



PREFACE

‘The times they are a-changin’^A

Bob Dylan (1964)

Forty years after Bob Dylan recorded this eponymous song, times are indeed changing. Among the changes is this one-time anti-establishment singer enrobing to receive an honorary degree at Scotland’s ancient St Andrew’s University. Maybe he has taken up golf! In considering marketing, a more fitting line is ‘Times they are forever a-changin’, and ever faster’. As *The Darkness*^B recognise, get ‘stuck in a rut’ and you have had it.

Some of the changes are political, such as the enlarged European Union, and some failed politics, such as ‘the war on terror’. The European Union’s move east to embrace Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia increases the EU’s geographical area by a quarter and its population by a fifth. The move also increases the diversity in the EU since most of the accession countries are much less wealthy than the rest of the EU, so it increases the EU’s gross domestic product by one-twentieth. The ‘war on terror’ is also making diversity more pronounced as Europe’s near neighbours in the Middle East feel increasingly victimised by the West. The tension spills over into Europe where Islam is the fastest growing religion. Europe therefore faces the opportunity of an enlarged market but with increased diversity.

Europe, like other developed areas of the world, is facing huge demographic changes that will increasingly challenge the minds of politicians and marketers alike. The post-World War 2 generation of baby boomers who listen to Bob Dylan are ageing. The shock of that generation created the teenage markets that still survive but, as birth rates decline, the grey market will become increasingly influential when making key marketing decisions.

Already the people-over-fifty generation dominates the one-time teenage market for popular music. However, the baby-boomers’ domination of pop record buying has occurred because they are ‘stuck in a rut’ of acquiring music in the old way while the technologically adept younger generations download iTunes tracks onto their iPods. The electronic interconnectedness of people has changed hugely in recent years. A few years ago, it was revolutionary to install direct telephone lines into student rooms; now the

^A Bob Dylan (1964), *The times they are a-changin’*, CBS BPG 62251

^B *The Darkness* (2004), *Permission to land*, Atlantic 5050466-7452-2-4

technology is redundant as younger generations keep in touch by texting, mobile phone or by email. One outcome of this personal interconnectedness is the decline in visits to Student Guilds or Unions that were once the only places in which to meet and spend time.

It is befitting our increasingly global reach that the personal interconnectedness is not distance related – communications are only a little more expensive across the world than across the corridor. Globalisation remains a controversial issue but its pace is quickening. Two major forces are accelerating globalisation and both have China and India at their core. With their markets now more free, the growth of these two economies (China 9.8% and India 10.4% GNP growth in 2004) is far outstripping Western growth (EU 1.3% and US 4.9%). As the huge and increasingly wealthy populations of China and India continue to grow, it is success in their markets that will dominate competition. Simultaneously, the huge supply of well-qualified, skilled and inexpensive labour in India and China makes them attractive for creating as well as supplying goods and services.

The Fourth European Edition

The Fourth European Edition of *Principles of Marketing* offers significant improvements in perspective, in organisation, content and style. Recognising Europe's internationalism and the growth of globalisation, examples and cases are drawn, not from Europe alone, but from the US, Japan, South-east Asia and Africa. Some examples and cases concentrate on national issues, but even these have been selected to reflect issues of interest to students worldwide. Many involve developments in e-commerce, mobile communications, fashion and entertainment. Although such cases cover many markets and products, the brands and customers used are close to the experience or aspiration of readers.

This book has eight parts. The first four cover marketing concepts and strategy and the last four the marketing mix.

Part 1 Marketing Now introduces marketing in a changing world and then immediately introduces Strategic Marketing as a way of integrating all marketing's activities. Besides providing an early framework for marketing thinking, the chapter shows the links between the chapters that follow and sets the stage for the remainder of the text.

Part 2 The Marketing Setting begins with Chapter 3 which examines the dimensions of the environment in which modern firms compete. Unlike most other texts which treat major environmental trends such as the Internet revolution, globalisation and marketing's role in the wider society as end-of-book afterthoughts, *Principles of Marketing* presents these topics up-front. The new Chapter 4 considers how marketing strategies and practices should adapt to take advantage of the Internet, which has become an important part of the underlying fabric of modern marketing. Chapter 5 addresses the important issues of socially responsible marketing, while Chapter 6 covers marketing in the global marketplace.

Part 3 Markets covers customer behaviour and how to gather market information. Chapters 7 examines consumer behaviour and the consumer markets where we, the final consumer, reside. Chapter 8 then studies business-to-business (B2B) marketing, including selling to international government agencies. Although less conspicuous in the High Street, B2B markets are where most marketing activity takes place. Chapter 9 provides a comprehensive coverage of marketing research and covers a wide range of methods of gathering information to guide marketing decisions.

Part 4 Core Strategy begins with a chapter on how to break markets down into market segments, choose target markets and position products and services in the customers' mind. Next, Chapter 11 shows how to build relationships with customers through customer satisfaction, quality, value and service, while Chapter 12 explores ways of creating competitive advantage and competing effectively.

The final four parts cover the marketing mix.

Part 5 Product has three chapters. Chapter 13 on product and branding strategy gives an expanded coverage of contemporary issues such as brand equity, brand positioning, brand management and rebranding. Chapter 14 addresses new product and brand development and how to manage the product over its life-cycle. The final chapter in this part offers full and separate coverage of the extremely important area of marketing services.

Part 6 Price is presented by a single and streamlined Chapter 16 which discusses key pricing considerations and approaches and the determination of pricing strategies in an increasingly value-driven and dynamic pricing environment.

Part 7 Promotion comprises three chapters. Chapter 17 considers the importance of developing an integrated marketing communications strategy. Advertising, sales promotion and public relations are covered in Chapter 18. The part concludes with Chapter 19 on personal selling and other forms of direct marketing.

Part 8 Place represents the last stage in getting products or services to the buyer. Chapter 20, the final chapter of this text, considers the traditional flow of goods and services through marketing channels and logistics management to wholesaling and retailing.

Classic features

- Practical, managerial approaches to marketing from the top gurus in the field prepare students for business challenges in the real world.
- Rich topical examples and applications explain the major decisions that marketing managers face.
- Prelude Cases open each chapter with a major example describing a distinctive and thought-provoking market situation.
- Marketing Insight boxes explore short examples and company cases.
- Full-colour adverts bring to life the powerful importance of marketing in our everyday lives.

New to this edition

- Completely revised and updated Prelude Cases, Marketing Insights and end-of-chapter cases (Concluding concepts) reflect the growing influence of e-commerce.
- Enhanced full-colour tables, adverts and figures highlight key ideas and marketing strategies.
- A comprehensive Companion Website, containing a wealth of teaching material for lecturers and learning materials for students, is available at www.pearsoned.co.uk/kotler. Completely updated, this site boasts great additions, such as more case studies, more multiple choice questions, and sample answers to the questions from the Marketing in Practice DVD.