
Contents

Preface xiii

About the authors xviii

Ecu conversion table xx

PART ONE Marketing and the Marketing Process I

I Marketing in a changing world: satisfying human needs 3

Chapter objectives	3
Chapter preview Marketing touches our daily life	3
Introduction	4
What is marketing?	6
Marketing management	12
Marketing management philosophies	14
The goals of the marketing system	20
Marketing challenges in the 1990s	22
Summary	27
Discussing the issues	28
Applying the concepts	29
References	29

CASE I Amphitriton: your ultimate host in Greece *Alkis S. Magdalinos* 30

2 Marketing and society: social responsibility and marketing ethics 33

Chapter objectives	33
Chapter preview Brown & Williamson Tobacco: 'Keeping smokers addicted'	33
Introduction	35
Social criticisms of marketing	36
Citizen and public actions to regulate marketing	49

Business actions towards socially responsible marketing	52
Principles for public policy towards marketing	60
Summary	62
Discussing the issues	63
Applying the concepts	64
References	64
CASE 2 Nestlé: singled out again and again	65

3 Strategic marketing planning 68

Chapter objectives	68
Chapter preview Levi's strategic marketing and planning	68
Introduction	70
Strategic planning	70
The strategic plan	73
The marketing process	91
The brand plan	97
Marketing organization	102
Marketing control	104
Summary	108
Discussing the issues	110
Applying the concepts	110
References	110
CASE 3 Trap-Ease: the big cheese of mousetraps	112

OVERVIEW CASE 1 KitKat: have a break ... Sylvie Laforet	115
---	-----

PART TWO The Marketing Setting 127

4 The marketing environment 129

Chapter objectives	129
Chapter preview Unilever: Power?	129
Introduction	134
The company's microenvironment	134
The company's macroenvironment	140
Responding to the marketing environment	159
Summary	160
Discussing the issues	160
Applying the concepts	161
References	161
CASE 4 Angelou's restaurant (and snack bar?) Alkis S. Magdalinos	163

5 The global marketplace 165

Chapter objectives	165
Chapter preview Danone taps the Japanese yoghurt market	165
The importance of internationalization	166
Risks in international marketing	171
Analysis of international market opportunity	173
Deciding which markets to enter	186
Establishing market entry mode	187

Making a firm commitment	191
Allocating necessary resources	191
Identifying technical issues	192
Developing a strategic marketing plan	192
Organizing an operational team and implementing a marketing strategy	199
Evaluate and control operations	200
Summary	200
Discussing the issues	201
Applying the concepts	202
References	202
CASE 5 Procter & Gamble: going global in cosmetics	203

6

Market information and marketing research 208

Chapter objectives	208
Chapter preview Qantas: taking off in tomorrow's market	208
Introduction	210
The marketing information system	211
Developing information	211
Defining the market	231
Measuring current market demand	233
Forecasting future demand	237
Distributing information	243
Summary	247
Discussing the issues	248
Applying the concepts	248
References	248

CASE 6 Ballygowan springs into new age Kisqua Brenda Cullen	250
---	-----

OVERVIEW CASE 2 Mitsui & Company Colin Egan and Peter McKiernan	261
---	-----

PART THREE Buyer Behaviour 265**7 Consumer markets 267**

Chapter objectives	267
Chapter preview Porsche: a special car for the special few	267
Models of consumer behaviour	269
Characteristics affecting consumer behaviour	270
Consumer decision process	288
Types of buying decision behaviour	289
The buyer decision process	291
The buyer decision process for new products	297
Summary	300
Discussing the issues	301
Applying the concepts	301
References	302

CASE 7 Bic versus Gillette: the disposable wars	304
---	-----

8 Business markets and business buyer behaviour 307

Chapter objectives	307
--------------------	-----

	Chapter preview	Selling business jets: the ultimate executive toy	307
	Business markets		309
	Business buyer behaviour		315
	Institutional and government markets		329
	Summary		333
	Discussing the issues		333
	Applying the concepts		334
	References		334
CASE 8	Troll-AEG	Javier Sarda, Francesc Parés and Lluís G. Renart	335
OVERVIEW CASE 3	Jacobs Kaffee Wien: spreading a golden light		345
PART FOUR	Core Strategy		349
9	Market segmentation and targeting		351
3	Chapter objectives		351
	Chapter preview	Procter & Gamble: how many is too many?	351
	Markets		353
	Market segmentation		354
	Market targeting		380
	Summary		387
	Discussing the issues		388
	Applying the concepts		388
	References		388
CASE 9	Coffee-Mate		389
10	Positioning		398
3	Chapter objectives		398
	Chapter preview	Castrol: liquid engineering	398
	Core strategy		400
	Differentiation		401
	What is market positioning?		409
	Perceptual mapping		412
	Positioning strategies		414
	Choosing and implementing a positional strategy		421
	Summary		427
	Discussing the issues		428
	Applying the concepts		428
	References		428
CASE 10	Cadbury's TimeOut: choc around the clock	Damien McLoughlin and Benoit Heilbrunn	429
11	Building customer satisfaction through quality, value and service		435
	Chapter objectives		435
	Chapter preview	Rubbermaid: Want to buy an expensive rubber dustpan?	435
	Satisfying customer needs		438
	Defining customer value and satisfaction		439
	Delivering customer value and satisfaction		445
	Retaining customers		449
	Implementing total quality marketing		456

Summary	457
Discussing the issues	460
Applying the concepts	461
References	461

CASE 11	Feinschmecker Sauce: pricey n' spicy	Verena M. Priemer	462
---------	--------------------------------------	-------------------	-----

12 Creating competitive advantage: competitor analysis and competitive marketing strategies 465



Chapter objectives	465
Chapter preview	Federal Express: losing a packet in Europe 465
Gaining a competitive advantage	468
Competitor analysis	468
Competitive strategies	477
Balancing customer and competitor orientations	494
Summary	495
Discussing the issues	496
Applying the concepts	497
References	497

CASE 12	BMW: putting the 'brrrrum' back in Brum	499
---------	---	-----

VIEW CASE 4	A cola challenge: cola with breakfast	505
-------------	---------------------------------------	-----

PART FIVE Product 507

13 Designing products: new-product development and product life-cycle strategies 509



Chapter objectives	509
Chapter preview	Aerostructures Hamble 509
Introduction	510
Innovation and new-product development	511
New-product development process	514
Product life-cycle strategies	531
Summary	538
Discussing the issues	540
Applying the concepts	540
References	540

CASE 13	The Swatchmobile: any colour combination, including black	541
---------	---	-----

14 Designing products: products, brands, packaging and services 544



Chapter objectives	544
Chapter preview	Revlon 544
Introduction	545
What is a product?	545
Product classifications	547
Individual product decisions	551
Product line decisions	574
Product mix decisions	578
International product decisions	579
Summary	580

	Discussing the issues	581
	Applying the concepts	581
	References	582
CASE 14	Colgate: one squeeze too many?	583

15 Marketing services 586

	Chapter objectives	586
	Chapter preview	Lufthansa: listening to customers 586
	Services marketing	588
	Summary	605
	Discussing the issues	606
	Applying the concepts	606
	References	606
CASE 15	Tibigarden: is there life after EuroDisney?	607

OVERVIEW CASE 5 Mapanza Breweries Hapenga M. Kabeta 611

PART SIX Price 617

16 Pricing products: pricing considerations and approaches 619



	Chapter objectives	619
	Chapter preview	The Times: for a change 619
	Naming the price	621
	Factors to consider when setting prices	622
	General pricing approaches	635
	Summary	645
	Discussing the issues	646
	Applying the concepts	647
	References	647

CASE 16	Proton MPi: Malaysian styling, Japanese engineering, and European pricing	Richard Lynch 648
---------	---	-------------------

17 Pricing products: pricing strategies 654



	Chapter objectives	654
	Chapter preview	Mobile phones: even more mobile customers 654
	Pricing strategies	655
	New-product pricing strategies	656
	Product-mix pricing strategies	658
	Price-adjustment strategies	660
	Price changes	668
	Summary	673
	Discussing the issues	674
	Applying the concepts	675
	References	675

CASE 17	Stena Sealink versus Le Shuttle, Eurostar and the rest	676
---------	--	-----

OVERVIEW CASE 6 Amaizer: It tastes awful, but we're working on it 681

PART SEVEN Promotions 683**18 Promoting products: communication and promotion strategy 685**

- Chapter objectives 685
- Chapter preview British Home Stores 685
- Steps in developing effective communication 687
- Summary 709
- Discussing the issues 710
- Applying the concepts 710
- References 710

CASE 18 Absolut Vodka: absolutely successful Pontus Alenroth, Robert Björnström, Joakim Eriksson and Thomas Helgesson 711

19 Promoting products: advertising, sales promotion and public relations 714

- Chapter objectives 714
- Chapter preview Promotions medley! 714
- Advertising 715
- Important decisions in advertising 716
- Sales promotion 738
- Public relations 750



- Summary 754
- Discussing the issues 755
- Applying the concepts 755
- References 756

CASE 19 Diesel Jeans & Workwear: 'We're all different, but aren't we all different in the same way?' Malin Nilsson, Anki Sjöström, Anneli Zell and Thomas Helgesson 757

20 Promoting products: personal selling and sales management 760

- Chapter objectives 760
- Chapter preview Airbus 760
- Setting salesforce objectives 763
- Designing salesforce strategy 764
- Recruiting and selecting salespeople 767
- Training salespeople 768
- Supervising salespeople 769
- Evaluating salespeople 774
- Principles of personal selling 777
- Summary 785
- Discussing the issues 785
- Applying the concepts 787
- References 788

CASE 20 Britcraft Jetprop: Whose sale is it anyhow? 788

OVERVIEW CASE 7 Bang & Olufsen: different by design Anton Hartmann-Olesen 797

PART EIGHT Place 803**21 Placing products: distribution channels and logistics management 805**

Chapter objectives	805
Chapter preview Economos	805
Introduction	807
The nature of distribution channels	808
Channel behaviour and organization	812
Channel design decisions	821
Channel management decisions	829
Physical distribution and logistics management	831
Summary	842
Discussing the issues	844
Applying the concepts	844
References	844

CASE 21	Freixenet Cava: bubbles down a new way	Roberto Alvarez del Blanco and Jeff Rapaport	845
---------	--	--	-----

22 Placing products: retailing and wholesaling 853

Chapter objectives	853
Chapter preview IKEA	853
Retailing	856
Store retailing	856
Nonstore retailing	877
Retailer marketing decisions	887
Retailing trends	893
Wholesaling	895
Types of wholesalers	896
Wholesaler marketing decisions	900
Trends in wholesaling	901
Summary	904
Discussing the issues	905
Applying the concepts	905
References	905

CASE 22	Pieta luxury chocolates	907
---------	-------------------------	-----

OVERVIEW CASE 8	GTE: competition comes calling	911
-----------------	--------------------------------	-----

Glossary 915**Subject index 940****Company/brand index 946****Name index 949****Copyright acknowledgements 956**