

Preface xxiii



PART Designing Gustomer-Oriented Marketing Strategies

Chapter 1 Marketing: The Art and Science of Satisfying Customers 2

OPENING VIGNETTE

NASCAR Tweets Are Here to Stay 2

CAREER READINESS

How to Be a Social Media Marketing Manager 11

MARKETING SUCCESS

The Weather Channel 19

SOLVING AN ETHICAL CONTROVERSY

Should You Opt Out of Your Utilities Meter? 23

Chapter Overview 4

What Is Marketing? 5

A Definition of Marketing 6 | Today's Global Marketplace 7

Five Eras in the History of Marketing 8

The Production Era 9 | The Sales Era 9 | The Marketing Era 9 | The Relationship Era 10 | The Social Era 11 | Converting Needs to Wants 11

Avoiding Marketing Myopia 12

Extending the Traditional Boundaries of Marketing 13

Marketing in Not-for-Profit Organizations 13 | Characteristics of Not-for-Profit Marketing 14

Nontraditional Marketing 14

Person Marketing 15 | Place Marketing 15 | Cause Marketing 16 | Event Marketing 16 | Organization Marketing 17

From Transaction-Based Marketing to Relationship Marketing 17

Using Social Marketing to Build Relationships 18 | Converting New Customers to Advocates 18 | Developing Partnerships and Strategic Alliances 20

Costs and Functions of Marketing 21

Ethics and Social Responsibility: Doing Well by Doing Good 22

Strategic Implications of Marketing in the 21st Century 24

Review of Chapter Objectives 25

Assessment Check: Answers 26 | Marketing Terms You Need to Know 27 | Assurance of Learning Review 27 | Projects and Teamwork Exercises 27 | Critical-Thinking Exercises 28 | Ethics Exercise 28 | Internet Exercises 28

Case 1.1 Oreos Turn 100 Years Young 29

Video Case 1.2 Geoffrey B. Small Is Big on Quality, Customers, Community 30

Chapter 2 Strategic Planning in Contemporary Marketing

OPENING VIGNETTE

Google's Strategic Plan: Buy Motorola 32

CAREER READINESS

Making a Good Impression at That First Real Job 36

SOLVING AN ETHICAL CONTROVERSY

Celebrity Drug Endorsements: Honest-or Not? 40

MARKETING SUCCESS

Build-a-Bear Customers Get a Hands-On Experience and the Bear 46

Chapter Overview 34

Marketing Planning: The Basis for Strategy and Tactics 35

Strategic Planning versus Tactical Planning 37 | Planning at Different Organizational Levels 37

Steps in the Marketing Planning Process 38

Defining the Organization's Mission and Objectives 38

Assessing Organizational Resources and Evaluating Environmental Risks and Opportunities 39 Formulating, Implementing, and Monitoring a Marketing Strategy 39

Successful Strategies: Tools and Techniques 40

Porter's Five Forces Model 41 | First Mover and Second Mover Strategies 42 | SWOT Analysis 42 | The Strategic Window 44

Elements of a Marketing Strategy 45

The Target Market 45 | Marketing Mix Variables 46 | The Marketing Environment 48

Methods for Marketing Planning 50

Business Portfolio Analysis 50 | The BCG Matrix 51

Strategic Implications of Marketing in the 21st Century 52

Review of Chapter Objectives 53

Assessment Check: Answers 54 | Marketing Terms You Need to Know 55 | Assurance of Learning Review 55 | Projects and Teamwork Exercises 55 | Critical-Thinking Exercises 56 | Ethics Exercise 56 | Internet Exercises 56

Case 2.1 Hotels Market New Comforts Just for Millennials 57

Video Case 2.2 Nederlander Producing Company Spotlights Customer Rewards 58

M Chapter 3 The Marketing Environment, Ethics, and Social Responsibility

OPENING VIGNETTE

Chipotle Keeps It Sustainable 60

CAREER READINESS

Landing a Job in CSR 75

SOLVING AN ETHICAL CONTROVERSY

Was "Pink Slime" Coverage Fair or Foul? 79

MARKETING SUCCESS

IBM's Corporate Social Responsibility Efforts 86

Chapter Overview 62

Environmental Scanning and Environmental Management 63

The Competitive Environment 64

Types of Competition 64 | Developing a Competitive Strategy 66 | Time-Based Competition 66

The Political–Legal Environment 67

Government Regulation 67 | Government Regulatory Agencies 68 | Other Regulatory Forces 71 | Controlling the Political-Legal Environment 71

The Economic Environment 72

Stages in the Business Cycle 72 | The Global Economic Crisis 73 | Inflation and Deflation 73 | Resource Availability 74 | The International Economic Environment 75

The Technological Environment 76

Applying Technology 77

OPENING VIGNETTE Funny or Die Connects Brands to Fans 98

MARKETING SUCCESS New M&M Character Is Introduced via Social

SOLVING AN ETHICAL CONTROVERSY LinkedIn Security Breach: Who's at Fault? 122 CAREER READINESS Using Social Media to Find a Job 124

	The Social–Cultural Environment 77 Consumerism 78
	Ethical Issues in Marketing 81 Ethics in Marketing Research 82 Ethics in Product Strategy 83 Ethics in Distribution 84 Ethics in Pricing 85
	Social Responsibility in Marketing 85 Marketing's Responsibilities 87 Marketing and Ecology 87
	Strategic Implications of Marketing in the 21st Century 89
	Review of Chapter Objectives 90 Assessment Check: Answers 91 Marketing Terms You Need to Know 92 Assurance of Learning Review 92 Projects and Teamwork Exercises 92 Critical-Thinking Exercises 93 Ethics Exercise 93 Internet Exercises 93 Ethics Questionnaire Answers 94
	Case 3.1 Panera's Pay-What-You-Can Cafés 94
	Video Case 3.2 Zappos Employees Do More Than Sell Shoes 95
Chapter 4	Social Media: Living in the Connected World 98
	Chapter Overview 100
Die Connects to Fans 98	What Is Social Media? 100 Social Media Platforms 101 Social Media Tools 103 Why Should Marketers Turn to Social Media? 105
M Character ed via Social	How Consumers and Businesses Use Social Media 106 Consumer Behavior 107 Business Behavior 108 Not-for-Profit Organizations 108
Media 115	Creating a Social Media Marketing Plan 110
N ETHICAL FROUERSY urity Breach: Fault? 122	Goals and Strategies of a Social Media Marketing Plan 110 Setting Goals 111 Targeting the Audience 112 Developing Strategies and Choosing Tactics 113
EADINESS Social Media d a Job 124	Producing Content and Implementing the Plan 115 Creating Content 116 Implementing the Plan 116 Rules of Engagement for Social Media 117
	Monitoring, Measuring, and Managing the SMM Campaign 118 Monitoring and Measuring 118 Managing 120
	Ethical and Legal Issues 121 Workplace Ethics 121 Be Honest 121 Respect Privacy 121 Be Accountable 122
	Careers in Social Media Marketing 123 Types of Jobs 123 Tips for Landing a Job in Social Media Marketing 125
	Strategic Implications of Marketing in the 21st Century 126
	Review of Chapter Objectives 127 Assessment Check: Answers 128 Marketing Terms You Need to Know 129 Assurance of Learning Review 129 Projects and Teamwork Exercises 129 Critical-Thinking Exercises 130 Ethics Exercise 130 Internet Exercises 130

Case 4.1 Procter & Gamble Goes Digital 131

Video Case 4.2 Zappos Connects with Customers 131

ra Chapter 5 E-Business: Managing the Customer Experience 134

OPENING VIGNETTE

Pinterest Surges Ahead 134

MARKETING SUCCESS

Square Spreads the Word 148

SOLVING AN ETHICAL CONTROVERSY

The Ethics of Fake Online Reviews 152

CAREER READINESS

Applying for Jobs Online 156

Chapter Overview 136

The Digital World 137

E-Business and E-Marketing 138

Opportunities of E-Marketing 139 | Web Business Models 140

B2B E-Marketing 142

Proprietary B2B Transactions 142 | E-Procurement on Open Exchanges 143

B2C E-Marketing 143

Electronic Storefronts 144 | Benefits of B2C E-Marketing 144 | Online Buyers and Sellers 146

Challenges in E-Business and E-Marketing 147

Safety of Online Payment 147 | Privacy Issues 148 | Fraud and Scams 149 | Site Design and Customer Service 150 | Channel Conflicts and Copyright Disputes 150

Marketing and Web Communication 151

Online Communities and Social Networks 151 | Blogs and Podcasts 154 | Promotions on the Web 154

Building an Effective Web Presence 155

Successful Site Development 156 | Establishing Goals 156 | Implementation and Interest 157 | Pricing and Maintenance 157

Assessing Site Effectiveness 158

Strategic Implications of Marketing in the 21st Century 159

Review of Chapter Objectives 160

Assessment Check: Answers 161 | Marketing Terms You Need to Know 163 | Assurance of Learning Review 163 | Projects and Teamwork Exercises 163 | Critical-Thinking Exercises 164 | Ethics Exercise 164 | Internet Exercises 164

Case 5.1 Zynga Steps Out on Its Own 165

Video Case 5.2 Hubway: Boston's Online Bike-Sharing System 165

Scripps Networks Interactive & Food Network Cooking Up Social Media Strategies 168



PART 2 Understanding Buyers and Markets

Chapter **5** Consumer Behavior 170

OPENING VIGNETTE

American Express in Sync with Social Media 170

MARKETING SUCCESS

Klout Measures Your, Well, Clout 178

SOLVING AN ETHICAL CONTROVERSY

Should Facial Recognition Technology Go Incognito? 186

CAREER READINESS

How to Avoid Major Distractions at Work 189

Chapter Overview 172

Interpersonal Determinants of Consumer Behavior 173

Cultural Influences 173 | Social Influences 177 | Family Influences 181

Personal Determinants of Consumer Behavior 182

Needs and Motives 182 | Perceptions 184 | Attitudes 186 | Learning 188 | Self-Concept Theory 189

The Consumer Decision Process 190

Problem or Opportunity Recognition 191 | Search 191 | Evaluation of Alternatives 192 | Purchase Decision and Purchase Act 192 | Postpurchase Evaluation 192 | Classifying Consumer Problem-Solving Processes 193

Strategic Implications of Marketing in the 21st Century 194

Review of Chapter Objectives 195

Assessment Check: Answers 196 | Marketing Terms You Need to Know 196 | Assurance of Learning Review 197 | Projects and Teamwork Exercises 197 | Critical-Thinking Exercises 197 | Ethics Exercise 198 | Internet Exercises 198

Case 6.1 Pepsi-Cola Gets a Boost from Healthier Beverages 199

Video Case 6.2 Ski Butternut Offers Thrills—Not Spills 200

© Chapter 7 Business-to-Business (B2B) Marketing 202

OPENING VIGNETTE

GE & B2B 202

SOLVING AN ETHICAL CONTROVERSY

Making It Harder to Commit Mobile Crime 207

MARKETING SUCCESS

Foursquare Checks In with New Business Partners 208

CAREER READINESS

How to Negotiate with Customers 219

Chapter Overview 204

Nature of the Business Market 205

Components of the Business Market 206 | B2B Markets: The Internet Connection 208 | Differences in Foreign Business Markets 209

Segmenting B2B Markets 209

Segmentation by Demographic Characteristics 209 | Segmentation by Customer Type 210 | Segmentation by End-Use Application 211 | Segmentation by Purchase Categories 211

Characteristics of the B2B Market 211

Geographic Market Concentration 212 | Sizes and Numbers of Buyers 212 | The Purchase Decision Process 212 | Buyer–Seller Relationships 212 | Evaluating International Business Markets 213

Business Market Demand 214

Derived Demand 214 | Volatile Demand 215 | Joint Demand 215 | Inelastic Demand 215 | Inventory Adjustments 215

The Make, Buy, or Lease Decision 216

The Rise of Offshoring and Outsourcing 216 | Problems with Offshoring and Outsourcing 217

The Business Buying Process 217

Influences on Purchase Decisions 218 | Model of the Organizational Buying Process 220 | Classifying Business Buying Situations 222 | Analysis Tools 223

The Buying Center Concept 224

Buying Center Roles 224 | International Buying Centers 224

Developing Effective Business-to-Business Marketing Strategies 225

Challenges of Government Markets 225 | Challenges of Institutional Markets 226 | Challenges of International Markets 227

Strategic Implications of Marketing in the 21st Century 228

Review of Chapter Objectives 229

Assessment Check: Answers 230 | Marketing Terms You Need to Know 231 | Assurance of Learning Review 231 | Projects and Teamwork Exercises 232 | Critical-Thinking Exercises 232 | Ethics Exercise 232 | Internet Exercises 233

Case 7.1 W.W. Grainger Goes Mobile 233

Video Case 7.2 Zappos Offers Insights to Other Businesses 234

Chapter 8 Global Marketing 236

OPENING VIGNETTE

Hyundai Thinks Big 236

CAREER READINESS

Tips for International Travel 241

SOLVING AN ETHICAL CONTROVERSY

Taking Responsibility for Working Conditions Abroad 246

MARKETING SUCCESS

McDonald's Succeeds in France 254

Chapter Overview 238

The Importance of Global Marketing 239

Service and Retail Exports 240 | Benefits of Going Global 241

The International Marketing Environment 243

International Economic Environment 243 | International Social—Cultural Environment 244 | International Technological Environment 244 | International Political—Legal Environment 245 | Trade Barriers 247 | Dumping 248

Multinational Economic Integration 249

GATT and the World Trade Organization 249 | The NAFTA Accord 250 | The Free Trade Area of the Americas and CAFTA-DR 250 | The European Union 250

Going Global 252

Strategies for Entering Foreign Markets 252

Importing and Exporting 252 | Contractual Agreements 253 | International Direct Investment 255

From Multinational Corporation to Global Marketer 256

Developing an International Marketing Strategy 256

International Product and Promotional Strategies 258 | International Distribution Strategy 258 | Pricing Strategy 259 | Countertrade 259

The United States as a Target for International Marketers 260

Strategic Implications of Marketing in the 21st Century 260

Review of Chapter Objectives 261

Assessment Check: Answers 262 | Marketing Terms You Need to Know 263 | Assurance of Learning Review 263 | Projects and Teamwork Exercises 263 | Critical-Thinking Exercises 264 | Ethics Exercise 264 | Internet Exercises 264

Case 8.1 Starbucks Takes Coffee to India 265

Video Case 8.2 Nederlander Productions Hoof It Around the World 265

Scripps Networks Interactive & Food Network Everyone Eats 268



Chapter 9 Market Segmentation, Targeting, and Positioning 270

OPENING VIGNETTE

Nike's N7 Shoes: Perfect Fit for Native Americans 270

SOLVING AN ETHICAL CONTROVERSY

Free to Choose High-Fructose Corn Syrup 280

MARKETING SUCCESS

Clorox Latino 284

CAREER READINESS

Reaching Target Markets with Social Media 295 **Chapter Overview 272**

Types of Markets 273

The Role of Market Segmentation 273

Criteria for Effective Segmentation 274

Segmenting Consumer Markets 275

Geographic Segmentation 275

Using Geographic Segmentation 277 | Geographic Information Systems (GISs) 278

Demographic Segmentation 279

Segmenting by Gender 279 | Segmenting by Age 279 |
The Cohort Effect: The Video Game Generation 282 | Segmenting by Ethnic Group 284 |
Segmenting by Family Lifecycle Stages 286 | Segmenting by Household Type 287 |
Segmenting by Income and Expenditure Patterns 288 | Demographic Segmentation Abroad 289

Psychographic Segmentation 289

What Is Psychographic Segmentation? 289 | VALS™ 290 | Psychographic Segmentation of Global Markets 291 | Using Psychographic Segmentation 292

Product-Related Segmentation 292

Segmenting by Benefits Sought 292 | Segmenting by Usage Rates 293 | Segmenting by Brand Loyalty 293 | Using Multiple Segmentation Bases 293

The Market Segmentation Process 294

Develop a Relevant Profile for Each Segment 294 | Forecast Market Potential 294 | Forecast Probable Market Share 294 | Select Specific Market Segments 294

Strategies for Reaching Target Markets 295

Undifferentiated Marketing 296 | Differentiated Marketing 296 | Concentrated Marketing 296 | Micromarketing 297

Selecting and Executing a Strategy 298

Strategic Implications of Marketing in the 21st Century 299

Review of Chapter Objectives 300

Assessment Check: Answers 301 | Marketing Terms You Need to Know 302 | Assurance of Learning Review 302 | Projects and Teamwork Exercises 302 | Critical-Thinking Exercises 303 | Ethics Exercise 303 | Internet Exercises 303

Case 9.1 Cruise Companies Learn How to Cater to Distinct Market Segments 304

Video Case 9.2 Nederlander Targets Theatergoers Everywhere 305

Chapter 10 Marketing Research and Sales Forecasting

OPENING VIGNETTE

Target Masters Behavioral Research 308

MARKETING SUCCESS

Febreze: From Revolutionary Failure to Best-Selling Success 322

CAREER READINESS

Designing Surveys for Mobile Devices 326

SOLVING AN ETHICAL CONTROVERSY

Who Should Profit from Your Data? 331

Chapter Overview 310

The Marketing Research Function 310

Development of the Marketing Research Function 310 Who Conducts Marketing Research? 311 | Customer Satisfaction Measurement Programs 312 |

The Marketing Research Process 313 | Define the Problem 313 |

Conduct Exploratory Research 314 | Formulate a Hypothesis 315 |

Create a Research Design 315 | Collect Data 316 | Interpret and Present Research Data 316

Marketing Research Methods 316

Secondary Data Collection 317 | Sampling Techniques 320 | Primary Research Methods 320 | Survey Methods 322

Conducting International Marketing Research 327

Interpretive Research 328

Ethnographic Studies 328

Computer Technology in Marketing Research 329

Marketing Information Systems (MISs) 329 | Marketing Decision Support Systems (MDSSs) 330 | Data Mining 330 | Business Intelligence 330 | Competitive Intelligence 331

Sales Forecasting 332

Qualitative Forecasting Techniques 332 | Quantitative Forecasting Techniques 334

Strategic Implications of Marketing in the 21st Century 335

Review of Chapter Objectives 336

Assessment Check: Answers 337 | Marketing Terms You Need to Know 338 | Assurance of Learning Review 339 | Projects and Teamwork Exercises 339 | Critical-Thinking Exercises 339 | Ethics Exercise 340 | Internet Exercises 340

Case 10.1 Samsung and the Gamification of Marketing Research 341

Video Case 10.2 GaGa SherBetter Forecasts Hot Sales, Cold Flavors 342

Relationship Marketing and Customer Relationship Chapter 11 Management (CRM)

OPENING VIGNETTE

Amazon Cultivates Its Customers 344

MARKETING SUCCESS

Motel 6 Lights the Birthday Candles 349

SOLVING AN ETHICAL CONTROVERSY

Recruiting the Homeless 358

CAREER READINESS

Building Customer Loyalty 361

Chapter Overview 346

The Shift from Transaction-Based Marketing to Relationship Marketing 346

Elements of Relationship Marketing 348 | Internal Marketing 348

The Relationship Marketing Continuum 350

First Level: Focus on Price 351 | Second Level: Social Interactions 351 | Third Level: Interdependent Partnership 352

Enhancing Customer Satisfaction 352

Understanding Customer Needs 352 Obtaining Customer Feedback and Ensuring Satisfaction 353

Building Buyer-Seller Relationships 354

How Marketers Keep Customers 354 | Database Marketing 355 | Customers as Advocates 357

Customer Relationship Management 358

Benefits of CRM 359 | Problems with CRM 360 | Retrieving Lost Customers 360

Buyer-Seller Relationships in Business-to-Business Markets 362

Choosing Business Partners 362 | Types of Partnerships 363 | Cobranding and Comarketing 363

Improving Buyer-Seller Relationships in Business-to-Business Markets 364

National Account Selling 364 | Business-to-Business Databases 365 | Electronic Data Interchange and Web Services 365

Vendor-Managed Inventory 365

Managing the Supply Chain 366 | Business-to-Business Alliances 366

Evaluating Customer Relationship Programs 367

Strategic Implications of Marketing in the 21st Century 368

Review of Chapter Objectives 369

Assessment Check: Answers 370 | Marketing Terms You Need to Know 371 | Assurance of Learning Review 372 | Projects and Teamwork Exercises 372 | Critical-Thinking Exercises 372 | Ethics Exercise 372 | Internet Exercises 373

Case 11.1 Disney Institute: Teaching Customer Service 373

Video Case 11.2 Pepe's Pizzeria Serves Success One Customer at a Time 374

Scripps Networks Interactive & Food Network Scooping Up Consumer Insight 376



PART 4 Product Decisions

Chapter 12 Product and Service Strategies 378

OPENING VIGNETTE

Apple's Products Shine 378

MARKETING SUCCESS

Audi Gets Social 387

SOLVING AN ETHICAL CONTROVERSY

Natural vs. Organic: Who Is Responsible for Knowing the Difference? 392

CAREER READINESS

Email: Think Before You Send 397 Chapter Overview 380

What Is a Product? 380

What Are Goods and Services? 381

Importance of the Service Sector 382

Classifying Goods and Services for Consumer and Business Markets 384

Types of Consumer Products 384 | Classifying Consumer Services 387 |
Applying the Consumer Products Classification System 388 | Types of Business Products 389

Quality as a Product Strategy 394

Worldwide Quality Programs 395 | Benchmarking 395 | Quality of Services 395

Development of Product Lines 397

Desire to Grow 397 | Enhancing the Company's Market Position 398 | Optimal Use of Company Resources 398

The Product Mix 398

Product Mix Width 398 | Product Mix Length 398 | Product Mix Depth 399 | Product Mix Decisions 399

The Product Lifecycle 400

Introductory Stage 401 | Growth Stage 401 | Maturity Stage 402 | Decline Stage 402

Extending the Product Lifecycle 403

Increasing Frequency of Use 403 | Increasing the Number of Users 403 | Finding New Uses 404 | Changing Package Sizes, Labels, or Product Quality 404

Product Deletion Decisions 405

Strategic Implications of Marketing in the 21st Century 405

Review of Chapter Objectives 406

Assessment Check: Answers 407 | Marketing Terms You Need to Know 408 | Assurance of Learning Review 408 | Projects and Teamwork Exercises 409 | Critical-Thinking Exercises 409 | Ethics Exercise 409 | Internet Exercises 410

Case 12.1 United and Continental Merge Their Services 411

Video Case 12.2 BoltBus Gives Bus Travel a Jump Start 412

Developing and Managing Brand and 13 Chapter 13 **Product Categories** 414

OPENING VIGNETTE

Under Armour Scores 414

SOLUING ON ETHICAL CONTROVERSY

Who Is Responsible for the Truth of Advertising Claims? 417

MARKETING SUCCESS

Packaging Variety Gives Heinz a Boost 425

CAREER READINESS

How to Be a Team Player 435

Chapter Overview 416

Managing Brands for Competitive Advantage 416

Brand Loyalty 417 | Types of Brands 418 | Brand Equity 420 | The Role of Category and Brand Management 421

Product Identification 422

Brand Names and Brand Marks 422 | Trademarks 423 | Developing Global Brand Names and Trademarks 424 | Packaging 424 | Brand Extensions 428 | Brand Licensing 428

New-Product Planning 429

Product Development Strategies 429 | The Consumer Adoption Process 431 | Adopter Categories 432 | Identifying Early Adopters 432 | Organizing for New-Product Development 433

The New-Product Development Process 435

Screening 436 | Business Analysis 436 | Development 437 | Test Marketing 437 | Commercialization 437

Product Safety and Liability 438

Strategic Implications of Marketing in the 21st Century 439

Review of Chapter Objectives 440

Assessment Check: Answers 441 | Marketing Terms You Need to Know 442 | Assurance of Learning Review 442 | Projects and Teamwork Exercises 442 | Critical-Thinking Exercises 442 | Ethics Exercise 443 | Internet Exercises 443

Case 13.1 Chobani Greek Yogurt Focuses on Tradition 444

Video Case 13.2 At Zappos, Passion Is Paramount 445

Scripps Networks Interactive & Food Network The Line between Content and Commerce 448



Chapter 14 Marketing Channels and Supply Chain Management 450

OPENING VIGNETTE

Kiva Robots Add to Distribution Options 450

CAREER READINESS

How to Successfully Close a Sale 455

SOLVING AN ETHICAL CONTROVERSY

Hershey's Takes Responsibility for Its Supply Chain 459

MARKETING SUCCESS

Red Lobster's Living Global Supply Chain 468

Chapter Overview 452

The Role of Marketing Channels in Marketing Strategy 452

Types of Marketing Channels 453

Direct Selling 455 | Channels Using Marketing Intermediaries 456 | Dual Distribution 456 | Reverse Channels 457

Channel Strategy Decisions 458

Selection of a Marketing Channel 458 | Determining Distribution Intensity 460 | Who Should Perform Channel Functions? 463

Channel Management and Leadership 463

Channel Conflict 464 | Achieving Channel Cooperation 465

Vertical Marketing Systems 465

Corporate and Administered Systems 466 | Contractual Systems 466

Logistics and Supply Chain Management 467

Radio-Frequency Identification 469 | Enterprise Resource Planning 470 | Logistical Cost Control 470

Physical Distribution 471

The Problem of Suboptimization 471 | Customer Service Standards 471 |
Transportation 472 | Major Transportation Modes 473 |
Freight Forwarders and Supplemental Carriers 476 | Intermodal Coordination 476 |
Warehousing 477 | Inventory Control Systems 478 | Order Processing 478 |
Protective Packaging and Materials Handling 478

Strategic Implications of Marketing in the 21st Century 479

Review of Chapter Objectives 480

Assessment Check: Answers 481 | Marketing Terms You Need to Know 482 | Assurance of Learning Review 482 | Projects and Teamwork Exercises 482 | Critical-Thinking Exercises 483 | Ethics Exercise 483 | Internet Exercises 483

Case 14.1 Natural Disasters Disrupt the Global Supply Chain 484

Video Case 14.2 Geoffrey B. Small Keeps Marketing Channels Tight 485

Chapter 15 Retailers. Wholesalers, and Direct Marketers

OPENING VIGNETTE

Nordstrom Revs Up Its Social Media, Mobile, and E-Commerce Channels 488

MARKETING SUCCESS

College Towns Keep Whole Foods Growing 492

SOLVING AN ETHICAL CONTROVERSY

Who Should Control the Spread of Fake Stores and Counterfeit Products? 499

CAREER READINESS

Tips on Knowing Your Competition 505

Chapter Overview 490

Retailing 490

Evolution of Retailing 491

Retailing Strategy 491

Selecting a Target Market 493

Merchandising Strategy 493 | Customer Service Strategy 494 | Pricing Strategy 495 | Location/Distribution Strategy 496 | Promotional Strategy 497 | Store Atmospherics 499

Types of Retailers 500

Classification of Retailers by Form of Ownership 500 | Classification by Shopping Effort 501 | Classification by Services Provided 501 | Classification by Product Lines 501 | Classification of Retail Transactions by Location 504 Retail Convergence and Scrambled Merchandising 504

Wholesaling Intermediaries 505

Functions of Wholesaling Intermediaries 506 | Types of Wholesaling Intermediaries 507 | Retailer-Owned Cooperatives and Buying Offices 512

Direct Marketing and Other Nonstore Retailing 512

Direct Mail 512 | Direct Selling 513 | Direct-Response Retailing 513 | Telemarketing 513 | Internet Retailing 513 | Automatic Merchandising 514

Strategic Implications of Marketing in the 21st Century 514

Review of Chapter Objectives 515

Assessment Check: Answers 516 | Marketing Terms You Need to Know 517 | Assurance of Learning Review 517 | Projects and Teamwork Exercises 517 | Critical-Thinking Exercises 518 | Ethics Exercise 518 | Internet Exercises 519

Case 15.1 Costco Plays Catch-Up in Online Sales 519

Video Case 15.2 GaGa SherBetter: Coming to a Market Near You? 520

Scripps Networks Interactive & Food Network Pushing Content into New Channels 522



Chapter **15** Integrated Marketing Communications, Advertising, and Public Relations 524

OPENING VIGNETTE

Starbucks Brews Successful Media Strategy 524

MARKETING SUCCESS

H&M Integrates Its David Beckham Campaign 528

CAREER READINESS

Tips for Career Networking 529

SOLVING AN ETHICAL CONTROVERSY

Fast-Food Advertising to Children 553

Chapter Overview 526

Integrated Marketing Communications 527

Importance of Teamwork 529 | Role of Databases in Effective IMC Programs 529

The Communication Process 530

Elements of the Promotional Mix 532

Personal Selling 533 | Nonpersonal Selling 533 | Advertising 533 |
Product Placement 533 | Sales Promotion 533 | Direct Marketing 534 |
Public Relations 534 | Guerrilla Marketing 534 |
Advantages and Disadvantages of Types of Promotion 535 | Sponsorships 536

Advertising 536

Types of Advertising 537 | Objectives of Advertising 537

Advertising Strategies 538

Comparative Advertising 538 | Celebrity Testimonials 539 | Retail Advertising 539 | Interactive Advertising 540 | Creating an Advertisement 540 |
Translating Advertising Objectives into Advertising Plans 541 | Advertising Messages 541

Advertising Appeals 542

Fear Appeals 542 | Humor in Advertising Messages 542 | Ads Based on Sex 543 | Developing and Preparing Ads 543 | Creating Interactive Ads 544

Media Selection and Scheduling 545

Television 545 | Radio 546 | Newspapers 547 | Magazines 547 | Direct Mail 548 | Outdoor Advertising 548 | Interactive Media 548 | Other Advertising Media 549 | Media Scheduling 549

Public Relations 550

Marketing and Nonmarketing Public Relations 550 | Publicity 552 | Cross-Promotion 552 | Ethics and Promotional Strategies 552 | Ethics in Public Relations 554

Promotional Mix Effectiveness 554

Nature of the Market 554 | Nature of the Product 554 | Stage in the Product Lifecycle 555 | Price 555 | Funds Available for Promotion 555 | Evaluating Promotional Effectiveness 556 | Measuring Advertising Effectiveness 556 | Media and Message Research 557 | Measuring Public Relations Effectiveness 558 | Evaluating Interactive Media 558

Strategic Implications of Marketing in the 21st Century 559

Review of Chapter Objectives 560

Assessment Check: Answers 561 | Marketing Terms You Need to Know 562 | Assurance of Learning Review 563 | Projects and Teamwork Exercises 563 | Critical-Thinking Exercises 563 | Ethics Exercise 563 | Internet Exercises 564

Case 16.1 The Richards Group: A Unique Advertising Agency 565

Video Case 16.2 Pepe's Pizzeria Delivers Every Day 566

ra Chapter 17 Personal Selling and Sales Promotion

OPENING UIGNETTE

Salesforce.com Expands Its Cloud Marketing Business 568

MARKETING SUCCESS

Wells Fargo's Successful Cross-Selling 578

CAREER READINESS

Making a Successful Cold Call 583

SOLVING AN ETHICAL CONTROVERSY

When the Sale Doesn't Benefit the Customer 587

Chapter Overview 570

The Evolution of Personal Selling 571

The Four Sales Channels 571

Over-the-Counter Selling 572 | Field Selling 573 | Telemarketing 574 | Inside Selling 575 | Integrating the Various Selling Channels 575

Trends in Personal Selling 576

Relationship Selling 576 | Consultative Selling 577 | Team Selling 578

Sales Tasks 579

Order Processing 579 | Creative Selling 580 | Missionary Selling 580

The Sales Process 581

Prospecting and Qualifying 582 | Approach 582 | Presentation 583 | Demonstration 584 | Handling Objections 584 | Closing 584 | Follow-Up 585

Managing the Sales Effort 585

Recruitment and Selection 586 | Training 587 | Organization 588 | Supervision 589 | Motivation 589 | Compensation 590 | Evaluation and Control 590

Ethical Issues in Sales 592

Sales Promotion 592

Consumer-Oriented Sales Promotions 594 | Trade-Oriented Promotions 596

Strategic Implications of Marketing in the 21st Century 598

Review of Chapter Objectives 599

Assessment Check: Answers 600 | Marketing Terms You Need to Know 601 | Assurance of Learning Review 601 | Projects and Teamwork Exercises 601 | Critical-Thinking Exercises 602 | Ethics Exercise 602 | Internet Exercises 602

Case 17.1 Selling a Tennis Star's Image 603

Video Case 17.2 Hubway Rolls Out Partners and Promotions 604

Scripps Networks Interactive & Food Network Generating Buzz 606



Chapter 18 Pricing Concepts 608

OPENING VIGNETTE

Dollar General Vaults Ahead on Price Points, Not Prices 608

MARKETING SUCCESS

The Pricey Smell of Success 614

SOLVING AN ETHICAL CONTROVERSY

Differential Pricing for Highway Tolls 621

CAREER READINESS

Getting the Best Price on Your Auto Purchase 626 **Chapter Overview 610**

Pricing and the Law 610

Robinson-Patman Act 612 | Unfair-Trade Laws 612 | Fair-Trade Laws 612

Pricing Objectives and the Marketing Mix 613

Profitability Objectives 615 | Volume Objectives 616 | Prestige Objectives 618

Pricing Objectives of Not-for-Profit Organizations 618

Methods for Determining Prices 619

Price Determination in Economic Theory 620

Cost and Revenue Curves 622 | The Concept of Elasticity in Pricing Strategy 624 | Practical Problems of Price Theory 625

Price Determination in Practice 626

Alternative Pricing Procedures 627 | Breakeven Analysis 628

The Modified Breakeven Concept 629

Yield Management 631

Global Issues in Price Determination 631

Strategic Implications of Marketing in the 21st Century 633

Review of Chapter Objectives 634

Assessment Check: Answers 635 | Marketing Terms You Need to Know 636 | Assurance of Learning Review 636 | Projects and Teamwork Exercises 637 | Critical-Thinking Exercises 637 | Ethics Exercise 637 | Internet Exercises 638

Case 18.1 ScoreBig: Name Your Price for Live Events 639

Video Case 18.2 Ski Butternut: Great Prices for Winter Fun 640

Chapter 19 Pricing Strategies 642

OPENING VIGNETTE

Discounts Reduce Number of Abandoned E-Carts 642

MARKETING SUCCESS

Chili's Serves Everyday Value 648

SOLVING AN ETHICAL CONTROVERSY

Limiting "Unlimited" Data Plans 656

CAREER READINESS

Using Smartphone Apps for Comparison Shopping 662

Chapter Overview 644

Pricing Strategies 644

Skimming Pricing Strategy 645 | Penetration Pricing Strategy 646 | Competitive Pricing Strategy 649

Price Quotations 649

Reductions from List Price 650 | Geographic Considerations 652

Pricing Policies 654

Psychological Pricing 654 | Price Flexibility 654 | Product-Line Pricing 655 | Promotional Pricing 656 | Price—Quality Relationships 657

Competitive Bidding and Negotiated Prices 658

Negotiating Prices Online 659

The Transfer Pricing Dilemma 660

Global Considerations and Online Pricing 660

Traditional Global Pricing Strategies 660 | Characteristics of Online Pricing 661 | Bundle Pricing 663

Strategic Implications of Marketing in the 21st Century 663

Review of Chapter Objectives 664

Assessment Check: Answers 665 | Marketing Terms You Need to Know 666 | Assurance of Learning Review 666 | Projects and Teamwork Exercises 666 | Critical-Thinking Exercises 667 | Ethics Exercise 667 | Internet Exercises 667

Case 19.1 Who Needs the U.S. Penny? 668

Video Case 19.2 BoltBus: Ride for the Right Price 668

Scripps Networks Interactive & Food Network Good, Better, Best 670

Appendix A

Developing an Effective Marketing Plan A-1

Appendix B

Financial Analysis in Marketing B-1

Online Appendix

Your Career in Marketing (www.cengagebrain.com)

Glossary G-1

Name & Company Index 1-1

Subject Index 1-23

International Index 1-41