Contents

Foreword ix
Acknowledgements xi
About the Author xiii

Introduction 1
Meeting the Challenges 3
Overview of the Book 6

1 **Earthquake!** 9
Marketing in Crisis 10
The Evolution of Marketing 12
The Rise of Relationship Marketing 14
The Test of CRM 15
Changes in the Macro-Marketing Environment 18
Implications for Consumer Marketing 21
Summary Points 22

2 **The New Consumer** 23
Consumption in Transformation 23
Expansion of the Consumer Concept 24
Defence of Consumer Rights 25
Consumption Management in Question 27
A New Kind of Consumer 27
New Consumers Are Exercised By Time 28
New Consumers Lead Complex Lives 30
New Consumers Seek Experiences 31
New Consumers Are Marketing Literate and Highly Demanding 31
New Consumers Are IT Enabled 32
Implications for Consumer Marketing 33
Summary Points 34

3 **Concerns of Brand Owners and Retailers** 37
Key Issues for Brand Owners 37
The Force of Globalization 38
The Debate about the Future of Manufacturing 39
The Growth in Retailer Power 40
The Need to Balance Cost Reduction and Sales Growth 41
The Search for Innovation 42
The Retailers' Response 42
Trading across Multiple Locations 43
Trading across Multiple Formats 44
Use of Multiple Channels 44
Editing Choice in Store 44
Enhancing Retail Branding 45
Developing Multinational Operations 45
Pursuing Customer Loyalty 45
Implications for Consumer Marketing 48
Summary Points 48

4 **New Consumer Marketing** 51
New Consumer Marketing – What Is it? 51
A Response to the New Consumer 52
A Response to the Interactive Marketplace 53
A Response to Ineffective Consumption Management 54
New Consumer Marketing – What Does it Mean? 55
Adopting Value-Centricity 55
Applying Science 57
Breaking out of Binary Thinking 58
New Consumer Marketing – Who Is Involved? 60
Implications for Consumer Marketing 61
Summary Points 61

5 **A Model of New Consumer Marketing** 63
To Recap ... 63
Key Challenges Facing New Consumer Marketing 65
Addressing the Concerns of Brand Owners and Retailers 65
Embracing the New Consumer 66
Developing Real Consumer Responsiveness 66
Lifting Marketing Out of its Crisis 67
The New Consumer Marketing Model 67

6 **Value Definition** 73
The Role of Insight in Value Definition 74
Identifying the Factors that Enhance, Maintain and Destroy Value 74
Understanding the Meaning of the Value Factors 78
The Role of Traditional Market Research in Value Definition 79
Using Quantitative Research 80
Using Qualitative Research 82
Need-States Analysis 86
The Role of Non-Traditional Market Sensing in Value Definition 88
Using Database Systems 88
Using CRM Systems 89
Using Front-line Staff 91
The Role of Segmentation in Value Definition 91
Creating a Segmentation Analysis 93
The Role of Insight Generators in Value Definition 97
Summary Points 99

7 **Value Creation** 101
The Role of Innovation in Value Creation 102
Consumers as Innovators 104
Innovation through Process or People? 106
Innovation as a Dynamic Capability 107
A Radical Approach to Innovation 109
The Role of New Product Development in Value Creation 111
The Role of Branding in Value Creation 113
Building Successful Brands 116
Emerging Brand Issues 119
The Role of Positioning in Value Creation 120
Drawing out the Emotional Message 121
The Positioning Process 123
The Role of Price in Value Creation 125
The Evaluation of Value 127
Summary Points 129

8 **Value Delivery** 131
The Role of Agility in Value Delivery 131
The Role of Media and Channels in Value Delivery 133
Making the Most of Media Choices 136
Making the Most of Channel Choices 139

The Role of Service in Value Delivery 141
Creating a Service Strategy 142
Recruiting and Motivating Staff 143
Empowering Employees to Live the Brand 146
The Role of Technology Integration in Value Delivery 148
The Role of the Supply Chain in Value Delivery 152
Competing through the Supply Chain 153
Consumer Responsiveness through Time Compression 154
Summary Points 159

9 **Demand System Management** 161
The Role of Intuition in Demand System Management 163
The Role of Culture and Structure in Demand System Management 165
Culture 165
Structure 168
The Role of Leadership, Vision and Values in Demand System Management 170
Leadership 170
Vision 171
Values 172
The Role of Employees in Demand System Management 175
The Role of Knowledge Management in Demand System Management 179
The Role of Planning in Demand System Management 181
The Role of Measurement in Demand System Management 185
Summary Points 187
Concluding Remarks 188

Notes 189
References 191
Index 197