved. This publication is protected by copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permission(s), write to: Rights and Permissions Department.

**Prentice Hall**  
is an imprint of

**PEARSON**

[www.pearsoned-asia.com](http://www.pearsoned-asia.com)

## INTRODUCING PEARSON ONE

Each title in the Pearson One series is part of a collaborative global editorial development process that aligns the talent and expertise of Pearson authors, editors, and production people from all over the world. Titles in the Pearson One series will offer students increased understanding of the global business environment through content and cases, with both local and global relevance.

## THE FIRST IN THE PEARSON ONE SERIES

**Marketing Management in China, 1<sup>st</sup> Edition** is an adaptation of **Marketing Management, 13<sup>th</sup> Edition**, an international best seller by **Philip Kotler** and **Kevin Keller**. It has been translated into 26 different languages and also adapted into English language editions for Asia, Canada, Europe, Africa, the Middle East, and Australia. The current edition was simultaneously developed and produced to launch around the world through an innovative publishing model that brought our authors and editors together in a truly global endeavor.

Readers of the Chinese edition will benefit from these local perspectives and expertise through our international case studies, authored by our partners worldwide. These cases will be identified by a marginal note in each chapter linked to relevant content and available through links on our Companion Website.

# WELCOME PROFESSOR LU TAIHONG

Napoleon once said that China was a sleeping lion. Today, this sleeping lion is waking up, attracting great attention all over the world. In the 21st century, China is becoming a major economic and global superpower. China is rapidly developing a deeper understanding of marketing that goes beyond simply winning through lower prices.

On the occasion of the 41st anniversary since *MARKETING MANAGEMENT* was published in 1967, we enthusiastically welcome the publication of the first adapted edition of *MARKETING MANAGEMENT IN CHINA*. This book is adapted from the latest *MARKETING MANAGEMENT* 13th EDITION and it views China's major marketing opportunities and challenges from a local and global perspective.

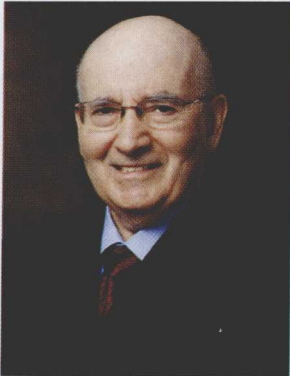
We are delighted to collaborate with Professor Lu Taihong at School of Business, Sun Yat-sen University in China as our co-author of this edition. Professor Lu has devoted his full effort and creativity to this adaptation. He is the winner of the *KOTLER MARKETING AWARD-THEORY* in the area of greater China. In China, he is highly reputed and influential in the marketing, academic, and business circles.

*MARKETING MANAGEMENT IN CHINA* took an innovative approach in its structure and content and cases. We expect that it will set a standard in the marketing literature in China. The book will assist Chinese enterprises in grasping the newest marketing theories and practices and strengthen their marketing skills in entering the global market more effectively. The book will also assist global companies to gain a better understanding of China's developing markets and succeed in creating, communicating and delivering value to Chinese customers. We expect this book to make an important contribution to the skills of marketing students and marketing practitioners.

*Philip Kotler*

*Kevin Lane Keller*

# ABOUT THE AUTHORS



**Philip Kotler** is one of the world's leading authorities on marketing. He is the S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University. He received his Master's degree at the University of Chicago and his Ph.D. at MIT, both in Economics. He did Postdoctoral work in Mathematics at Harvard University and in Behavioral Science at the University of Chicago.

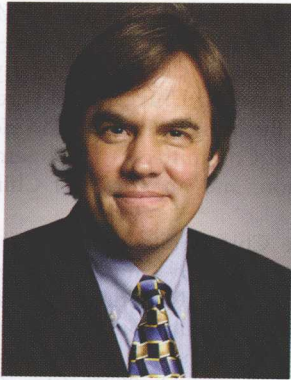
Dr. Kotler is the co-author of *Principles of Marketing and Marketing: An Introduction*. His *Strategic Marketing for Non-profit Organizations*, now in its seventh edition, is the best seller in that specialized area. Dr. Kotler's other books include *Marketing Models*; *The New Competition*; *Marketing Professional Services*; *Strategic Marketing for Educational Institutions*; *Marketing for Health Care Organizations*; *Marketing Congregations*; *High Visibility*; *Social Marketing*; *Marketing Places*; *The Marketing of Nations*; *Marketing for Hospitality and Tourism*; *Standing Room Only—Strategies for Marketing the Performing Arts*; *Museum Strategy and Marketing*; *Marketing Moves*; *Kotler on Marketing*; *Lateral Marketing: Ten Deadly Marketing Sins*; and *Corporate Social Responsibility*.

In addition, he has published more than one hundred articles in leading journals, including the *Harvard Business Review*, *Sloan Management Review*, *Business Horizons*, *California Management Review*, the *Journal of Marketing*, the *Journal of Marketing Research*, *Management Science*, the *Journal of Business Strategy*, and *Futurist*. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article published in the *Journal of Marketing*.

Professor Kotler was the first recipient of the American Marketing Association's (AMA) Distinguished Marketing Educator Award (1985). The European Association of Marketing Consultants and Sales Trainers awarded him their Prize for Marketing Excellence. He was chosen as the Leader in Marketing Thought by the Academic Members of the AMA in a 1975 survey. He also received the 1978 Paul Converse Award of the AMA, honoring his original contribution to marketing. In 1995, the Sales and Marketing Executives International (SMEI) named him Marketer of the Year. In 2002, Professor Kotler received the Distinguished Educator Award from The Academy of Marketing Science. He has received honorary doctoral degrees from Stockholm University, the University of Zurich, Athens University of Economics and Business, DePaul University, the Cracow School of Business and Economics, Groupe H.E.C. in Paris, the Budapest School of Economic Science and Public Administration, and the University of Economics and Business Administration in Vienna.

Professor Kotler has been a consultant to many major U.S. and foreign companies, including IBM, General Electric, AT&T, Honeywell, Bank of America, Merck, SAS Airlines, Michelin, and others in the areas of marketing strategy and planning, marketing organization, and international marketing.

He has been the Chairman of the College of Marketing of the Institute of Management Sciences, the Director of the American Marketing Association, a Trustee of the Marketing Science Institute, the Director of the MAC Group, a Member of the Yankelovich Advisory Board, and a Member of the Copernicus Advisory Board. He was a Member of the Board of Governors of the School of the Art Institute of Chicago and a Member of the Advisory Board of the Drucker Foundation. He has traveled extensively throughout Europe, Asia, and South America, advising and lecturing to many companies about global marketing opportunities.



**Kevin Lane Keller** is the E. B. Osborn Professor of Marketing at the Tuck School of Business at Dartmouth College. Professor Keller has degrees from Cornell, Carnegie-Mellon, and Duke universities. At Dartmouth, he teaches M.B.A. courses on Marketing Management and Strategic Brand Management and lectures in executive programs on those topics.

Previously, Professor Keller was on the faculty of the Graduate School of Business at Stanford University, where he also served as the Head of the Marketing group. Additionally, he has been on the marketing faculty at the University of California at Berkeley and the University of North Carolina at Chapel Hill, he has been a Visiting Professor at Duke University and the Australian Graduate School of Management, and has two years of industry experience as Marketing Consultant for the Bank of America.

Professor Keller's general area of expertise lies in marketing strategy and planning, and branding. His specific research interest is in how understanding theories and concepts related to consumer behavior can improve marketing strategies. His research has been published in three of the major marketing journals—the *Journal of Marketing*, the *Journal of Marketing Research*, and the *Journal of Consumer Research*. He has also served on the Editorial Review Boards of those journals. With over 60 published papers, his research has been widely cited and has received numerous awards. Two of his articles, "Consumer Evaluations of Brand Extensions" and "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity" were named by INFORMS Society for Marketing Science in March 2007 to its list of Top 20 Marketing Science papers written in the past 25 years that have most influenced the practice of Marketing Science.

Professor Keller is acknowledged as one of the international leaders in the study of brands, branding, and strategic brand management. Actively involved with industry, he has worked on a host of different types of marketing projects. He has served as a Consultant and Advisor to marketers for some of the world's most successful brands, including Accenture, American Express, Disney, Ford, Intel, Levi Strauss, Procter & Gamble, and SAB Miller. Additional brand consulting activities have been with other top companies such as Allstate, Beiersdorf (Nivea), BlueCross BlueShield, Campbell's, Eli Lilly, ExxonMobil, General Mills, Goodyear, Kodak, Mayo Clinic, Nordstrom, Shell Oil, Starbucks, Unilever, and Young & Rubicam. He has also served as an Academic Trustee for the Marketing Science Institute. A popular speaker, he has conducted marketing seminars to top executives in a variety of forums.

Professor Keller is currently conducting a variety of studies that address strategies to build, measure, and manage brand equity. His textbook on those subjects, *Strategic Brand Management*, has been adopted at top business schools and leading firms around the world and has been heralded as the "bible of branding."

An avid sports, music, and film enthusiast, in his so-called spare time, he has served as an Executive Producer for one of Australia's great rock and roll treasures, The Church, as well as American power-pop legends Dwight Twilley and Tommy Keene. He is also on the Board of Directors for The Doug Flutie, Jr. Foundation for Autism. Professor Keller lives in Etna, NH with his wife, Punam (also a Tuck marketing professor), and his two daughters, Carolyn and Allison.



**Lu Taihong** is a Professor, a Ph.D. Supervisor of Marketing, a major Lecturer of EMBA programs and the Director of China Marketing Research Center (CMC) at Sun Yat-sen University in China. He is also an Adjunct or Visiting Professor of Capital University of Economics and Business, Shanghai Normal University, Guangdong University of Foreign Studies, Nanchang University, Chongqing Technology and Business University and Hong Kong Baptist University. He is a Member of the Appraisal Committee of Management subject of the China National Natural Science Foundation, and an Editor of China's *Journal of Marketing Science* (JMS).

Professor Lu has been continually recognized by the China State Council for his outstanding contributions. In 2001, he became the first and the only Chinese winner of the Kotler Marketing Award-Theory. Professor Lu was awarded the National first Awards for Excellent Works on Humanity and Social Science from the Education Committee of China. Among his distinctions, he has been acclaimed as one of: the *Top 10 Professors of Management 2005 in China* (wswire.com and World Executive network, 2005), China's 50 Influential Figures in Promoting China's Branding Process (China Brand Value Research Center, 2007), China's 25 Major Contributors to China's Marketing Progress (*New Marketing*, 2004), the Top 10 Influential Figures in China's Marketing (*Marketing China*, 2002) and China's 20 Leaders in Advertising in the Past 20 Years (*China Advertising*, 2001).

Professor Lu has so far instructed nearly one-hundred postgraduates, Ph.D. and MBA marketing students, eight of whom have become Professors of marketing.

Professor Lu has devoted himself to marketing practices. He has been a Member on the Marketing Expert Advisory Board for *World Expo 2010 Shanghai China*, and a Consultant to CCTV in advertising strategies. He served as a Consultant or Trainer for many well-known companies, including Motorola (China), SHV (China), Honda (China), ICI Paints, Hong Kong Trade Development Council (HKTDC), Hong Kong Productivity Council (HKPC), China Merchants Group (Hong Kong), China Mobile, Haier, TCL, China Southern Airlines, Ping An Insurance, Tsingtao Beer, Midea, Poly Real Estate Group and so on.

The major works of Professor Lu include *Marketing Management in China* (an adapted edition of Kotler/Keller's *Marketing Management*, 13th edition), *Consumer Behavior* (6e, China edition, collaborated with M.R. Solomon), *Unscramble the Marketing in China*, *Chinese Consumer Behavior Report*, *Multinational Corporation Marketing in China* (Mainland China and Hong Kong editions), *Marketing in China* (annual reports) (mainland China Hong Kong and Taiwan editions), and *An Introduction of Information Culture*.



# PEARSON



Each title in the Pearson One series is part of a collaborative global editorial development process that harnesses the talent and expertise of Pearson authors, editors, and production people from all over the world. And we combine content from many cultures, giving students greater insight into what they have in common with the world, and at the same time, we offer material that is locally relevant.

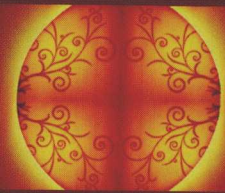
## **Our History**

Pearson imprints have a rich heritage of academic, business, and professional books. For more than 100 years, we have provided educational tools to more than 100 million people across the globe. Our diverse network of brands encompasses a comprehensive range of solutions in testing, assessment, and enterprise software; the very best in online consumer and professional learning; and textbooks written by the most notable authors for higher education around the world. We help teachers teach and students learn across the globe.

## **The First in the Pearson One Series**

Readers of this edition will benefit from these local perspectives and expertise through our international case studies, authored by our partners worldwide. These cases will be identified by a marginal note in each chapter linked to relevant content and available through links on our Companion Website.

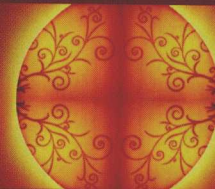
# LIST OF CASES BY INDUSTRY



No	TITLE	COUNTRY OF ORIGIN	PAGE
<b>Manufacturing</b>			
1	The Transformation of Amway in China	America	22
2	TetraPak in China	Sweden	173
3	Huawei's Brand Rebuilding	China	264
4	Haier's Five-Star Consumer Service	China	328
5	Chery	China	557
6	Coca-Cola	America	27
7	Budweiser	America	59
8	Tide in China (P&G)—Diao's Challenge	America	155
9	Future Cola	China	211
10	P&G	America	277
11	TOYOTA	Japan	310
12	Galanz's Strategy of Low-Priced Competition	China	368
13	NIKE	America	456
14	H&M	Sweden	33
15	MengNiu	China	67
16	APPLE	America	251
17	Benz	Germany	285
18	Philips Electronics	Holland	375
19	Zara	Spain	401
20	Dove	Britain, Holland	433
21	Coca Cola	America	491
22	Haier's Interior Market Chain	China	525
23	Hewlett Packard Co. vs Dell Inc.	America	99
24	General Electric	America	178
25	L'Oreal in China	France	272
26	Sony	Japan	295
27	Mini BMW	Germany	465
28	Virgin Group	Britain	480
29	Samsung	Korea	530
30	Repositioning of Wong Lo Kat	China	223
31	Master Kong	China	191

No	TITLE	COUNTRY OF ORIGIN	PAGE
<b>Retailing</b>			
32	Wal-Mart in China	America	182
33	Wal-Mart and Carrefour in China	America, France	418
34	IKEA	Sweden	130
35	IKEA in China	Sweden	343
36	Gome	China	425
37	TESCO	Britain	412
38	7-Eleven in Taiwan	Japan	408
39	TARGET	America	404
<b>Services</b>			
40	Home Inn	China	357
41	Starbucks and Microsoft in China	America	527
42	Yum! China	America	122
43	Starbucks	America	95
44	UPS	America	217
45	Starbucks	America	583
46	Mayo Clinic	America	317
47	Southwest Airlines, JetBlue, and Singapore Airlines	America, Singapore	324
48	RyanAir Jet	Ireland	364
49	Disney	America	290
50	Accenture	America	232
51	HSBC	Britain	338
<b>Media, Entertainment</b>			
52	How Warner Coped with China's Pirate DVD Market	America	106
53	MNC's Reformed Channels in China (P&G; Motorola; Coca Cola; Nokia)	America, Finland	390
54	The Mistakes of MNC's Advertising in China (Toyota; Nokia; Nippon Paint)	America, Japan	445
55	Focus Media	China	468
56	Bidding for Commercials in CCTV's Prime Time	China	471
57	Phoenix Satellite TV	Hong Kong SAR	484
58	Super Girls	China	461

# LIST OF CASES BY INDUSTRY

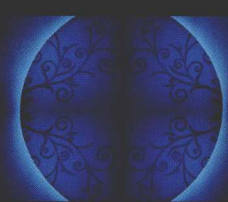


No	TITLE	COUNTRY OF ORIGIN	PAGE
<b>Property</b>			
59	The Customer Service in VANKE	China	330
60	VANKE GROUP LTD.	China	90
<b>Public Affairs</b>			
61	Hong Kong ICAC	Hong Kong SAR	8
62	Hong Kong "Free Travel" Seizes Market Opportunity	Hong Kong SAR	76
63	Hong Kong City Brand Image	Hong Kong SAR	453
64	The IMC of Beijing 2008 Olympic Games	China	439
<b>Software, Information Technology</b>			
65	Taobao (Alibaba)	China	48
66	China Mobile's Market Segmentation Strategy	China	196
67	QQ	China	496
68	Alibaba	China	537
69	GOOGLE	America	3
70	China Mobile	China	129
71	Cisco	America	163
72	Vimicro	China	293
73	eBAY	America	344
74	Dell	America	386
75	Intel	America	448
76	Yahoo!	America	498
77	Baidu's Challenge for Google	China	244
78	Amazon	America	396
79	DELL in China	America	514
80	Lenovo	China	549
81	Huawei's Internationalization of Management	China	542
82	Nokia	Finland	558
83	Apple iPod	America	555
84	Microsoft	America	586

No	TITLE	COUNTRY OF ORIGIN	PAGE
----	-------	-------------------	------

**Others**

85	China's Emergent Middle Class	China	87
86	The One-Child Generation	China	135
87	Transition of the Female Social Role in China	China	139
88	Revitalizing China's Time-Honored Brands	China	258
89	Develop Products Suitable for China's Market (Haier; Little Smart; Aigo; Panasonic)	China, Japan	302
90	The Rural Distribution Channel in China	China	380
91	The Footprints of the Globalization of Chinese Enterprises	China	565



### ::: What Is Marketing Management All About?

*Marketing Management* is the leading marketing text because its content and organization consistently reflect changes in marketing theory and practice. The very first edition of *Marketing Management*, published in 1967, introduced the concept that companies must be customer-and-market driven. But there was little mention of what have now become fundamental topics such as segmentation, targeting, and positioning. Concepts such as brand equity, customer value analysis, database marketing, e-commerce, value networks, hybrid channels, supply chain management, and integrated marketing communications were not even part of the marketing vocabulary then. *Marketing Management* continues to reflect the changes in the marketing discipline over the past 40 years.

Firms now sell goods and services through a variety of direct and indirect channels. Mass advertising is not nearly as effective as it was, so marketers are exploring new forms of communication, such as experiential, entertainment, and viral marketing. Customers are telling companies what types of product or services they want and when, where, and how they want to buy them. They are increasingly reporting to other consumers what they think of specific companies and products—using e-mail, blogs, podcasts, and other digital media to do so. Company messages are becoming a smaller fraction of the total “conversation” about products and services.

In response, companies have shifted gears from managing product portfolios to managing *customer* portfolios, compiling databases on individual customers so they can understand them better and construct individualized offerings and messages. They are doing less product and service standardization and more niching and customization. They are replacing monologs with customer dialogs. They are improving their methods of measuring customer profitability and customer lifetime value. They are intent on measuring the return on their marketing investment and its impact on shareholder value. They are also concerned with the ethical and social implications of their marketing decisions.

As companies change, so does their marketing organization. Marketing is no longer a company department charged with a limited number of tasks—it is a company-wide undertaking. It drives the company’s vision, mission, and strategic planning. Marketing includes decisions like who the company wants as its customers; which of their needs to satisfy; what products and services to offer; what prices to set; what communications to send and receive; what channels of distribution to use; and what partnerships to develop. Marketing succeeds only when all departments work together to achieve goals: when engineering designs the right products, finance furnishes the required funds, purchasing buys high-quality materials, production makes high-quality products on time, and accounting measures the profitability of different customers, products, and areas.

To address all these different shifts, good marketers are practicing holistic marketing. *Holistic marketing* is the development, design, and implementation of marketing programs, processes, and activities that recognize the breadth and interdependencies of today’s marketing environment. Four key dimensions of holistic marketing are:

- 1 **Internal marketing**—ensuring everyone in the organization embraces appropriate marketing principles, especially senior management.
- 2 **Integrated marketing**—ensuring that multiple means of creating, delivering, and communicating value are employed and combined in the best way.
- 3 **Relationship marketing**—having rich, multifaceted relationships with customers, channel members, and other marketing partners.
- 4 **Performance marketing**—understanding returns to the business from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects.

These four dimensions are woven throughout the book and at times spelled out explicitly.

### ::: What Makes Marketing Management the Marketing Leader?

Marketing is of interest to everyone, whether they are marketing goods, services, properties, persons, places, events, information, ideas, or organizations. *Marketing Management* has maintained its respected position among students, educators, and businesspeople, because it is kept up-to-date and contemporary. Students (and instructors) feel that the book is talking directly to them in terms of both content and delivery.

*Marketing Management* owes its marketplace success to its ability to maximize three dimensions that characterize the best marketing texts—depth, breadth, and relevance—as measured by the following criteria:

- **Depth.** Does the book have solid academic grounding? Does it contain important theoretical concepts, models, and frameworks? Does it provide conceptual guidance to solve practical problems?
- **Breadth.** Does the book cover all the right topics? Does it provide the proper amount of emphasis on those topics?
- **Relevance.** Does the book engage the reader? Is it interesting to read? Does it have lots of compelling examples?

The 13th edition builds on the fundamental strengths of past editions that collectively distinguish it from all other marketing management texts:

- **Managerial Orientation.** The book focuses on the major decisions that marketing managers and top management face in their efforts to harmonize the organization's objectives, capabilities, and resources with marketplace needs and opportunities.
- **Analytical Approach.** *Marketing Management* presents conceptual tools and frameworks for analyzing recurring problems in marketing management. Cases and examples illustrate effective marketing principles, strategies, and practices.
- **Multidisciplinary Perspective.** The book draws on the rich findings of various scientific disciplines—economics, behavioral science, management theory, and mathematics—for fundamental concepts and tools directly applicable to marketing challenges.
- **Universal Applications.** The book applies strategic thinking to the complete spectrum of marketing: products, services, persons, places, information, ideas and causes; consumer and business markets; profit and non-profit organizations; domestic and foreign companies; small and large firms; manufacturing and intermediary businesses; and low and high-tech industries.
- **Comprehensive and Balanced Coverage.** *Marketing Management* covers all the topics an informed marketing manager needs to understand to execute strategic, tactical, and administrative marketing. Other features include new concepts, examples, guidelines, and developments as detailed below.

### **::: Revision Strategy for Marketing Management in China**

*Marketing Management in China* (MMC) is an adapted edition of *Marketing Management, 13th edition* (2009) (MM13e), which aims to describe the fast-growing Chinese market and meet the emerging market's demand for marketing management. The guiding principle of MMC is "globalization," which means that this book fully reflects China's local characteristics while preserving the latest revisions and global standards reached by MM13e. The features of this book include global insights, Chinese business characteristics and the economical interaction between China and the rest of the world.

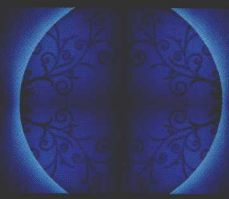
MMC has innovated boldly on MM13e's original content, structure and case studies and the changes are mainly displayed in the following aspects:

#### **New Theme and New Chapter**

The new theme, *Transformation Marketing*, is about the dynamic adaptability of marketing management and how marketing management can be updated and transformed. Contents related to the new theme include the topics *Transformation Marketing* in Chapter 1, the new Chapter 18, *Managing Transformation Marketing* and the new appendix, *The Evolution of Marketing Management*. Centering on "*Improving Effectiveness and Efficiency of Marketing Management*," Chapter 18 is a study on marketing management that seeks to transform from the low to the high, and from the traditional to the innovative.

#### **Condensed Contents**

With regards to the primary major readers of this book—Chinese MBA students—MMC has condensed the original eight parts and 21 chapters of MM13e with well over 800 pages, into seven parts and 19 chapters, cutting down



the entire content by as much as 20 percent. It is a difficult undertaking, as MMC has to preserve the core and revised content of MM13e, while balancing out the need for the localized topics. Therefore, in order to make the content more relevant and compact for the Chinese MBA student, the book has to reorganize the whole structure of MM13e and try fresh approaches to update the content.

## Reorganization

- Revised Part Titles—Focusing more on **customer value** throughout the book.
- New Chapter 18—Reorganizing some contents of Chapters 1, 2, 4, 5, and 22 of MM13e.
- Reorganized Six Chapters with Heavy Adaptation—Chapters 2, 3, 4, 8, 10, and 19.

## Updated Cases

There are more than one hundred new cases in this book. These cases contain a large proportion of cases based on China's mainland market and emphasize on the comparison between multinational and Chinese corporations. Meanwhile, cases based on the United States, European countries, other Asian countries, Hong Kong and Taiwan are also provided.

- **Four Categories of Cases.** The cases can be classified into the following four categories on the basis of two major regions (the global market and China's market) and two main lines (multinational and Chinese corporations): MNCs around the world; MNCs in China; Chinese corporations in local market; and Chinese corporations in overseas markets.
- **Case Style.** In order to meet Chinese readers' preferences, the principal cases of the book, which include Chapter Cases, Innovative Marketing cases and Marketing in China cases, are all carefully chosen from longer cases and attached with discussion questions while a majority of short and regional examples from MM13e are crossed out.

## New Box Articles

- **MARKETING INSIGHT** e.g. "Different Approaches to Innovative Marketing," "The Cohorts in China," "The Basic Defects in Branding China's Brands," "New Views on Corporate Social Responsibility," "Business Ethics in Traditional Chinese Culture" etc.
- **MARKETING IN CHINA** e.g. "MNC's Channels Reform in China," "How Warner Coped with China's Pirate DVD Market," "The Rural Distribution Channel in China," "Develop Products Suitable for China's Market," "The Footprints of the Globalization of Chinese Enterprises," and "Huawei's Brand Image Rebuilding," etc.
- **INNOVATIVE MARKETING** e.g. "Starbucks," "Samsung," "L'Oreal in China," "Target," "Alibaba," and "7-Eleven in Taiwan," etc.
- **CHAPTER CASE** e.g. "P & G Tide in China," "Toyota," "Lenovo," "Gome" and Future Cola," etc.

## ::: Chapter-by-Chapter Changes

This edition has been both streamlined and expanded to bring essentials and classic examples into sharper focus, while covering new concepts and ideas in depth. The following is an overview of some of the new or expanded material in each chapter.

### Chapter 1: Understanding Marketing for the 21st Century

- Performance Marketing
- Transformation Marketing
- Dynamic Marketing Management
- Role of Chief Marketing Officer (CMO)



## Chapter 2: Examining the Infrastructure for Marketing Management

- Marketing Systems
- Becoming a Vigilant Organization
- Local Challenges of Market Research

## Chapter 3: Scanning the Marketing Environment and Capturing Markets

- Important New Marketplace trends
- The Features of Transforming Market
- The Rising Trend of China's Middle Class

## Chapter 4: Creating Customer Value and Customer Relationship

- Customer Value Creation (3V concept: valued customers, value proposition, and value network) and Customer Value Analysis
- Green Marketing
- Measuring Customer Satisfaction and Methods to Calculate Customer Lifetime Value
- Building Customer Equity, Customer Equity and Brand Equity

## Chapter 5: Analyzing Consumer Markets

- New Consumer Trends
- Some Theories for Consumer Really Decision-Making
- Only-Child Generation and Women Roles

## Chapter 6: Analyzing Business Markets

- Customer References
- Customer Value Proposition
- Overcoming Price Pressures
- Big Sales to Small Business

## Chapter 7: Identifying Market Segments and Targets

- Niche Marketing and the "Long Tail"
- Consumers Trading Up and Down
- Generations and Cohorts
- Brand Funnel

## Chapter 8: Creating Positioning and Dealing with Competition

- Creating New Markets and Categories
- Approaches to Innovative Marketing—Value Innovation ("Blue Ocean Thinking")
- Selecting Customers
- Competing with Value-Based Rivals

## Chapter 9: Building Brand Equity

- OEM or Branding
- Brand Equity Models
- Internal Branding
- Brand Valuation
- Revitalizing Old Brands