Brief Contents

Preface 13

PART 1 Fundamentals of Marketing Management 28

- chapter 1 Defining Marketing for the New Realities 28
- chapter 2 Marketing Planning and Management 54

PART 2 Understanding the Market 78

- chapter 3 Analyzing Consumer Markets 78
- chapter 4 Analyzing Business Markets 104
- chapter 5 Conducting Marketing Research 124

PART 3 Developing a Viable Market Strategy 144

chapter 6 Identifying Market Segments and Target Customers 144chapter 7 Crafting a Customer Value Proposition and Positioning 166

PART 4 Designing Value 186

- chapter 8 Designing and Managing Products 186
- chapter 9 Designing and Managing Services 208
- chapter 10 Building Strong Brands 234
- chapter 11 Managing Pricing and Sales Promotions 264

PART 5 Communicating Value 288

- chapter 12 Managing Marketing Communications 288
- chapter 13 Designing an Integrated Marketing Campaign in the Digital Age 308
- chapter 14 Personal Selling and Direct Marketing 330

PART 6 Delivering Value 348

- chapter 15 Designing and Managing Distribution Channels 348
- chapter 16 Managing Retailing 372

PART 7 Managing Growth 398

- chapter 17 Driving Growth in Competitive Markets 398
- chapter 18 Developing New Market Offerings 422
- chapter 19 Building Customer Loyalty 444
- chapter 20 Tapping into Global Markets 468
- chapter 21 Socially Responsible Marketing 490

Endnotes 513 Glossary 575 Name Index 583 Company, Brand, and Organization Index 585 Subject Index 595

Contents

Preface 13

1

PART 1 Fundamentals of Marketing Management 28

Defining Marketing for the New Realities 28

The Scope of Marketing 29 What Is Marketing? 29 What Is Marketed? 30 The Marketing Exchange 31 The New Marketing Realities 32 The Four Major Market Forces 32 The Three Key Marketing Outcomes 35 The Concept of Holistic Marketing 38 The Role of Marketing in the Organization 42 Organizing and Managing the Marketing Department 43 Organizing the Marketing Department 44 Managing the Marketing Department 46 **Building a Customer-Oriented** Organization 47 **marketing insight** The 10 Deadly Marketing Sins 49 summary 50 marketing spotlight Nike 51

marketing spotlight Disney 52

2 Marketing Planning and Management 54

Corporate and Business Unit Planning and Management 55 Defining the Corporate Mission 55 Building the Corporate Culture 56 Defining Strategic Business Units 57 Allocating Resources Across Business Units 58 Developing Market Offerings 59

Developing the Marketing Strategy 59 The Five Cs and the Five Forces of

Competition 61 Designing the Marketing Tactics 62 The Seven Ts and the Four Ps 64 Creating a Market Value Map 64

Planning and Managing Market Offerings66The G-STIC Approach to Action Planning66Setting a Goal66

Developing the Strategy 68 Designing the Tactics 68 Identifying Controls 69 Developing a Marketing Plan 69 Modifying the Marketing Plan 71 Updating the Marketing Plan 71 Conducting a Marketing Audit 72 marketing insight A Template for Writing a Marketing Plan 73 summary 74 marketing spotlight Google 75 marketing spotlight Careem 76

PART 2 Understanding the Market 78

3 Analyzing Consumer Markets 78

The Model of Consumer Behavior 79 Consumer Characteristics 79 Cultural Factors 80 Social Factors 81 Personal Factors 82 Consumer Psychology 84 Consumer Motivation 84 Perception 88 Emotions 89 Memory 89 The Buying Decision Process 91 Problem Recognition 91 Information Search 92 Evaluation of Alternatives 93 Purchase Decision 95 Postpurchase Behavior 97 marketing insight Behavioral Decision Theory 98 summary 100 marketing spotlight Mayo Clinic 100 marketing spotlight Intuit 102

4 Analyzing Business Markets 104

The Organizational Buying Process 105 Understanding Business Markets 105 Types of Buying Decisions 107

The Buying Center 108 The Composition of the Buying Center 108 The Role of the Buying Center in the Organization 108 Buying Center Dynamics 109 Selling to Buying Centers 109

Understanding the Buying Process 110 Problem Recognition 110 Need Description 110 Product Specification 110 Supplier Search 111 Proposal Solicitation 112 Supplier Selection 112 Contract Negotiation 112 Performance Review 113 **Developing Effective Business Marketing** Programs 113 Transitioning From Products to Solutions 113 Enhancing Services 114 Building Business-to-Business Brands 114 Overcoming Price Pressures 115 Managing Communication 117 Managing Business-to-Business **Relationships** 118 Understanding the Buyer-Supplier Relationship 118 Managing Corporate Trust, Credibility, and Reputation 118 **Risks and Opportunism in Business** Relationships 119 Managing Institutional Markets 119 summary 120 marketing spotlight Alibaba 121 marketing spotlight Salesforce.com 122

5 Conducting Marketing Research 124

The Scope of Marketing Research 125 Importance of Marketing Insights 125 Who Does Marketing Research? 127
The Marketing Research Process 128 Defining the Problem 128 Developing the Research Plan 129 Collecting the Information 134 Analyzing the Information and Making the Decision 135
Measuring Market Demand 136 Key Concepts in Demand Measurement 136 Forecasting Market Demand 137

Measuring Marketing Productivity 138 Marketing Metrics 138 Marketing-Mix Modeling 139 Marketing Dashboards 139

marketing insight Six Ways to Draw New Ideas from Your Customers 140

summary 141

marketing spotlight Tesco 141 marketing spotlight LEGO 142

PART 3 Developing a Viable Market Strategy 144

6 Identifying Market Segments and Target Customers 144

Identifying Target Customers 145 The Logic of Targeting 146 Strategic and Tactical Targeting 146 Strategic Targeting 147 Target Compatibility 148 Target Attractiveness 149 Tactical Targeting 150 Defining the Customer Profile 150 Aligning Customer Value and Customer Profile 151 Bringing Target Segments to Life with Personas 151 Single-Segment and Multi-Segment Targeting 152 Single-Segment Targeting 152 Targeting Multiple Segments 153 Segmenting Consumer Markets 154 Demographic Segmentation 155 Geographic Segmentation 157 Behavioral Segmentation 158 Psychographic Segmentation 159 Segmenting Business Markets 160 marketing insight Chasing the Long Tail 161 summary 162 marketing spotlight Superdry 162 marketing spotlight Chase Sapphire 164

7 Crafting a Customer Value Proposition and Positioning 166

Developing a Value Proposition and Positioning 167 Developing a Value Proposition 167 Developing a Positioning Strategy 169 Choosing a Frame of Reference 170 Identifying Potential Points of Difference and Points of Parity 171 Identifying Points of Difference 171 Identifying Points of Difference 171 Identifying Points of Parity 172 Aligning the Frame of Reference, Points of Parity, and Points of Difference 174 Creating a Sustainable Competitive Advantage 175 Sustainable Competitive Advantage as a Marketing Concept 176 Strategies for Creating a Sustainable Competitive Advantage 176

Communicating the Offering's

Positioning 178 Crafting a Positioning Statement 178 Communicating Category Membership 179 Communicating Conflicting Benefits 180 Positioning as Storytelling 180 marketing insight Positioning a Start-Up 181

summary 182

marketing spotlight Unilever: Axe
and Dove 183
marketing spotlight First Direct 184

PART 4 Designing Value 186

8 Designing and Managing Products 186

Product Differentiation 187 Product Design 189 Power of Design 190 Approaches to Design 190 Product Portfolios and Product Lines 192 Product Portfolio Design 192 Product Line Analysis 192 Product Line Length 194 Managing Packaging and Labeling 197 Packaging 197 Labeling 200 Managing Guarantees and Warranties 200 marketing insight When Less Is More 201 summary 202 marketing spotlight Apple 203 marketing spotlight Casper 204 marketing spotlight Toyota 206

9 Designing and Managing Services 208

The Nature of Services 209

The Service Aspect of an Offering 210
Distinctive Characteristics of Services 211

The New Services Realities 215

Increasing Role of Technology 215
Customer Empowerment 216
Customer Coproduction 216
Satisfying Employees as Well as
Customers 217

Achieving Service Excellence 218

Best Practices of Top Service
Companies 218
Differentiating Services 221
Innovation with Services 223

Managing Service Quality 225 Managing Customer Expectations 226 Managing Service Quality 227 Managing Self-Service 228 Managing Product–Service Bundles 229 marketing insight Improving Company Call Centers 230 summary 230 marketing spotlight Improvement Premier Inn 231 marketing spotlight Improvement Transport

10 Building Strong Brands 234

for London 232

How Does Branding Work? 235 The Essence of Branding 235 The Role of Brands 236 Brand Equity and Brand Power 238 Designing the Brand 241 Defining the Brand Mantra 241 Choosing Brand Elements 242 The Magic of Brand Characters 243 Choosing Secondary Associations 244 Brand Hierarchy 245 Managing Brand Portfolios 245 Cobranding 247 The Brand Value Chain 249 Brand Dynamics 250 Brand Repositioning 250 Brand Extensions 251 Managing a Brand Crisis 254 Luxury Branding 256 Characteristics of Luxury Brands 256 Managing Luxury Brands 257 marketing insight Constructing a Brand Positioning Bull's-Eye 259 summary 260 marketing spotlight Gucci 261 marketing spotlight MUJI 262

11 Managing Pricing and Sales Promotions 264

Understanding Pricing 265 Consumer Psychology and Pricing 267 Setting the Price 269 Defining the Pricing Objective 270 Determining Demand 270 Estimating Costs 271 Analyzing Competitors' Prices 272 Selecting a Pricing Method 273 Setting the Final Price 276 Product-Mix Pricing 278 Initiating and Responding to Price Changes 279 Initiating Price Cuts 279 Initiating Price Increases 279 Responding to Competitors' Price Changes 279 Managing Incentives 280 Incentives as a Marketing Device 280 Major Incentive Decisions 281 marketing insight Ethical Issues in Prescription Drug Pricing 283 summary 284

marketing spotlight Priceline 285

marketing spotlight Uber 286

PART 5 Communicating Value 288

12 Managing Marketing Communications 288

The Role of Marketing Communication 290 The Communication Process 290 **Developing an Effective Communication** Program 291 Setting the Communication Objectives 291 Defining the Focus of Company Communications 291 Setting the Communication Benchmarks 293 Determining the Communication Budget 293 Identifying the Target Audience and Crafting the Communication Message 294 Identifying the Target Audience 294 Crafting the Communication Message 295 Deciding on the Communication Media 295 Defining the Communication Media Mix 296 Developing a Media Plan 298 Winning the Super Bowl of Advertising 299 Developing the Creative Approach 301 Determining the Message Appeal 301 Selecting the Message Source 302 Developing the Creative Execution 302 Measuring Communication Effectiveness 303 marketing insight
 Celebrity Endorsements 304 summary 305 marketing spotlight Red Bull 305 marketing spotlight Cadbury 306

13 Designing an Integrated Marketing Campaign in the Digital Age 308

Managing Integrated Marketing Communications 310 Advertising 311 Television Advertising 311 Print Advertising 312 Radio Advertising 313 Online Advertising 313 Place Advertising 314 Online Communication 315 Company Website 316 Driving Online Traffic 316 Social Media 316 The Growth of Social Media 317 Social Media Platforms 317 Mobile Communication 319 Events and Experiences 319 Managing Events 320 Creating Experiences 320 Word of Mouth 321 Publicity and Public Relations 322 Publicity 322 Public Relations 323 Packaging 324 marketing insight Measuring Social Media ROI 325 summarv 326 marketing spotlight Honda 327 marketing spotlight AccorHotels 329

14 Personal Selling and Direct Marketing 330

Personal Selling 331 Personal Selling as a Process 332 Managing the Sale 333 Designing the Sales Force 334 Sales Force Objectives 334 Sales Force Strategy 335 Sales Force Structure 337 Sales Force Size 337 Sales Force Compensation 337 Managing the Sales Force 338 Recruiting the Sales Force 338 Training and Supervising the Sales Force 338 Managing Sales Force Productivity 339 Motivating the Sales Force 339 Evaluating the Sales Force 340 Direct Marketing 341 Direct Marketing Channels 341 The Future of Direct Marketing 343 marketing insight
 Major Account Management 344

summary 344
 marketing spotlight Avon 345
 marketing spotlight Progressive Insurance 346

PART 6 Delivering Value 348

15 Designing and Managing Distribution Channels 348

The Role of Distribution Channels 349 Distribution Channel Functions 350 Channel Levels 351 Multichannel Distribution 352

- Channel-Management Decisions 355 Establishing Channel Objectives 355 Selecting Channel Members 356 Motivating Channel Members 359 Evaluating Channel Members 361
- Channel Cooperation and Conflict 361 The Nature of Channel Conflicts 362 Managing Channel Conflict 363
- Managing Market Logistics 363 Market-Logistics Objectives 364 Market-Logistics Decisions 365
- marketing insight Understanding the Showrooming Phenomenon 367
 summary 368
 marketing spotlight Zara 369
 marketing spotlight Popeyes 370

16 Managing Retailing 372

Wholesalers 391

The Modern Retail Environment 373 Key Retailing Decisions 375 Target Market 375 Product Assortment and Procurement 376 Services 377 Store Atmosphere 378 Pricing 379 Incentives 381 Communications 382 Managing Omnichannel Retailing 383 Brick-and-Mortar Retailers 383 Online Retailers 385 Omnichannel Retailing 386 Managing Private Labels 387 Wholesaling 390 The Business of Wholesaling 390 Key Functions Performed by

marketing insight
 Managing the Price Image of a Retailer 392
 summary 394
 marketing spotlight
 Uniqlo 394
 marketing spotlight
 Best Buy 396

PART 7 Managing Growth 398

17 Driving Growth in Competitive Markets 398

Assessing Growth Opportunities 399 Product–Market Growth Strategies 399 Growth Through Mergers and Acquisitions 401 Growth Through Innovation and Imitation 401 Gaining Market Position 402 Growing Sales to Current Customers 403 Creating New Markets 404 Expanding Existing Markets 406 Defending Market Position 407 Product Life Cycle Marketing Strategies 410 The Concept of a Product Life Cycle 410 Introduction Stage 412 Growth Stage 412 Maturity Stage 412 Decline Stage 414 Alternative Product Life Cycle Patterns 415 marketing insight Market-Challenger Growth Strategies 417 summary 418 marketing spotlight Airbnb 418 marketing spotlight American Express 420

18 Developing New Market Offerings 422

The Process of Developing New Market Offerings 423 The Innovation Imperative 423 Managing Innovation 425 The Stage-Gate Approach to Developing New Offerings 426 The Stage-Gate Approach to Developing New Offerings: An Illustration 427 Idea Generation 430 Generating Viable Ideas 430 Idea Validation 431 Market Research Tools for Idea Generation and Validation 431 Concept Development 432 Prototyping 432 Concept Validation 433

Business-Model Design 434 Designing the Business Model 434 Business-Model Validation 435

Offering Implementation 435 Developing the Core Resources 435 Developing the Market Offering 436

Commercial Deployment 436 Selective Market Deployment 437 Market Expansion 437

marketing insight Understanding the Adoption of Innovations 438

summary 440

marketing spotlight Honest Tea 441 marketing spotlight WeChat 442

19 Building Customer Loyalty 444

Managing Customer Acquisition and Retention 445 The Customer Acquisition Funnel 445 Balancing Customer Acquisition and Customer Retention 446

Managing Customer Satisfaction and Loyalty 447 Understanding Customer Satisfaction 448 Product and Service Quality as a Driver

of Customer Satisfaction 448 Measuring Customer Satisfaction 450 Building Customer Loyalty 450

Managing Customer Relationships 453 Customization 454 Customer Empowerment 456 Managing Customer Word of Mouth 456 Dealing with Customer Complaints 457

Managing Customer Lifetime Value 459 The Concept of Customer Lifetime Value 459 Customer Lifetime Value and Brand Equity 460 Building Customer Lifetime Value 461 Creating Customer Loyalty by Building Trust 461 Measuring Customer Lifetime Value 462

marketing insight Net Promoter Score and Customer Satisfaction 463
summary 464
marketing spotlight Stitch Fix 464
marketing spotlight Emirates 466

20 Tapping into Global Markets 468

Deciding Whether to Go Abroad 469 Deciding Which Markets to Enter 471 Determining How Many Markets to Enter 471 Evaluating Potential Markets 472 Deciding How to Enter the Market 474 Indirect and Direct Export 474 Licensing 475 Joint Ventures 475 Direct Investment 476 Deciding on the Global Marketing Program 478 Global Product Strategies 479 Global Brand Strategies 481 Global Pricing Strategies 483 **Global Communication** Strategies 483 Global Distribution Strategies 484 **marketing insight Global Similarities** and Differences 485 summarv 486 marketing spotlight Sephora 486 marketing spotlight Mandarin Oriental 488

21 Socially Responsible Marketing 490

The Role of Social Responsibility in Marketing Management 491 Community-Based Corporate Social Responsibility 492 Corporate Social Responsibility in the Workplace 492 Corporate Philanthropy 494 Serving Low-Income Communities 495 Cause Marketing 496 Social Marketing 499 Sustainability-Focused Corporate Social Responsibility 500 Balancing Social Responsibility and Corporate Profitability 504 **Developing Ethical Marketing** Communications 504 Managing Customer Privacy 505 **marketing insight** Environmental Concerns in the Water Industry 506 summary 507 marketing spotlight Starbucks 508 marketing spotlight Ben & Jerry's 509 marketing spotlight Tiffany & Co 511

Endnotes 513 Glossary 575 Name Index 583 Company, Brand, and Organization Index 585 Subject Index 595