Marketing

10/e

Roger A. Kerin
Southern Methodist University

Steven W. Hartley
University of Denver

William Rudelius
University of Minnesota

McGraw-Hill Irwin
Part I Initiating the Marketing Process

1 CREATING CUSTOMER RELATIONSHIPS AND VALUE THROUGH MARKETING  2

Innovation and Marketing at 3M: How Discovering Student Study Habits Launched a New Product  3
What Is Marketing?  4
Marketing and Your Career  4
Marketing Matters: Payoff for the Joys (!) and Sleepless Nights (?) of Starting Your Own Small Business: YouTube!!!  5
Marketing: Delivering Benefits to the Organization, Its Stakeholders, and Society  6
The Diverse Factors Influencing Marketing Activities  6
What Is Needed for Marketing to Occur  7
How Marketing Discovers and Satisfies Consumer Needs  8
Discovering Consumer Needs  9
The Challenge: Meeting Consumer Needs with New Products  9
Satisfying Consumer Needs  11
The Marketing Program: How Customer Relationships Are Built  12
Customer Value and Customer Relationships  12
Relationship Marketing  13
The Marketing Program  13
3M’s Strategy and Marketing Program to Help Students Study  14
How Marketing Became So Important  16
Evolution of the Market Orientation  16
Ethics and Social Responsibility: Balancing the Interests of Different Groups  17
Making Responsible Decisions: Social Entrepreneurship Using Marketing to Help People  18
The Breadth and Depth of Marketing  18

Learning Objectives Review  20
Focusing on Key Terms  20
Applying Marketing Knowledge  21
Building Your Marketing Plan  21

Video Case 1: 3M’s Post-it® Flag Highlighter: Extending the Concept!  21

2 DEVELOPING SUCCESSFUL MARKETING AND ORGANIZATIONAL STRATEGIES  24

Where an “A” in a Correspondence Course in Ice Cream Making Can Lead!  25
Today's Organizations 26
   Kinds of Organizations 26

   Making Responsible Decisions: The Global Dilemma: How to Achieve Sustainable Development 27

   What Is Strategy? 27
   Structure of Today's Organizations 27

Strategy in Visionary Organizations 28
   Organizational Foundation: Why Does It Exist? 29
   Organizational Direction: What Will It Do? 30


   Organizational Strategies: How Will It Do It? 32
   Tracking Strategic Performance with Marketing Dashboards 32


Setting Strategic Directions 34
   A Look Around: Where Are We Now? 34
   Growth Strategies: Where Do We Want to Go? 35

The Strategic Marketing Process 39
   The Planning Phase of the Strategic Marketing Process 40
   The Implementation Phase of the Strategic Marketing Process 43
   The Evaluation Phase of the Strategic Marketing Process 44

   Learning Objectives Review 45
   Focusing on Key Terms 46
   Applying Marketing Knowledge 47
   Building Your Marketing Plan 47

   Video Case 2: BP: Transforming Its Strategy "Beyond Petroleum" 47

APPENDIX A Building an Effective Marketing Plan 50

3 SCANNING THE MARKETING ENVIRONMENT 64

   Where In the World Are You? In the Middle of the GPS Revolution! 65
   Environmental Scanning 66
      Tracking Environmental Trends 66
      An Environmental Scan of Today's Marketplace 67
   Social Forces 68
      Demographics 68

      Making Responsible Decisions: Millennials Are Going to Change the World—Through Environmental Sustainability! 71

      Culture 73
   Economic Forces 75
      Macroeconomic Conditions 75
      Consumer Income 75
DETAILED CONTENTS

**Going Online: There Are 65 Types of Neighborhoods—Which Type Is Yours?** 77

Technological Forces 78
  Technology of Tomorrow 78
  Technology’s Impact on Customer Value 79
  Electronic Business Technologies 80

Competitive Forces 80
  Alternative Forms of Competition 80
  Components of Competition 81
  Small Businesses as Competitors 81

Regulatory Forces 82
  Protecting Competition 82
  Product-Related Legislation 82

**Marketing Matters: The Web Allows New Uses and Misuses of Trademarks** 84
  Pricing-Related Legislation 84
  Distribution-Related Legislation 84
  Advertising- and Promotion-Related Legislation 85
  Control through Self-Regulation 85

Learning Objectives Review 86
Focusing on Key Terms 87
Applying Marketing Knowledge 87
Building Your Marketing Plan 87

Video Case 3: Geek Squad: A New Business for a New Environment 87

**4 ETHICAL AND SOCIAL RESPONSIBILITY IN MARKETING** 90

Responsibility Matters at Anheuser-Busch 91
Nature and Significance of Marketing Ethics 92
  Ethical/Legal Framework in Marketing 92
  Current Perceptions of Ethical Behavior 93
Understanding Ethical Marketing Behavior 93
  Societal Culture and Norms 93
  Business Culture and Industry Practices 94

**Making Responsible Decisions: Corporate Conscience in the Cola War** 96

**Going Online: The Corruption Perceptions Index** 97

Corporate Culture and Expectations 97
Your Personal Moral Philosophy and Ethical Behavior 98
Understanding Social Responsibility in Marketing 100
  Three Concepts of Social Responsibility 100

**Marketing Matters: Will Consumers Switch Brands for a Cause? Yes, If...** 103
Part 2  Understanding Buyers and Markets

5 UNDERSTANDING CONSUMER BEHAVIOR  110

Enlightened Carmakers Know What Custom(h)ers Value  111
Consumer Purchase Decision Process and Experience  112
  Problem Recognition: Perceiving a Need  112
  Information Search: Seeking Value  112
  Alternative Evaluation: Assessing Value  113
  Purchase Decision: Buying Value  114
  Postpurchase Behavior: Value in Consumption or Use  114

Marketing Matters: The Value of a Satisfied Customer to the Company  115

Consumer Involvement and Problem-Solving Variations  115
Situational Influences  117
Psychological Influences on Consumer Behavior  118
  Motivation and Personality  118

Making Responsible Decisions: The Ethics of Subliminal Messages  120

Perception  120
Learning  122
Values, Beliefs, and Attitudes  123

Going Online: Are You an Achiever?: Identifying Your VALS Profile  124

Consumer Lifestyle  124
Sociocultural Influences on Consumer Behavior  126
  Personal Influence  126

Marketing Matters: BzzAgent—The Buzz Experience  127

Reference Groups  128
Family Influence  128
Social Class  130
Culture and Subculture  131
Learning Objectives Review 133
Focusing on Key Terms 134
Applying Marketing Knowledge 134
Building Your Marketing Plan 135

Video Case 5: Best Buy: Using Customer Centricity to Connect with Consumers 135

6 UNDERSTANDING ORGANIZATIONS AS CUSTOMERS 138

Buying Is Marketing, Too! Purchasing Publication Paper at JCPenney 139
The Nature and Size of Organizational Markets 140
Industrial Markets 140
Reseller Markets 140
Government Markets 141
Global Organizational Markets 141
Measuring Domestic and Global Industrial, Reseller, and Government Markets 141
Characteristics of Organizational Buying 143
Demand Characteristics 143
Size of the Order or Purchase 144
Number of Potential Buyers 144
Organizational Buying Objectives 144

Going Online: Supplier Diversity Is a Fundamental Business Strategy at Procter & Gamble 145
Organizational Buying Criteria 145
Marketing Matters: Harley-Davidson's Supplier Collaboration Creates Customer Value . . . and a Great Ride 146
Buyer–Seller Relationships and Supply Partnerships 146
Making Responsible Decisions: Sustainable Procurement for Sustainable Growth 147
The Buying Center: A Cross-Functional Group 147
Charting the Organizational Buying Process 150
Stages in the Organizational Buying Process 150
Buying a Machine Vision System 150
Online Buying in Organizational Markets 153
Prominence of Online Buying in Organizational Markets 153
E-Marketplaces: Virtual Organizational Markets 153
Marketing Matters: eBay Means Business for Entrepreneurs 154
Online Auctions in Organizational Markets 155

Learning Objectives Review 156
7 UNDERSTANDING AND REACHING GLOBAL CONSUMERS AND MARKETS  160

Dell's Quest for Growth in Emerging Economies  161
Dynamics of World Trade  162
   World Trade Flows  162
   Competitive Advantage of Nations  164
Marketing in a Borderless Economic World  166
   Decline of Economic Protectionism  166
   Making Responsible Decisions: Global Ethics and Global Economics—The Case of Protectionism  167
Rise of Economic Integration  168
A New Reality: Global Competition among Global Companies for Global Consumers  169
Emergence of a Networked Global Marketspace  171
   Marketing Matters: The Global Teenager—A Market of 2 Billion Voracious Consumers with $200 Billion to Spend  172

A Global Environmental Scan  173
   Cultural Diversity  173
   Economic Considerations  177
   Political-Regulatory Climate  180
   Going Online: Checking a Country's Political Risk Rating  181

Comparing Global Market-Entry Strategies  181
   Exporting  182
   Licensing  182
   Marketing Matters: Creative Cosmetics and Creative Export Marketing in Japan  183
   Joint Venture  184
   Direct Investment  185
Crafting a Worldwide Marketing Program  185
   Product and Promotion Strategies  185
   Distribution Strategy  187
   Pricing Strategy  188

Learning Objectives Review  188
Focusing on Key Terms  189
Applying Marketing Knowledge  189
Building Your Marketing Plan  189

Video Case 7: CNS Breathe Right Strips: Going Global  190
Part 3

Targeting Marketing Opportunities

8 MARKETING RESEARCH: FROM CUSTOMER INSIGHTS TO ACTIONS 192

Test Screenings and Tracking Studies: How Listening to Consumers Reduces Movie Risks 193

The Role of Marketing Research 195

What Is Marketing Research? 195

The Challenges in Doing Good Marketing Research 195

Five-Step Marketing Research Approach 195

Step 1: Define the Problem 196

Set the Research Objectives 196

Identify Possible Marketing Actions 196

Step 2: Develop the Research Plan 197

Specify Constraints 197

Identify Data Needed for Marketing Actions 197

Determine How to Collect Data 198

Step 3: Collect Relevant Information 199

Secondary Data: Internal 199

Secondary Data: External 199

Advantages and Disadvantages of Secondary Data 200

Going Online: Online Databases and Internet Resources Useful to Marketers 201

Primary Data: Watching People 201

Primary Data: Asking People 203

Marketing Matters: Buy•ology: How “Neuromarketing” Is Trying to Understand Consumers 204

Primary Data: Other Sources 208

Advantages and Disadvantages of Primary Data 211

Step 4: Develop Findings 211

Analyze the Data 211

Present the Findings 212

Step 5: Take Marketing Actions 213

Make Action Recommendations 213

Implement the Action Recommendations 213

Evaluate the Results 214

Sales Forecasting Techniques 214

Judgments of the Decision Maker 214

Surveys of Knowledgeable Groups 215

Statistical Methods 215

Learning Objectives Review 216

Focusing on Key Terms 216

Applying Marketing Knowledge 217

Building Your Marketing Plan 217

Video Case 8: Ford Consulting Group, Inc.: From Data to Actions 217
9 MARKET SEGMENTATION, TARGETING,
AND POSITIONING  220

Zappos.com: Delivering “Wow” through Market Segmentation
and Service  221
Why Segment Markets?  222
   What Market Segmentation Means  222
   When and How to Segment Markets  223
Steps In Segmenting and Targeting Markets  225
   Step 1: Group Potential Buyers into Segments  226
   Going Online: What “Flock” Do You Belong to?  228
   Step 2: Group Products to Be Sold into Categories  231
   Step 3: Develop a Market-Product Grid and Estimate the Size
           of Markets  233
   Step 4: Select Target Markets  233
   Step 5: Take Marketing Actions to Reach Target Markets  234
Market-Product Synergies: A Balancing Act  236

Marketing Matters: Apple’s Segmentation Strategy—
Camp Runamok No Longer  237

Positioning the Product  238
   Two Approaches to Product Positioning  238
   Product Positioning Using Perceptual Maps  238
   A Perceptual Map to Reposition Chocolate Milk
      for Adults  239

Learning Objectives Review  240
Focusing on Key Terms  241
Applying Marketing Knowledge  241
Building Your Marketing Plan  241

Video Case 9: Prince Sports, Inc.: Tennis Racquets
   for Every Segment  241

Part 4  Satisfying Marketing Opportunities

10 DEVELOPING NEW PRODUCTS AND SERVICES  244

Apple’s New-Product Innovation Machine  245
What Are Products and Services?  246
   A Look at Goods, Services, and Ideas  246
   Classifying Products  246
   Product Items, Product Lines, and Product Mixes  248

Using Marketing Dashboards: Which States Are
Underperforming?  249

How Marketing Dashboards Can Improve New-Product
Performance  249
New Products and Why They Succeed or Fail  250
   What Is a New Product?  250
Marketing Matters: Feature Bloat: Geek Squad to the Rescue!  252

Why Products Succeed or Fail  252

Marketing Matters: From Idea to Launch: Stage-Gate® Processes in New-Product Development  255

The New-Product Process  256
Stage 1: New-Product Strategy Development  256
Stage 2: Idea Generation  257

Going Online: IDEO—the Innovation Lab Superstar in Designing New Products  258
Stage 3: Screening and Evaluation  259
Stage 4: Business Analysis  260
Stage 5: Development  260

Marketing Matters: Marissa Mayer: The Talent Behind Google’s Familiar White Home Page  261
Stage 6: Market Testing  261
Stage 7: Commercialization  262

Learning Objectives Review  264
Focusing on Key Terms  264
Applying Marketing Knowledge  265
Building Your Marketing Plan  265

Video Case-10: Activeion Cleaning Solutions: Marketing a High-Tech Cleaning Gadget  265

11 MANAGING SUCCESSFUL PRODUCTS AND BRANDS  268

Gatorade: Quenching the Active Thirst within You  269
Charting the Product Life Cycle  270
Introduction Stage  270
Growth Stage  272
Maturity Stage  273

Marketing Matters: Will E-mail Spell Extinction for Fax Machines?  274
Decline Stage  274
Four Aspects of the Product Life Cycle  275
Managing the Product Life Cycle  278
Role of a Product Manager  278
Modifying the Product  278
Modifying the Market  278

Using Marketing Dashboards: Knowing Your CDI and BDI  279
Repositioning the Product  280

Making Responsible Decisions: Consumer Economics of Downsizing—Get Less, Pay More  281
Branding and Brand Management 282
Brand Personality and Brand Equity 283

**Going Online: Have an Idea for a Brand or Trade Name?**
**Check It Out** 285

Picking a Good Brand Name 285
Branding Strategies 286

Packaging and Labeling Products 288
Creating Customer Value and Competitive Advantage through Packaging and Labeling 288

**Marketing Matters: Creating Customer Value through Packaging—Pez Heads Dispense More Than Candy** 289

Packaging and Labeling Challenges and Responses 291

Product Warranty 292

**Learning Objectives Review** 292
**Focusing on Key Terms** 293

**Applying Marketing Knowledge** 293
**Building Your Marketing Plan** 293

**Video Case 11: BMW: “Newness” and the Product Life Cycle** 294

12 SERVICES MARKETING 296

**Services Get Real!** 297

The Uniqueness of Services 298
The Four I’s of Services 299
The Service Continuum 301
Classifying Services 302

**Marketing Matters: Marketing is a Must for 1.5 Million Nonprofits!** 304

How Consumers Purchase Services 305
The Purchase Process 305
Assessing Service Quality 306
Customer Contact and Relationship Marketing 306

**Going Online: How Can You Monitor Service Failure?**
**Blog Watching!** 307

Managing the Marketing of Services 308
Product (Service) 308
Price 309
Place (Distribution) 309
Promotion 310
People 311
Physical Environment 311
Process 311
Productivity 312
Services in the Future 312

Using Marketing Dashboards: Are JetBlue’s Flights Profitably Loaded? 313

Learning Objectives Review 314
Focusing on Key Terms 314
Applying Marketing Knowledge 315
Building Your Marketing Plan 315

Video Case 12: Philadelphia Phillies, Inc.: Sports Marketing 101 315

13 BUILDING THE PRICE FOUNDATION 318

“My Mother Was Not Thrilled . . .”: The Launch of Stubhub.com! 319

Nature and Importance of Price 320

What Is a Price? 320


Price and the Global Marketplace 322
Price as an Indicator of Value 322
Price in the Marketing Mix 323

Step 1: Identify Pricing Objectives and Constraints 324
Identifying Pricing Objectives 324
Identifying Pricing Constraints 325

Making Responsible Decisions: Student Credit Cards—What Is the Real Price? 326

Marketing Matters: Small Business Challenge: Finding the Right Prices for Regional Barbecue Sauces 329

Step 2: Estimate Demand and Revenue 329
Fundamentals of Estimating Demand 329
Fundamentals of Estimating Revenue 331

Step 3: Determine Cost, Volume, and Profit Relationships 334

Marketing Matters: Pricing Lessons from Failed Dot-Com Start-ups—Understand Revenues and Expenses 335

The Importance of Controlling Costs 335
Marginal Analysis and Profit Maximization 335
Break-Even Analysis 336

Learning Objectives Review 340
Focusing on Key Terms 340
Applying Marketing Knowledge 341
Building Your Marketing Plan 341

14 ARRIVING AT THE FINAL PRICE  344

Vizio, Inc.—Where Vision Meets Value™ in HDTV  345
Step 4: Select an Approximate Price Level  346
Demand-Oriented Pricing Approaches  346

Marketing Matters: Energizer’s Lesson in Price Perception—Value Lies in the Eye of the Beholder  348
Cost-Oriented Pricing Approaches  349
Profit-Oriented Pricing Approaches  351
Competition-Oriented Pricing Approaches  353
Step 5: Set the List or Quoted Price  354

Using Marketing Dashboards: Are Cracker Jack Prices Above, At, or Below the Market?  355
Choosing a Price Policy  355
Company, Customer, and Competitive Effects on Pricing  356

Balancing Incremental Costs and Revenues  358
Step 6: Make Special Adjustments to the List or Quoted Price  359
Discounts  360
Allowances  361
Geographical Adjustments  362

Marketing Matters: Everyday Low Prices at the Supermarket = Everyday Low Profits—Creating Customer Value at a Cost  363
Legal and Regulatory Aspects of Pricing  363

Going Online: And You Thought That “Free” Is Simply Defined  366
Learning Objectives Review  366
Focusing on Key Terms  367
Applying Marketing Knowledge  367
Building Your Marketing Plan  367

Video Case 14: 3M Greptile™ Grip Golf Glove: Pricing an Innovative Product  368

APPENDIX B Financial Aspects of Marketing  370

15 MANAGING MARKETING CHANNELS AND WHOLESALING  378

Callaway Golf: Designing and Delivering the Goods for Great Golf  379
Nature and Importance of Marketing Channels  380
What Is a Marketing Channel of Distribution?  380
Value Is Created by Intermediaries  380
Channel Structure and Organization  382
Marketing Channels for Consumer Goods and Services  382
Marketing Channels for Business Goods and Services  383
Electronic Marketing Channels 384
Direct and Multichannel Marketing 385
Dual Distribution and Strategic Channel Alliances 386
A Closer Look at Channel Intermediaries 386

Marketing Matters: Nestlé and General Mills—Cereal Partners Worldwide 387

Vertical Marketing Systems and Channel Partnerships 389
Channel Choice and Management 392
Factors Affecting Channel Choice and Management 392

Marketing Matters: Avon Is Calling Again in China 393

Channel Choice Considerations 393

Going Online: Visit an Apple Store to See What All the Excitement Is About 395

Global Dimensions of Marketing Channels 395

Using Marketing Dashboards: Channel Sales and Profit at Charlesburg Furniture 396

Channel Relationships: Conflict, Cooperation, and Law 397

Making Responsible Decisions: Pay to Play: The Ethics of Slotting Allowances 399

Learning Objectives Review 400
Focusing on Key Terms 401
Applying Marketing Knowledge 401
Building Your Marketing Plan 401

Video Case 15: Act II Microwave Popcorn: The Surprising Channel 401

16 CUSTOMER-DRIVEN SUPPLY CHAIN AND LOGISTICS MANAGEMENT 404

Apple Inc.: Supplying the iPhone 3G to the World 405
Significance of Supply Chain and Logistics Management 406
Relating Marketing Channels, Logistics, and Supply Chain Management 406
Supply Chains versus Marketing Channels 406
Global Suppliers and Supply Chains 407
Sourcing, Assembling, and Delivering a New Car: The Automotive Supply Chain 408
Supply Chain Management and Marketing Strategy 408

Going Online: Build Your Own Jetta with a Mouse 409

Aligning a Supply Chain with Marketing Strategy 409
Dell: A Responsive Supply Chain 409

Marketing Matters: IBM’s Integrated Supply Chain—Delivering a Total Solution for Its Customers 410

Walmart: An Efficient Supply Chain 410
Objective of Information and Logistics Management in a Customer-Driven Supply Chain 411
Information’s Role in Supply Chain Responsiveness and Efficiency 411
Total Logistics Cost Concept 412
Customer Service Concept 413
Marketing Matters: For Fashion and Food Merchandising, Haste Is as Important as Taste 415
Customer Service Standards 415
Using Marketing Dashboards: Diagnosing Out-of-Stocks and On-Time Delivery for Organic Produce 416

Key Logistics Functions in a Supply Chain 417
Transportation 418
Warehousing and Materials Handling 419
Order Processing 420
Inventory Management 421
Making Responsible Decisions: Reverse Logistics and Green Marketing Go Together at Hewlett-Packard: Recycling e-Waste 423

Closing the Loop: Reverse Logistics 423
Learning Objectives Review 424
Focusing on Key Terms 425
Applying Marketing Knowledge 425
Building Your Marketing Plan 425

Video Case 16: Amazon: Delivering the Goods . . . Millions of Times a Day 425

17 RETAILING 428
84 Million Consumers Were Shopping Online on Cyber Monday. Were You One of Them? 429
The Value of Retailing 430
Consumer Utilities Offered by Retailing 430
The Global Economic Impact of Retailing 431
Classifying Retail Outlets 432
Form of Ownership 432
Making Responsible Decisions: Environmentally Friendly Retailing Takes Off! 433
Level of Service 434
Type of Merchandise Line 435
Nonstore Retailing 437
Automatic Vending 437
Direct Mail and Catalogs 438
Television Home Shopping 439
Online Retailing 439
Going Online: For Some Consumers, Shopping Is a Game! 440
Telemarketing  441
Direct Selling  441
Retailing Strategy  442
  Positioning a Retail Store  442
Retailing Mix  443

Using Marketing Dashboards: Why Apple Stores May Be the Best in the United States!  447

The Changing Nature of Retailing  448
The Wheel of Retailing  448
The Retail Life Cycle  449
Future Changes in Retailing  450
Multichannel Retailing  450

Marketing Matters: The Multichannel Marketing Multiplier  451

Managing the Customer Experience  451

Learning Objectives Review  452
Focusing on Key Terms  452
Applying Marketing Knowledge  452
Building Your Marketing Plan  453

Video Case 17: Mall of America: Shopping and a Whole Lot More  453

18 INTEGRATED MARKETING COMMUNICATIONS AND DIRECT MARKETING  456

Integrated Marketing Communications Ushers in the ‘Age of Engage’  457
The Communication Process  458
  Encoding and Decoding  459
  Feedback  460
  Noise  460
The Promotional Elements  460
  Advertising  460
  Personal Selling  461
  Public Relations  462
  Sales Promotion  463
  Direct Marketing  463
Integrated Marketing Communications—Developing the Promotional Mix  464
  The Target Audience  464

Marketing Matters: Mobile Marketing Reaches Generation Y, 32/7!  465
  The Product Life Cycle  465
  Product Characteristics  466
  Stages of the Buying Decision  467
  Channel Strategies  468
Developing an IMC Program  469
Identifying the Target Audience 470
Specifying Promotion Objectives 470
Setting the Promotion Budget 471

Selecting the Right Promotional Tools 473
Designing the Promotion 473
Scheduling the Promotion 473

Executing and Assessing the Promotion Program 474

Direct Marketing 475
The Growth of Direct Marketing 475
The Value of Direct Marketing 476
Technological, Global, and Ethical Issues in Direct Marketing 477

Making Responsible Decisions: Can Direct Marketing "Go Green"? 478

Learning Objectives Review 478
Focusing on Key Terms 479
Applying Marketing Knowledge 479
Building Your Marketing Plan 480

Video Case 18: Under Armour: Using IMC to Create a Brand for this Generation’s Athletes 480

19 ADVERTISING, SALES PROMOTION, AND PUBLIC RELATIONS 484

Advertising Moves to a New Dimension: The Third Dimension 485
Types of Advertisements 486
Product Advertisements 486
Institutional Advertisements 487

Developing the Advertising Program 488
Identifying the Target Audience 488
Specifying Advertising Objectives 489
Setting the Advertising Budget 489

Going Online: See Your Favorite Super Bowl Ads Again, and Again! 490

Designing the Advertisement 490
Selecting the Right Media 493

Using Marketing Dashboards: What Is the Best Way to Reach 1,000 Customers? 495

Different Media Alternatives 495

Making Responsible Decisions: Who Is Responsible for Click Fraud? 501

Scheduling the Advertising 502
20 PERSONAL SELLING AND SALES MANAGEMENT 518

Xerox Succeeds by Doing What's Right for the Customer 519

Scope and Significance of Personal Selling and Sales Management 520

Nature of Personal Selling and Sales Management 520

Selling Happens Almost Everywhere 520

Personal Selling in Marketing 521

Creating Customer Solutions and Value through Salespeople: Relationship and Partnership Selling 521

The Many Forms of Personal Selling 522

Order-Taking Salespeople 522

Order-Getting Salespeople 523

Customer Sales Support Personnel 524

Marketing Matters: Creating and Sustaining Customer Value through Cross-Functional Team Selling 525

The Personal Selling Process: Building Relationships 526

Prospecting: Identifying and Qualifying Prospective Customers 526

Preapproach: Preparing for the Sales Call 527

Approach: Making the First Impression 528

Presentation: Tailoring a Solution for a Customer's Needs 528

Marketing Matters: Imagine This . . . Putting the Customer into Customer Solutions! 530

Close: Asking for the Customer's Order or Business 531

Follow-Up: Solidifying the Relationship 531
The Sales Management Process  532

Sales Plan Formulation: Setting Direction  532

Making Responsible Decisions: The Ethics of Asking Customers about Competitors  533

Sales Plan Implementation: Putting the Plan into Action  536

Going Online: What Is Your Emotional Intelligence or EQ?  538

Salesforce Evaluation: Measuring Results  539

Using Marketing Dashboards: Tracking Salesperson Performance at Moore Chemical & Sanitation Supply, Inc.  540

Salesforce Automation and Customer Relationship Management  540

Learning Objectives Review  542

Focusing on Key Terms  543

Applying Marketing Knowledge  543

Building Your Marketing Plan  543

Video Case 20: Xerox: Building Customer Relationships through Personal Selling  544

Part 5  Managing the Marketing Process

21 IMPLEMENTING INTERACTIVE AND MULTICHANNEL MARKETING  547

Seven Cycles. One Bike. Yours.  547

Creating Customer Value, Relationships, and Experiences in Marketspace  548

Customer Value Creation in Marketspace  548

Interactivity, Individuality, and Customer Relationships in Marketspace  549

Creating an Online Customer Experience  551

Online Consumer Behavior and Marketing Practice in Marketspace  553

Who Is the Online Consumer?  553

Using Marketing Dashboards: Sizing Up Site Stickiness at Sewell Automotive Companies  554

Going Online: Are You a Digital Collaborator or a Drifting Surfer?  555

Marketing Matters: Meet Today’s Internet Mom—All 38 Million!  556

What Online Consumers Buy  556

Why Consumers Shop and Buy Online  557

Making Responsible Decisions: Let the E-Buyer Beware  561

When and Where Online Consumers Shop and Buy  561
Cross-Channel Shoppers and Multichannel Marketing 562
Who Is the Cross-Channel Shopper? 562
Implementing Multichannel Marketing 562

Learning Objectives Review 564
Focusing on Key Terms 565
Applying Marketing Knowledge 565
Building Your Marketing Plan 566

Video Case 21: Pizza Hut and imc²: Becoming a Multichannel Marketer 566

22 PULLING IT ALL TOGETHER: THE STRATEGIC MARKETING PROCESS 570

“Breaking the Rules” at General Mills to Reach Today’s On-the-Go Consumer 571
Marketing Basics: Doing What Works and Allocating Resources 572
Finding and Using What Really Works 573
Allocating Marketing Resources Using Sales Response Functions 574

The Planning Phase of the Strategic Marketing Process 577
The Vital Importance of Metrics in Marketing Planning 577
The Variety of Marketing Plans 578
Marketing Planning Frameworks: The Search for Growth 578

Some Marketing Planning and Strategy Lessons 582

The Implementation Phase of the Strategic Marketing Process 584
Is Planning or Implementation the Problem? 584
Increasing Emphasis on Marketing Implementation 585
Improving Implementation of Marketing Programs 585

Marketing Matters: Implementation Lessons from IBM: Converting Tough Global Problems into Results 587
Organizing for Marketing 589

The Evaluation Phase of the Strategic Marketing Process 590
The Marketing Evaluation Process 590
Evaluation Involves Marketing ROI, Metrics, and Dashboards 591
Evaluation Using Marketing Metrics and Marketing Dashboards at General Mills 592

Learning Objectives Review 594
Focusing on Key Terms 595
Applying Marketing Knowledge 595
Building Your Marketing Plan 595

Video Case 22: General Mills Warm Delights™: Indulgent, Delicious, and Gooey! 596
APPENDIX C  Planning a Career in Marketing  598
APPENDIX D  Alternate Cases  616
Case D–1 Nike MaxSight Contact Lenses: Seeing a Need  616
Case D–2 Daktronics, Inc.: Global Displays in 68 Billion Colors  617
Case D–3 Jamba Juice: Scanning the Marketing Environment  619
Case D–4 Ford and Firestone: Who’s to Blame?  621
Case D–5 The Jamisons Buy an Espresso Machine  623
Case D–6 Motetronix Technology: Marketing Smart Dust  624
Case D–7 Callaway Golf: The Global Challenge  625
Case D–8 HOM Furniture: Where Keen Observation Pays  628
Case D–9 Lawn Mowers: Segmentation Challenges  629
Case D–10 Medtronic in China: Where “Simpler” Serves Patients Better  630
Case D–11 Pampered Pooches Travel in Style  632
Case D–12 DigitalThink: Marketing E-Learning Services  633
Case D–14 Bagel Bakes: Pricing a New Breakfast Product  636
Case D–15 Ken Davis Products, Inc.: Finding Success in Retail Channels  638
Case D–16 Dell Inc.: A Foundation Built on Supply Chain Management  640
Case D–17 Trader Joe’s: Upscale Value  641
Case D–18 McDonald’s Restaurants: An IMC Program to Reach Different Segments  642
Case D–19 Target Corporation: Award-Winning Advertising  644
Case D–20 Morgantown Furniture: Making Promotion Trade-Offs  645
Case D–21 Crate and Barrel: Multichannel Marketing  647
Case D–22 Naked® Juice: Strategy for Growth  647

Glossary  649
Learning Review Answers  660
Chapter Notes  669
Credits  701
Name Index  705
Company/Product Index  713
Subject Index  721