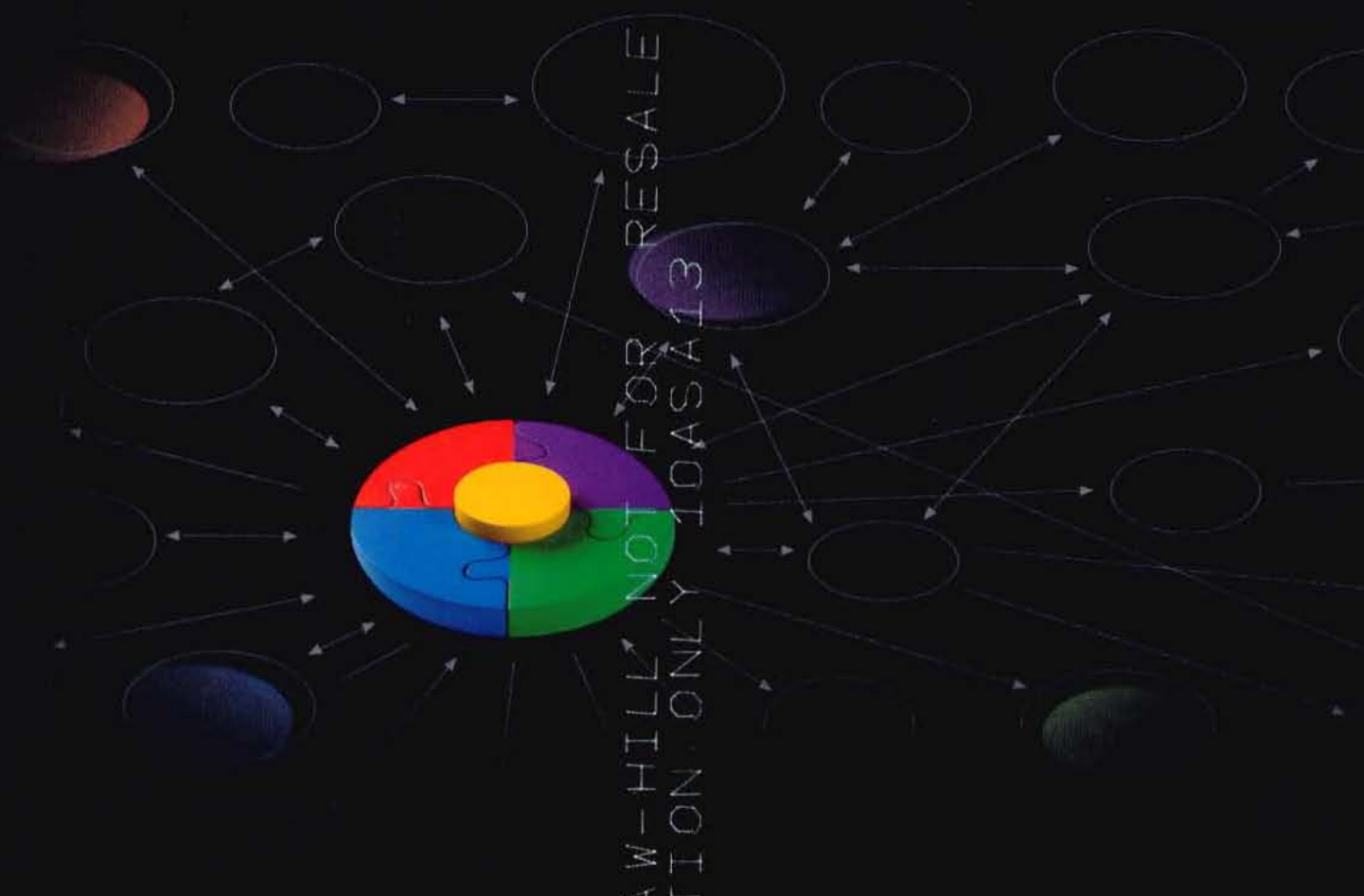


13e

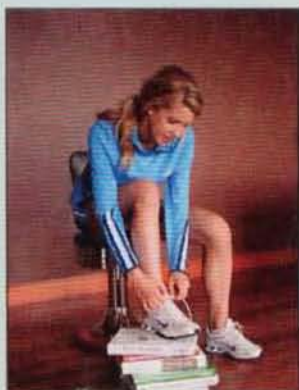


Essentials of Marketing

William D. Perreault, Jr. Joseph P. Cannon E. Jerome McCarthy

1

CHAPTER ONE



Marketing's Value to Consumers, Firms, and Society 2

Marketing—What's It All About? 4

Marketing Is Important to You 5

How Should We Define Marketing? 6

Macro-Marketing 8

The Role of Marketing in Economic Systems 11

Marketing's Role Has Changed a Lot over the Years 14

What Does the Marketing Concept Mean? 16

The Marketing Concept and Customer Value 18

The Marketing Concept Applies in Nonprofit Organizations 21

The Marketing Concept, Social Responsibility, and
Marketing Ethics 22

Conclusion 26

Key Terms 27

Questions and Problems 27

Suggested Cases 28

Computer-Aided Problem 28

Contents

CHAPTER TWO



Marketing Strategy Planning 30

- The Management Job in Marketing 32
- What Is a Marketing Strategy? 33
- Selecting a Market-Oriented Strategy Is Target Marketing 34
- Developing Marketing Mixes for Target Markets 35
- The Marketing Plan Is a Guide to Implementation and Control 40
- The Importance of Marketing Strategy Planning 42
- What Are Attractive Opportunities? 45
- Marketing Strategy Planning Process Highlights Opportunities 46
- Types of Opportunities to Pursue 48
- International Opportunities Should Be Considered 50

- Conclusion 51
- Key Terms 52
- Questions and Problems 52
- Creating Marketing Plans 53
- Suggested Cases 53
- Computer-Aided Problem 53

CHAPTER THREE



Evaluating Opportunities in the Changing Market Environment 54

- The Market Environment 56
- Objectives Should Set Firm's Course 57
- Company Resources May Limit Search for Opportunities 59
- Analyzing Competitors and the Competitive Environment 61
- The Economic Environment 64
- The Technological Environment 66
- The Political Environment 67
- The Legal Environment 69
- The Cultural and Social Environment 71
- Using Screening Criteria to Narrow Down to Strategies 77
- Planning Grids Help Evaluate a Portfolio of Opportunities 80
- Evaluating Opportunities in International Markets 82

- Conclusion 83
- Key Terms 84
- Questions and Problems 84
- Creating Marketing Plans 85
- Suggested Cases 85
- Computer-Aided Problem 85

CHAPTER FOUR



Focusing Marketing Strategy with Segmentation and Positioning 86

Search for Opportunities Can Begin by Understanding Markets 88

Naming Product-Markets and Generic Markets 91

Market Segmentation Defines Possible Target Markets 92

What Dimensions Are Used to Segment Markets? 98

More Sophisticated Techniques May Help in Segmenting 102

Differentiation and Positioning Take the Customer Point of View 103

Conclusion 107

Key Terms 107

Questions and Problem 108

Creating Marketing Plans 108

Suggested Cases 108

Computer-Aided Problem 108



CHAPTER FIVE

Final Consumers and Their Buying Behavior 110

Consumer Behavior: Why Do They Buy What They Buy? 112

Economic Needs Affect Most Buying Decisions 112

Psychological Influences within an Individual 115

Social Influences Affect Consumer Behavior 123

Individuals Are Affected by the Purchase Situation 128

The Consumer Decision Process 130

Consumer Behavior in International Markets 133

Conclusion 134

Key Terms 135

Questions and Problems 135

Creating Marketing Plans 136

Suggested Cases 136

Computer-Aided Problem 136

CHAPTER SIX



Business and Organizational Customers and Their Buying Behavior 138

Business and Organizational Customers—A Big Opportunity 140

Organizational Customers Are Different 141

Many Different People May Influence a Decision 143

Organizational Buyers Are Problem Solvers 148

Buyer–Seller Relationships in Business Markets 151

Manufacturers Are Important Customers 155

Producers of Services—Smaller and More Spread Out 158

Retailers and Wholesalers Buy for Their Customers 159

The Government Market 160

Conclusion 162

Key Terms 162

Questions and Problems 162

Creating Marketing Plans 163

Suggested Cases 163

Computer-Aided Problem 163

xxxiii

CHAPTER SEVEN



Improving Decisions with Marketing Information 164

- Effective Marketing Requires Good Information 166
- Changes Are Under Way in Marketing Information Systems 167
- The Scientific Method and Marketing Research 170
- Five-Step Approach to Marketing Research 170
- Defining the Problem—Step 1 171
- Analyzing the Situation—Step 2 171
- Getting Problem-Specific Data—Step 3 175
- Interpreting the Data—Step 4 183
- Solving the Problem—Step 5 186
- International Marketing Research 186

- Conclusion 188
- Key Terms 188
- Questions and Problems 188
- Creating Marketing Plans 189
- Suggested Cases 189
- Computer-Aided Problem 189

- Differences in Goods and Services 195
- Whole Product Lines Must Be Developed Too 197
- Branding Is a Strategy Decision 197
- Achieving Brand Familiarity Is Not Easy* 199
- Protecting Brand Names and Trademarks 202
- What Kind of Brand to Use? 202
- Who Should Do the Branding? 203
- The Strategic Importance of Packaging 204
- What Is Socially Responsible Packaging? 205
- Warranty Policies Are a Part of Strategy Planning 206
- Product Classes Help Plan Marketing Strategies 207
- Consumer Product Classes 208
- Business Products Are Different 211
- Business Product Classes—How They Are Defined 212

- Conclusion 214
- Key Terms 215
- Questions and Problems 215
- Creating Marketing Plans 216
- Suggested Cases 216
- Computer-Aided Problem 216

CHAPTER NINE



Product Management and New-Product Development 218

- Innovation and Market Changes Create Opportunities 220
- Managing Products over Their Life Cycles 221
- Product Life Cycles Should Be Related to Specific Markets 223
- Product Life Cycles Vary in Length 224
- Planning for Different Stages of the Product Life Cycle 226
- New-Product Planning 230
- An Organized New-Product Development Process Is Critical 231

CHAPTER EIGHT



Elements of Product Planning for Goods and Services 190

- The Product Area Involves Many Strategy Decisions 192
- What Is a Product? 192

New-Product Development: A Total Company Effort 237
Need for Product Managers 238
Managing Product Quality 239

Conclusion 241
Key Terms 242
Questions and Problems 242
Creating Marketing Plans 242
Suggested Cases 242
Computer-Aided Problem 243

CHAPTER TEN

Place and Development of Channel Systems 244

Marketing Strategy Planning Decisions for Place 246
Place Decisions Are Guided by "Ideal" Place Objectives 247
Channel System May Be Direct or Indirect 248
Channel Specialists May Reduce Discrepancies and Separations 251
Channel Relationship Must Be Managed 254
Vertical Marketing Systems Focus on Final Customers 257
The Best Channel System Should Achieve Ideal Market Exposure 259
Channel Systems Can Be Complex 262
Entering International Markets 264

Conclusion 267
Key Terms 267
Questions and Problems 267
Creating Marketing Plans 268
Suggested Cases 268
Computer-Aided Problem 268



CHAPTER ELEVEN

Distribution Customer Service and Logistics 270

Physical Distribution Gets It to Customers 272
Physical Distribution Customer Service 273
Physical Distribution Concept Focuses on the Whole Distribution System 275
Coordinating Logistics Activities among Firms 277
The Transporting Function Adds Value to a Marketing Strategy 280
Which Transporting Alternative Is Best? 282
The Storing Function and Marketing Strategy 285
Specialized Storing Facilities May Be Required 287
The Distribution Center—A Different Kind of Warehouse 288

Conclusion 290
Key Terms 290
Questions and Problems 290
Creating Marketing Plans 291
Suggested Cases 291
Computer-Aided Problem 291

