

PRIDE • FERRELL

Foundations *of*
Marketing

WILLIAM M. PRIDE

Texas A & M University

O. C. FERRELL

Auburn University



brief contents

generic photo credit

Part 1: Strategic Marketing and Its Environment 1

- 1 Customer-Driven Strategic Marketing 2
- 2 Planning, Implementing, and Evaluating Marketing Strategies 24
- 3 The Marketing Environment, Social Responsibility, and Ethics 48

Part 2: Marketing Research and Target Markets 79

- 4 Marketing Research and Information Systems 80
- 5 Target Markets: Segmentation and Evaluation 106

Part 3: Customer Behavior and E-Marketing 131

- 6 Consumer Buying Behavior 132
- 7 Business Markets and Buying Behavior 160
- 8 Reaching Global Markets 184
- 9 Digital Marketing and Social Networking 212

Part 4: Product and Price Decisions 239

- 10 Product, Branding, and Packaging Concepts 240
- 11 Developing and Managing Goods and Services 270
- 12 Pricing Concepts and Management 300

Part 5: Distribution Decisions 329

- 13 Marketing Channels and Supply-Chain Management 330
- 14 Retailing, Direct Marketing, and Wholesaling 362

Part 6: Promotion Decisions 391

- 15 Integrated Marketing Communications 392
- 16 Advertising and Public Relations 418
- 17 Personal Selling and Sales Promotion 444

Endnotes 472

Glossary 511

Name Index 522

Company Index 527

Subject Index 531

AVAILABLE ONLY ONLINE:

Appendix A: Financial Analysis in Marketing

Appendix B: Sample Marketing Plan

Appendix C: Careers in Marketing

contents

generic photo credit

PART 1 STRATEGIC MARKETING AND ITS ENVIRONMENT 1

Chapter 1: Customer-Driven Strategic Marketing 2

Marketing Insights: Airbnb: Home Sweet Home 3

1-1 Defining Marketing 4

1-1a Marketing Focuses on Customers 4

1-2 Marketing Deals with Products, Price, Distribution, and Promotion 5

1-2a Product 6

1-2b Price 7

1-2c Distribution 8

1-2d Promotion 8

1-3 Marketing Creates Value 9

1-3a Marketing Builds Relationships with Customers and Other Stakeholders 10

1-4 Marketing Occurs in a Dynamic Environment 12

1-5 Understanding the Marketing Concept 12

1-5a Evolution of the Marketing Concept 13

Entrepreneurship in Marketing: Blue Bottle Coffee: Not Your Typical Daily Grind 14

1-5b Implementing the Marketing Concept 15

1-6 Customer Relationship Management 16

1-7 The Importance of Marketing in Our Global Economy 17

1-7a Marketing Costs Consume a Sizable Portion of Buyers' Dollars 17

1-7b Marketing Is Used in Nonprofit Organizations 17

1-7c Marketing Is Important to Businesses and the Economy 17

1-7d Marketing Fuels Our Global Economy 18

1-7e Marketing Knowledge Enhances Consumer Awareness 18

1-7f Marketing Connects People through Technology 19

1-7g Socially Responsible Marketing: Promoting the Welfare of Customers and Stakeholders 19

1-7h Marketing Offers Many Exciting Career Prospects 20

Going Green: Walmart's Environmental Initiative: It's Not Easy Being Green 20

Chapter Review 21

Developing Your Marketing Plan 22

Key Concepts 22

Issues for Discussion and Review 22

Video Case 1 *Cruising to Success: The Tale of New Belgium Brewing* 23

Chapter 2: Planning, Implementing, and Evaluating Marketing Strategies 24

Marketing Insights: Blue Apron's Strategic Recipe 25

2-1 The Strategic Planning Process 26

2-2 Establishing Organizational Mission, Goals, and Strategies 27

2-2a Developing Organizational Mission and Goals 27

2-2b Developing Corporate and Business-Unit Strategies 27

Going Green: Can Cleaners Be Greener? 29

2-3 Assessing Organizational Resources and Opportunities 31

2-3a SWOT Analysis 32

2-3b First-Mover and Late-Mover Advantage 33

2-4 Developing Marketing Objectives and Marketing Strategies 34

2-4a Selecting the Target Market 35

2-4b Creating Marketing Mixes 36

2-5 Managing Marketing Implementation 36

2-5a Organizing the Marketing Unit 37

2-5b Coordinating and Communicating 37

2-5c Establishing a Timetable for Implementation 38

2-6 Evaluating Marketing Strategies 38

2-6a Establishing Performance Standards 38

2-6b Analyzing Actual Performance 39

Entrepreneurship in Marketing: Want to Avoid Student Debt? Scholly Can Help 40

2-6c Comparing Actual Performance with Performance Standards and Making Changes, If Needed 41

2-7 Creating the Marketing Plan 42

Chapter Review 44

Developing Your Marketing Plan 45

Key Concepts 45

Issues for Discussion and Review 46

Video Case 2 *Mi Ola Rides the Marketing Wave* 46

Chapter 3: The Marketing Environment, Social Responsibility, and Ethics 48

Marketing Insights: TOMS: Taking Big Steps to Change Lives 49

3-1 The Marketing Environment 50

3-1a Responding to the Marketing Environment 51

3-2 Competitive Forces 51

3-3 Economic Forces 54

3-3a Buying Power and Willingness to Spend 54

3-3b Economic Conditions 56

3-4 Political Forces 57

3-5 Legal and Regulatory Forces 58

3-5a Regulatory Agencies 59

3-5b Self-Regulation 61

3-6 Technological Forces 62

3-7 Sociocultural Forces 63

Emerging Trends in Marketing: The Fair Trade Movement Explodes 65

3-8 Social Responsibility and Ethics in Marketing 65

3-8a Economic Dimension 66

3-8b Legal Dimension 66

3-8c Ethical Dimension 67

3-8d Philanthropic Dimension 69

Going Green: No Harm, No Foul: Harmless Harvest Connects with Stakeholders 71

3-9 Incorporating Social Responsibility and Ethics into Strategic Planning 72

Chapter Review 74

Developing Your Marketing Plan 75

Key Concepts 76

Issues for Discussion and Review 76

Video Case 3 Apple vs. Samsung: Gloves Are Off 76

PART 2 MARKETING RESEARCH AND TARGET MARKETS 79

Chapter 4: Marketing Research and Information Systems 80

Marketing Insights: IKEA Keeps Its Eyes on the Consumer 81

4-1 The Importance of Marketing Research 82

4-2 Types of Research 83

4-2a Exploratory Research 83

4-2b Conclusive Research 85

4-3 The Marketing Research Process 85

4-3a Locating and Defining Problems or Issues 86

4-3b Designing the Research Project 86

4-3c Collecting Data 87

Digital Marketing: Digital Marketing Research Leads to Behavioral Advertising 93

4-3d Interpreting Research Findings 95

4-3e Reporting Research Findings 95

4-4 Using Technology to Improve Marketing Information Gathering and Analysis 96

4-4a Marketing Information Systems 96

4-4b Databases 97

Emerging Trends in Marketing: Making Meaning Out of Big Data: Marketing Analytics 97

4-4c Big Data 98

4-4d Marketing Analytics 99

4-5 Issues in Marketing Research 101

4-5a The Importance of Ethical Marketing Research 101

4-5b International Issues in Marketing Research 102

Chapter Review 103

Developing Your Marketing Plan 104

Key Concepts 104

Issues for Discussion and Review 104

Video Case 4 Marketing Research Reveals Marketing Opportunities in the Baby Boomer Generation 105

Chapter 5: Target Markets: Segmentation and Evaluation 106

Marketing Insights: The Many Market Segments of Marriott 107

5-1 What Are Markets? 108

5-2 Target Market Selection Process 109

5-3 Step 1: Identify the Appropriate Targeting Strategy 110

5-3a Undifferentiated Targeting Strategy 110

5-3b Concentrated Targeting Strategy through Market Segmentation 110

5-3c Differentiated Targeting Strategy through Market Segmentation 112

5-4 Step 2: Determine Which Segmentation Variables to Use 113

5-4a Variables for Segmenting Consumer Markets 114

Emerging Trends in Marketing: Geofencing: Fenced In and Don't Know It? 118

Digital Marketing: ReplyYes for Vinyl Collectors and Graphic Novel Fans 120

5-4b Variables for Segmenting Business Markets 120

5-5 Step 3: Develop Market Segment Profiles 122

5-6 Step 4: Evaluate Relevant Market Segments 122

5-6a Sales Estimates 122

5-6b Competitive Assessment 123

5-6c Cost Estimates 123

5-7 Step 5: Select Specific Target Markets 124

5-8 Developing Sales Forecasts 124

5-8a Executive Judgment 124

5-8b Surveys 125

5-8c Time Series Analysis 125

5-8d Regression Analysis 126

5-8e Market Tests 126

5-8f Using Multiple Forecasting Methods 126

Chapter Review 127
 Developing Your Marketing Plan 128
 Key Concepts 128

Issues for Discussion and Review 129
Video Case 5 Mike Boyle Wants Customers Who
 Want to Train 129

PART 3 CUSTOMER BEHAVIOR AND E-MARKETING 131

Chapter 6: Consumer Buying Behavior 132

Marketing Insights: Frito-Lay Measures Consumer Response to Its Traditional and New Snack Products 133

6-1 Consumer Buying Decision Process 134

- 6-1a Problem Recognition 135
- 6-1b Information Search 135
- 6-1c Evaluation of Alternatives 136
- 6-1d Purchase 136
- 6-1e Postpurchase Evaluation 137

6-2 Types of Consumer Decision Making and Level of Involvement 137

- 6-2a Types of Consumer Decision Making 137
- 6-2b Consumer Level of Involvement 138

6-3 Situational Influences on the Buying Decision Process 139

6-4 Psychological Influences on the Buying Decision Process 141

- 6-4a Perception 141
- 6-4b Motives 142

Going Green: Green Eileen Recycles by Resale or Reuse 144

- 6-4c Learning 144
- 6-4d Attitudes 145
- 6-4e Personality and Self-Concept 147
- 6-4f Lifestyles 147

6-5 Social Influences on the Buying Decision Process 148

- 6-5a Roles 148
- 6-5b Family Influences 148
- 6-5c Reference Groups 149
- 6-5d Digital Influences 150

Digital Marketing: CoverGirl Signs Social Media Influencers 151

- 6-5e Opinion Leaders 151
- 6-5f Social Classes 152
- 6-5g Culture and Subcultures 152

6-6 Consumer Misbehavior 155

Chapter Review 156

Developing Your Marketing Plan 157

Key Concepts 157

Issues for Discussion and Review 158

Video Case 6 How Ford Drives Future Innovation 158

Chapter 7: Business Markets and Buying Behavior 160

Marketing Insights: Facebook Targets Businesses 161

7-1 Business Markets 162

- 7-1a Producer Markets 162

- 7-1b Reseller Markets 163

- 7-1c Government Markets 164

Entrepreneurship in Marketing: Picky Pyykkonen and the One Milk to Rule Them All 164

- 7-1d Institutional Markets 165

7-2 Industrial Classification Systems 166

7-3 Dimensions of Business Customers and Business Transactions 167

- 7-3a Characteristics of Transactions with Business Customers 168
- 7-3b Attributes of Business Customers 168
- 7-3c Primary Concerns of Business Customers 169

Going Green: Reduce, Reuse, Recycle, Repeat 171

- 7-3d Methods of Business Buying 171

- 7-3e Types of Business Purchases 172

- 7-3f Demand for Business Products 172

7-4 Business Buying Decisions 174

- 7-4a The Buying Center 174

- 7-4b Stages of the Business Buying Decision Process 175

- 7-4c Influences on the Business Buying Decision Process 177

7-5 Reliance on the Internet and other Technology 178

Chapter Review 180

Developing Your Marketing Plan 181

Key Concepts 181

Issues for Discussion and Review 182

Video Case 7 Will Apple Pay Pay Off for Retailers? 182

Chapter 8: Reaching Global Markets 184

Marketing Insights: Netflix Stream Becomes a Global River 185

8-1 The Nature of Global Marketing Strategy 186

8-2 Environmental Forces in Global Markets 187

- 8-2a Sociocultural Forces 187

- 8-2b Economic Forces 188

- 8-2c Political, Legal, and Regulatory Forces 190

- 8-2d Ethical and Social Responsibility Forces 192

Going Green: Greenhouse Gas Emissions: China Takes its Foot Off the Pedal 193

- 8-2e Competitive Forces 194

- 8-2f Technological Forces 195

8-3 Regional Trade Alliances, Markets, and Agreements 196

- 8-3a The North American Free Trade Agreement (NAFTA) 196

- 8-3b The European Union (EU) 197

- Emerging Trends in Marketing: IKEA: "African IKEA" Is Knocking on Your Door! 198**
- 8-3c The Southern Common Market (MERCOSUR) 198
 - 8-3d The Asia-Pacific Economic Cooperation (APEC) 199
 - 8-3e Association of Southeast Asian Nations (ASEAN) 200
 - 8-3f The World Trade Organization (WTO) 200
- 8-4 Modes of Entry into International Markets 201**
- 8-4a Importing and Exporting 201
 - 8-4b Licensing and Franchising 202
 - 8-4c Contract Manufacturing 203
 - 8-4d Joint Ventures 204
 - 8-4e Direct Ownership 204
- 8-5 Customization Versus Globalization of International Marketing Mixes 205**
- Chapter Review 207*
- Developing Your Marketing Plan 208*
- Key Concepts 209*
- Issues for Discussion and Review 209*
- Video Case 8 Alibaba and Global e-Commerce: Should Amazon Be Afraid? 209**

Chapter 9: Digital Marketing and Social Networking 212

- Marketing Insights: ipsis Has Beauty "Bagged" 213**
- 9-1 Defining Digital Marketing 214
 - 9-2 Growth and Benefits of Digital Marketing 215

9-3 Types of Consumer-Generated Marketing and Digital Media 216

- 9-3a Social Media Marketing 217
 - 9-3b Blogs and Wikis 220
- Emerging Trends in Marketing: Social Media Challenges: Fraudsters and Fake News 221**
- 9-3c Media-Sharing Sites 221
 - 9-3d Mobile Devices 223
 - 9-3e Applications and Widgets 224

Entrepreneurship in Marketing: The Virtual Grocery Cart: Instacart 226

9-4 Monitoring Digital Media Behaviors of Consumers 226

- 9-4a Online Monitoring and Analytics 226

9-5 E-Marketing Strategy 228

- 9-5a Product Considerations 229
- 9-5b Pricing Considerations 229
- 9-5c Distribution Considerations 230
- 9-5d Promotion Considerations 230

9-6 Ethical and Legal Issues 231

- 9-6a Privacy 232
- 9-6b Online Fraud 233
- 9-6c Intellectual Property and Illegal Activity 234

Chapter Review 235

Developing Your Marketing Plan 236

Key Concepts 236

Issues for Discussion and Review 237

Video Case 9 Zappos Drives Sales through Relationship Building on Social Media 237

PART 4 PRODUCT AND PRICE DECISIONS 239

Chapter 10: Product, Branding, and Packaging Concepts 240

Marketing Insights: What Are Technics and Shinola? Old and New Retro Brands 241

10-1 What Is a Product? 242

Emerging Trends in Marketing: Hello, Siri, Alexa, Cortana, and Google 243

10-2 Classifying Products 244

- 10-2a Consumer Products 244
- 10-2b Business Products 247

10-3 Product Line and Product Mix 248

10-4 Product Life Cycles and Marketing Strategies 249

- 10-4a Introduction 249
- 10-4b Growth 250
- 10-4c Maturity 251
- 10-4d Decline 252

10-5 Product Adoption Process 253

10-6 Branding 254

- 10-6a Value of Branding 255
- 10-6b Brand Equity 256
- 10-6c Types of Brands 257
- 10-6d Selecting a Brand Name 258
- 10-6e Protecting a Brand 259
- 10-6f Branding Policies 260

10-6g Brand Extensions 261

10-6h Co-Branding 261

10-6i Brand Licensing 262

10-7 Packaging 263

10-7a Packaging Functions 263

Digital Marketing: Inside Unboxing Videos 263

10-7b Major Packaging Considerations 264

10-7c Packaging and Marketing Strategy 264

10-7d Altering the Package 264

10-8 Labeling 265

Chapter Review 266

Developing Your Marketing Plan 268

Key Concepts 268

Issues for Discussion and Review 268

Video Case 10 GaGa: Not Just a Lady 269

Chapter 11 Developing and Managing Goods and Services 270

Marketing Insights: Different Cars, Different Product Positioning at Hyundai 271

11-1 Managing Existing Products 272

11-1a Line Extensions 272

11-1b Product Modifications 273

11-2 Developing New Products 274

| | | |
|---|--|-----|
| 11-2a | Idea Generation | 275 |
| 11-2b | Screening | 276 |
| 11-2c | Concept Testing | 276 |
| 11-2d | Business Analysis | 277 |
| 11-2e | Product Development | 277 |
| 11-2f | Test Marketing | 278 |
| 11-2g | Commercialization | 279 |
| Entrepreneurship in Marketing: How Safe Is Your Phone? Maybe Leather, Linen, and Wood Can Help 280 | | |
| 11-3 Product Differentiation through Quality, Design, and Support Services 281 | | |
| 11-3a | Product Quality | 281 |
| 11-3b | Product Design and Features | 282 |
| 11-3c | Product Support Services | 283 |
| Digital Marketing: Starbucks Brews Up Mobile Order-and-Pay 283 | | |
| 11-4 Product Positioning and Repositioning 284 | | |
| 11-4a | Perceptual Mapping | 284 |
| 11-4b | Bases for Positioning | 285 |
| 11-4c | Repositioning | 285 |
| 11-5 Product Deletion 286 | | |
| 11-6 Managing Services 287 | | |
| 11-6a | Nature and Importance of Services | 287 |
| 11-6b | Characteristics of Services | 288 |
| 11-6c | Developing and Managing Marketing Mixes for Services | 291 |
| 11-6d | Development of Services | 292 |
| 11-6e | Pricing of Services | 293 |
| 11-6f | Distribution of Services | 294 |
| 11-6g | Promotion of Services | 295 |
| 11-7 Organizing to Develop and Manage Products 296 | | |
| <i>Chapter Review</i> 297 | | |
| <i>Developing Your Marketing Plan</i> 298 | | |
| <i>Key Concepts</i> 298 | | |
| <i>Issues for Discussion and Review</i> 298 | | |
| Video Case 11 <i>How Sriracha Became a Hot Product</i> 299 | | |

Chapter 12: Pricing Concepts and Management 300

Marketing Insights: At Disney, Prices are in Tiers, Guests are Not 301

| | | |
|---|--------------------------------------|-----|
| 12-1 Development of Pricing Objectives 302 | | |
| 12-1a | Survival | 303 |
| 12-1b | Profit | 303 |
| 12-1c | Return on Investment | 303 |
| 12-1d | Market Share | 303 |
| 12-1e | Cash Flow | 304 |
| 12-1f | Status Quo | 304 |
| 12-1g | Product Quality | 304 |
| 12-2 Assessment of the Target Market's Evaluation of Price 305 | | |
| 12-3 Analysis of Demand 305 | | |
| 12-3a | Demand Curves | 305 |
| Entrepreneurship in Marketing: Growing Gwynnie Bee 306 | | |
| 12-3b | Demand Fluctuations | 306 |
| 12-3c | Assessing Price Elasticity of Demand | 307 |
| 12-4 Demand, Cost, and Profit Relationships 308 | | |
| 12-4a | Marginal Analysis | 309 |
| 12-4b | Break-Even Analysis | 312 |
| 12-5 Evaluation of Competitors' Prices 313 | | |
| 12-6 Selection of a Basis for Pricing 313 | | |
| 12-6a | Cost-Based Pricing | 314 |
| 12-6b | Demand-Based Pricing | 315 |
| 12-6c | Competition-Based Pricing | 315 |
| 12-7 Selection of a Pricing Strategy 316 | | |
| 12-7a | New-Product Pricing | 316 |
| 12-7b | Differential Pricing | 317 |
| 12-7c | Psychological Pricing | 318 |
| 12-7d | Product-Line Pricing | 319 |
| 12-7e | Promotional Pricing | 320 |
| 12-8 Determination of a Specific Price 321 | | |
| Emerging Trends: How Much Should a Life-Saving Product Cost? 321 | | |
| 12-9 Pricing for Business Markets 322 | | |
| 12-9a | Geographic Pricing | 322 |
| 12-9b | Transfer Pricing | 322 |
| 12-9c | Discounting | 322 |
| <i>Chapter Review</i> 323 | | |
| <i>Developing Your Marketing Plan</i> 325 | | |
| <i>Key Concepts</i> 326 | | |
| <i>Issues for Discussion and Review</i> 326 | | |
| Video Case 12 <i>Warby Parker Puts Affordable Eyewear in Focus</i> 326 | | |

PART 5 DISTRIBUTION DECISIONS 329

Chapter 13: Marketing Channels and Supply-Chain Management 330

Marketing Insights: Seizing the Moment: Marketing Channels for Championship Gear 331

13-1 Foundations of the Supply Chain 332

13-2 The Role of Marketing Channels in Supply Chains 333

13-2a The Significance of Marketing Channels 334

| | | |
|--|------------------------------|-----|
| 13-2b | Types of Marketing Channels | 336 |
| Digital Marketing: REI Urges Customers to #OptOutside 337 | | |
| 13-2c | Selecting Marketing Channels | 340 |
| 13-3 Intensity of Market Coverage 342 | | |
| 13-3a | Intensive Distribution | 342 |
| 13-3b | Selective Distribution | 343 |
| 13-3c | Exclusive Distribution | 343 |

Entrepreneurship in Marketing: Meet Kemar Newell, Founder of Flip 344

- 13-4 Strategic Issues in Marketing Channels 344**
 - 13-4a Competitive Priorities in Marketing Channels 344
 - 13-4b Channel Leadership, Cooperation, and Conflict 345
 - 13-4c Channel Integration 347
- 13-5 Physical Distribution in Supply-Chain Management 348**
 - 13-5a Order Processing 350
 - 13-5b Inventory Management 351
 - 13-5c Materials Handling 352
 - 13-5d Warehousing 352
 - 13-5e Transportation 354
- 13-6 Legal Issues in Channel Management 356**
 - 13-6a Restricted Sales Territories 356
 - 13-6b Tying Agreements 356
 - 13-6c Exclusive Dealing 357
 - 13-6d Refusal to Deal 357

Chapter Review 357

Developing Your Marketing Plan 359

Key Concepts 360

Issues for Discussion and Review 360

Video Case 13 Taza Cultivates Channel Relationships with Chocolate 361

Chapter 14: Retailing, Direct Marketing, and Wholesaling 362

Marketing Insights: Target Puts Its Bulls-Eye on College Campuses and on Urban Areas 363

14-1 Retailing 364

14-2 Major Types of Retail Stores 365

14-2a General-Merchandise Retailers 365

Emerging Trends: Stores Inside Stores 367

14-2b Specialty Retailers 369

14-3 Strategic Issues in Retailing 371

14-3a Location of Retail Stores 371

14-3b Retail Technology 373

Digital Marketing: Domino's AnyWare for Ordering Anywhere 374

14-3c Retail Positioning 375

14-3d Store Image 375

14-3e Category Management 376

14-4 Direct Marketing, Direct Selling, and Vending 376

14-4a Direct Marketing 376

14-4b Direct Selling 378

14-4c Automatic Vending 379

14-5 Franchising 380

14-6 Wholesaling 381

14-6a Services Provided by Wholesalers 382

14-6b Types of Wholesalers 382

Chapter Review 386

Developing Your Marketing Plan 388

Key Concepts 388

Issues for Discussion and Review 389

Video Case 14 Sephora: Brick or Click or App 389

PART 6 PROMOTION DECISIONS 391

Chapter 15: Integrated Marketing Communications 392

Marketing Insights: Toyota Camry Finds the Key to Integrated Marketing 393

15-1 The Nature of Integrated Marketing Communications 394

15-2 The Communication Process 395

15-3 The Role and Objectives of Promotion 398

15-3a Create Awareness 399

15-3b Stimulate Demand 400

15-3c Encourage Product Trial 400

15-3d Identify Prospects 401

15-3e Retain Loyal Customers 401

15-3f Facilitate Reseller Support 402

15-3g Combat Competitive Promotional Efforts 402

15-3h Reduce Sales Fluctuations 402

15-4 The Promotion Mix 403

15-4a Advertising 403

15-4b Personal Selling 404

15-4c Public Relations 405

15-4d Sales Promotion 406

15-5 Selecting Promotion Mix Elements 407

15-5a Promotional Resources, Objectives, and Policies 407

15-5b Characteristics of the Target Market 407

Entrepreneurship in Marketing: Dollar Shave Club's Razor-Sharp Marketing 408

15-5c Characteristics of the Product 408

15-5d Costs and Availability of Promotional Methods 409

15-5e Push and Pull Channel Policies 409

15-6 The Growing Importance of Word-of-Mouth Communications 410

Emerging Trends in Marketing: Picture This: The Success of Product Placement 412

15-7 Product Placement 413

15-8 Criticisms and Defenses of Promotion 414

Chapter Review 414

Developing Your Marketing Plan 416

Key Concepts 416

Issues for Discussion and Review 416

Video Case 15 Frank Pepe's Pizzeria Napoletana Uses Positive Word of Mouth to Remain a Premiere Pizzeria 417

Chapter 16: Advertising and Public Relations 418

Marketing Insights: Beloved Spokescharacters Imbue Brands with Personalities 419

16-1 The Nature and Types of Advertising 420

Emerging Trends in Marketing: The Rise of Native Advertising 422

16-2 Developing an Advertising Campaign 423

16-2a Identifying and Analyzing the Target Audience 423

16-2b Defining the Advertising Objectives 424

16-2c Creating the Advertising Platform 425

16-2d Determining the Advertising Appropriation 426

16-2e Developing the Media Plan 427

16-2f Creating the Advertising Message 430

16-2g Executing the Campaign 433

16-2h Evaluating Advertising Effectiveness 433

16-3 Who Develops the Advertising Campaign? 434

16-4 Public Relations Tools 435

16-4a Public Relations Tools 436

Going Green: Patagonia Advertising: Don't Buy This Jacket 437

16-5 Evaluating Public Relations Effectiveness 438

Chapter Review 439

Developing Your Marketing Plan 440

Key Concepts 440

Issues for Discussion and Review 441

Video Case 16 *Scripps Networks Interactive: An Expert at Connecting Advertisers with Programming 441*

Chapter 17: Personal Selling and Sales Promotion 444

Marketing Insights: Salesforce.com Sold on Stakeholder Satisfaction 445

17-1 The Nature of Personal Selling 446

17-2 Steps of the Personal Selling Process 447

17-2a Prospecting 448

17-2b Preapproach 448

17-2c Approach 449

17-2d Making the Presentation 449

17-2e Overcoming Objections 450

17-2f Closing the Sale 450

17-2g Following Up 450

Endnotes 472

Glossary 511

Name Index 522

Company Index 527

Subject Index 531

AVAILABLE ONLY ONLINE:

Appendix A: Financial Analysis in Marketing

Appendix B: Sample Marketing Plan

Appendix C: Careers in Marketing

17-3 Types of Salespeople 450

17-3a Sales Structure 450

17-3b Support Personnel 451

Entrepreneurship in Marketing: Tastefully Simple: Taking a Bigger Bite into Family Meal Planning 451

17-4 Team and Relationship Selling 452

17-4a Team Selling 452

17-4b Relationship Selling 453

17-5 Managing the Sales Force 453

17-5a Establishing Sales-Force Objectives 454

17-5b Determining Sales-Force Size 454

17-5c Recruiting and Selecting Salespeople 455

Going Green: Virtual Savings: The Growth of Digital Coupons 455

17-5d Training Sales Personnel 456

17-5e Compensating Salespeople 457

17-5f Motivating Salespeople 458

17-5g Managing Sales Territories 460

17-5h Controlling and Evaluating Sales-Force Performance 461

17-6 The Nature of Sales Promotion 461

17-7 Consumer-Sales-Promotion Methods 462

17-7a Coupons and Cents-Off Offers 462

17-7b Money Refunds and Rebates 464

17-7c Shopper Loyalty and Frequent-User Incentives 464

17-7d Point-of-Purchase Materials and Demonstrations 465

17-7e Free Samples and Premiums 465

17-7f Consumer Contests, Consumer Games, and Sweepstakes 466

17-8 Trade-Sales-Promotion Methods 466

17-8a Trade Allowances 467

17-8b Cooperative Advertising and Dealer Listings 467

17-8c Free Merchandise and Gifts 468

17-8d Premium Money 468

17-8e Sales Contest 468

Chapter Review 468

Developing Your Marketing Plan 469

Key Concepts 470

Issues for Discussion and Review 470

Video Case 17 *Niederlander Organization Rewards the Audience 470*