Contents

List of case studies xiii
Preface xv
Acknowledgements xvii
Walk through tour xviii
About the website xxi

Part one

Concepts and Contexts 2

1 Managing the exchange process 4
   Learning objectives 5
   Introduction 5
   Preview case Mitchells and Butlers 6
   Definitions of Marketing 6
   The Marketing Concept 8
   Marketing in Practice Fairtrade 9
   Customer Needs 13
   What Marketers Do 15
   Marketing in Practice Drink Up! 17
   Antecedents of Marketing 18
   The Scope of Marketing 23
   Marketing in Practice Spar Wholesalers 24
   Summary 26
   Chapter review questions 26
   Preview case revisited Mitchells and Butlers 27
   Case study The Lynx Effect 28

2 The marketing environment 30
   Learning objectives 31
   Introduction 31
   Preview case Leopard Rock 32
   Classifying Environmental Factors 32
   Macro- versus Micro-environment 33
   Marketing in Practice The European Union 36
   Marketing in Practice The Atkins Diet 41
   Marketing in Practice Intervention by Regulators 47
   The Micro-environment 48
   Marketing in Practice Airbus Industrie 53
   Internal Environment 54
   Summary 56

Chapter review questions 56
Preview case revisited Leopard Rock 57
Case study Nordbrand 57

3 Marketing domains 59
   Learning objectives 60
   Introduction 60
   Preview case The Retired Greyhound Trust 61
   Non-Profit Marketing 61
   Marketing in Practice Canadian Identity 64
   Internal Marketing 66
   Marketing in Practice Southwest Airlines 67
   Internal Communications Media 74
   E-Marketing in Practice Labyrinth Solutions Ltd 76
   Social Responsibility and Ethics 77
   Use of Environmentally Friendly Components and Ingredients 84
   Marketing in Practice Recycling 86
   Services Marketing 87
   Branding 88
   Marketing in Practice The Pepsi Challenge 90
   Brands and Semiotics 92
   Summary 94
   Chapter review questions 94
   Preview case revisited Retired Greyhound Trust 95
   Case study Morris Minor Owners’ Club 96

Part two

Markets and People 100

4 Consumer behaviour 102
   Learning objectives 103
   Introduction 103
   Preview case Cheap Shops 104
   The Decision-making Process 104
   Pre-purchase Activities 107
   E-Marketing in Practice Tesco 110
   Consumption of the Product 114
9 International marketing 291

Learning objectives 292
Introduction 292
Globalisation of Trade 292
Preview case Euro RSCG 293
International Business Perspectives 295
Assessing Market Attractiveness 296
Marketing in Practice Tjaereborg 297
Global Strategy 302
Culture 305
E-Marketing in Practice Watch Your Language! 306
E-Marketing in Practice Global E-tailing 310
Market Entry Tactics 311
Payment for Goods 317
Marketing in Practice McDonnell Douglas 318
Summary 319
Chapter review questions 319
Preview case revisited Euro RSCG Revisited 320
Case study International Herald Tribune 320

Part three
Strategy 324

10 Creating competitive advantage 326

Learning objectives 327
Introduction 327
Preview case Chardonnay 328
Defining Strategy 328
The Nature of Strategy 329
Marketing Strategy and Corporate Strategy 331
Strategic Planning 333
The Written Document 335
Setting Objectives 336
Complexity and Objective Setting 337
Market Strategies 338
Marketing in Practice Dover Loyalty Card 340
Competitive Positions 342
E-Marketing in Practice BMI Baby 344
Competitive Moves 344
Collaborating with Competitors 349
Growth Strategies 350
Value-based Marketing 352
Does Strategy Matter? 353
Summary 357
Chapter review questions 357
Preview case revisited Chardonnay 358
Case study Standard Chartered Group 359

Part four
Marketing in Practice 390

12 Product portfolio 393

Learning objectives 394
Introduction 394
The Product Life Cycle 394
Preview case Sony 395
Managing Product Portfolios 398
The Boston Consulting Group Matrix 399
The General Electric Market Attractiveness-Competitive Position Model 402
Positives and Problems with Grid Analysis 404
Service Products 404
Marketing in Practice Sixt Car Rentals 407
Marketing in Practice Paying for Services 408
Industrial Product Strategy 409
Packaging 411
13 New product development 417

Learning objectives 418
Introduction 418
Preview case The Flying Car 419
Types of New Product 419
Marketing in Practice James Dyson 423
The New Product Development (NPD) Process 423
Sources of Ideas 425
Organising for New Product Development 426
E-Marketing in Practice Gadget Shop 427
Diffusion of Innovation 431
E-Marketing in Practice The Spidercatcher 434
Influences on the Diffusion Process 437
Summary 439
Chapter review questions 440
Preview case revisited The Flying Car 440
Case study Ovaltine 414

14 Pricing 445

Learning objectives 446
Introduction 446
Price and the Bottom Line 446
Preview case Aldi 447
The Pricing Process 449
Pricing Objectives 450
Pricing Strategy 450
E-Marketing in Practice Crossing the Channel 451
Marketing in Practice Tesco and Levi’s 453
Determining Demand – Customer
  Perceptions of Price 454
Price Sensitivity 455
Costs 456
Competition 457
Pricing Methods 457
E-Marketing in Practice Last-minute Holidays 460
Customer-Based Pricing Methods 461
Pricing in International Markets 467
Pricing Policies in Business-to-Business Markets 469
Legality of Pricing Policies 470
Transfer Pricing 470
Competitive Bidding 471
Credit 473
Summary 473

15 Advertising 477

Learning objectives 478
Introduction 478
How Advertising Works 478
Preview case L’Oreal 479
Developing an Advertising Strategy 480
Marketing in Practice David Ogilvy 483
Types of Media 484
E-Marketing in Practice The London Underground 501
Transport Advertising 501
Marketing in Practice Baconinflatable 503
Internet Advertising 505
E-Marketing in Practice thisismoney.com 506
Consumer Responses to Advertising 507
Summary 508
Chapter review questions 508
Preview case revisited L’Oreal 509
Case study Vegemite 509

16 Public relations and sponsorship 513

Learning objectives 514
Introduction 514
PR and External Communication 514
Preview case Friends of the Earth 515
Tools of Public Relations 517
Creating and Managing a Reputation 520
Marketing in Practice Best-Laid Plans 523
Image 523
Corporate Image and Added Value 524
Risk Management 526
Marketing in Practice Bhopal 527
The Role of PR in the Organisation 528
Internal Communications Media 529
Sponsorship 531
Marketing in Practice Lincoln Mercury 533
Using Outside Agencies to Build Corporate Image 535
Developing a Brief 537
Measuring Outcomes 538
Word-of-Mouth 539
Product Placement 539
Summary 540
Chapter review questions 541
Preview case revisited Friends of the Earth 541
Case study Brecon Jazz Festival 542
17 Selling and key account management

Learning objectives 546
Introduction 546
**Preview case** Jewson 547
The Role of Personal Selling 548
**E-Marketing in Practice** Handbag.com 549
A Marketer’s View 550
The Salesperson’s Eye View 551
Types of Salesperson 554
**E-Marketing in Practice** Mitsubishi-Tokyo Pharmaceuticals 556
The Selling Cycle 557
The Sales Presentation 558
Key Account Selling 564
The KAM/PPF Model 567
Negotiation 569
Managing the Salesforce 572
Summary 575
Chapter review questions 575
**Preview case revisited** Jewson 576
**Case study** Snap-On Tools 576

18 Exhibitions and sales promotion

Learning objectives 580
Introduction 580
Exhibitions and Trade Fairs as Communication 580
**Preview case** Sixth China International Auto Supplies Sourcing Fair 581
Research Into Exhibitions 582
Visitor Expectations 584
Exhibitions and Key Account Management 586
**Marketing in Practice** ExpoInter 587
Why Exhibitions Fail 589
Planning for Exhibitions 590
Managing the Exhibition Stand 591
Alternatives to Exhibitions 593
Private exhibitions 594
Sales Promotion 595
**Marketing in Practice** Goldwell 596
Categories of Sales Promotion 597
Sales Promotion Techniques 598
**Marketing in Practice** Hoover 600
Integrating Sales Promotions with other Communications Tools 601
Summary 602
Chapter review questions 603
**Preview case revisited** China International Auto Supplies Sourcing Fair 603
**Case study** HSBC in the UAE 604

19 Direct and online marketing

Learning objectives 608
Introduction 608
**Preview case** Arabella Miller 609
The Basis of Direct Marketing 609
**Marketing in Practice** Garden Organic 611
Database Marketing 611
Managing Direct Marketing 616
**Marketing in Practice** Heist 618
Tools of Direct Marketing 619
Internet Marketing 629
**E-Marketing in Practice** Boo.com 634
Internationalisation and the Internet 635
Buyer Behaviour and the Internet 636
Barriers to Use of the Internet 638
Summary 640
Chapter review questions 641
**Preview case revisited** Arabella Miller 641
**Case study** Betterware 642

20 Managing channels

Learning objectives 646
Introduction 646
Functions of Intermediaries 646
**Preview case** First Scotrail and Unipart 647
Intermediaries in Industrial Channels 649
**Marketing in Practice** Tyron 650
Channel Strategy 651
**E-Marketing in Practice** Dell Computers 653
Distribution Intensity 653
Selecting a Distributor 656
Managing Distribution Channels 659
Logistics and the Supply Chain 662
Managing the Supply Chain 666
Establishing and Maintaining Relationships 667
Channel System Orientation 668
Inventory Management 669
International Trade 671
**E-Marketing in Practice** Little Old Wine-Drinker Me 672
Transportation Methods 673
Summary 675
Chapter review questions 675
**Preview case revisited** First Scotrail and Unipart 676
**Case study** Sri Lankan Tea 676

21 Intermediaries

Learning objectives 680
Introduction 680
Categorising Intermediaries 680
**Preview case** Gift House International 681