

# MARKETING MANAGEMENT

2nd Edition

JOHANNE BRUNET | FRANÇOIS COLBERT | SANDRA LAPORTE  
RENAUD LEGOUX | BRUNO LUSSIER | SIHEM TABOUBI

In collaboration with **Jean-Luc Geha**  
Translator **Karen Sherman**



CHENELIÈRE  
ÉDUCATION

# Table of contents

Part 1 Key Concepts .....	2	1.6.3 The consequences of technical advancement.....	27
<b>Chapter 1</b> Marketing Approach .....	3	<b>Chapter 2</b> Marketing Process.....	29
1.1 Definition of marketing.....	5	2.1 How marketing contributes to a company's mission .....	31
1.2 Milestones in the development of marketing .....	5	2.2 Business strategies .....	32
1.2.1 Production orientation.....	5	2.2.1 Types of business strategies .....	33
1.2.2 Product orientation .....	6	2.2.2 Analysis of strategic market positioning.....	39
1.2.3 Sales orientation .....	6	2.3 Marketing planning.....	41
1.2.4 Marketing orientation.....	6	2.3.1 The marketing planning process.....	41
1.3 Basic marketing concepts .....	7	2.3.2 The marketing plan .....	42
1.3.1 Needs and desires.....	7	2.4 Control.....	46
1.3.2 Demand.....	10	2.4.1 Control: a cycle .....	46
1.3.3 The market and its components .....	13	2.4.2 Control tools and objects.....	46
1.3.4 Exchange.....	15	2.4.3 Marketing audits.....	48
1.3.5 The result of the exchange process .....	18	2.5 Organizational structure.....	50
1.4 Understanding the integrated marketing model.....	21	2.5.1 Functional structure.....	50
1.5 The internal marketing management process.....	24	2.5.2 Product or brand structure .....	50
1.6 The future of marketing.....	25	2.5.3 Market or region structure.....	51
1.6.1 The development of trade.....	25	2.5.4 Matrix structure .....	52
1.6.2 The effect of globalized competition....	26	2.6 Ethics in marketing .....	52

**Chapter 3**  
**Marketing Strategy** ..... 55

**3.1 Segmentation** ..... 56

3.1.1 Segmentation on consumer markets.... 57

3.1.2 Business market segmentation..... 63

**3.2 Targeting** ..... 64

3.2.1 Selecting targets ..... 65

3.2.2 Types of targeting ..... 67

3.2.3 Refocusing, or changes in targeting..... 70

**3.3 Positioning** ..... 70

3.3.1 Positioning of a new brand..... 71

3.3.2 Positioning of an existing brand ..... 72

3.3.3 Ensuring successful positioning ..... 73

**3.4 Differentiation** ..... 76

3.4.1 Bases of differentiation..... 76

3.4.2 Perceptual map ..... 79

3.4.3 Statement of positioning..... 81

**Chapter 4**  
**Creativity and Marketing Innovation** ..... 83

**4.1 The creativity and innovation process** ..... 84

**4.2 The role of research: explore and innovate**..... 87

4.2.1 Empathy ..... 88

4.2.2 Definition..... 89

4.2.3 Idea generation..... 89

4.2.4 Prototype..... 89

4.2.5 Test..... 90

**4.3 The value chain**..... 91

**4.4 The business model** ..... 92

**4.5 The creation of value: marketing strategy** ..... 95

**4.6 The marketing mix**..... 97

4.6.1 Innovation and development of new products and services ..... 98

4.6.2 Marketing communication ..... 104

4.6.3 Distribution..... 105

4.6.4 Price..... 106

**Part 2 Analysis** ..... 108

**Chapter 5**  
**Internal and External Environments** ..... 109

**5.1 The SWOT model** ..... 111

**5.2 The TOWS model** ..... 112

**5.3 The internal environment** ..... 112

5.3.1 Objectives and mission of the organization..... 114

5.3.2 Components of the internal environment ..... 115

5.3.3 The value chain ..... 119

5.3.4 Benchmarking ..... 122

**5.4 The external environment**..... 124

5.4.1 The microenvironment..... 124

5.4.2 The macroenvironment..... 134

**Chapter 6**  
**Marketing Research** ..... 145

**6.1 Marketing information system (MIS)** ..... 147

6.1.1 Internal data collection and analysis system ..... 148

6.1.2 Marketing intelligence ..... 149

6.1.3 Marketing research ..... 149

6.1.4 Role of the MIS ..... 149

**6.2 Data** ..... 151

6.2.1 Typology of data ..... 152

6.2.2 Data collection ..... 154

<b>6.3 Marketing research</b> .....	156
6.3.1 Exploratory research .....	158
6.3.2 Descriptive research .....	158
6.3.3 Causal research .....	159
<b>6.4 Steps of the marketing research process</b> .....	159
6.4.1 Preliminary analysis .....	161
6.4.2 Formulating the research problem .....	161
6.4.3 Structuring the methodology .....	164
6.4.4 Construction of measurement instruments .....	177
6.4.5 Testing of measurement instruments .....	179
6.4.6 Data collection .....	180
6.4.7 Data analysis and interpretation .....	181
6.4.8 Communication of results and recommendations .....	182

## Chapter 7 Consumer Behaviour .....

<b>7.1 Understanding the consumer is crucial</b> .....	187
<b>7.2 The study of consumer behaviour</b> .....	188
<b>7.3 The integrated model of consumer behaviour</b> .....	189
<b>7.4 Characterizing the decision process</b> .....	190
7.4.1 Level of effort and involvement in the decision .....	190
7.4.2 Cognitive and emotional decisions .....	192
<b>7.5 Steps in the decision process</b> .....	194
7.5.1 Recognition of a need .....	194
7.5.2 Information search .....	194
7.5.3 Evaluation of options .....	196
7.5.4 Purchasing decision .....	197
7.5.5 The purchasing act .....	199
7.5.6 Post-purchase evaluation .....	200

<b>7.6 Sources of influence on consumer behaviour</b> .....	201
7.6.1 Internal influences .....	201
7.6.2 External influences .....	211
7.6.3 Contextual or situational influences ...	217

## Part 3 Commercial Mix .....

### Chapter 8 Products, Services and Brands .....

<b>8.1 Products and services</b> .....	223
<b>8.2 Product dimensions</b> .....	224
8.2.1 Core product .....	225
8.2.2 Related services .....	230
<b>8.3 Product portfolio management</b> .....	231
<b>8.4 Brand management</b> .....	233
8.4.1 Brand equity .....	234
8.4.2 Strategic branding decisions .....	235
<b>8.5 Product life cycle management</b> ...	238
8.5.1 Introduction phase .....	239
8.5.2 Growth phase .....	239
8.5.3 Maturity phase .....	240
8.5.4 Decline phase .....	240

### Chapter 9 Marketing Communication .....

<b>9.1 The role of communication in marketing strategy</b> .....	245
<b>9.2 Strategic planning in communication</b> .....	246
<b>9.3 Target audience and consumer insight</b> .....	246
<b>9.4 Communication objectives</b> .....	247

<b>9.5 The key message</b> .....	250	10.4.5 Presentation of a business solution ....	302
<b>9.6 The main types of media and integrated marketing communication</b> .....	250	10.4.6 Handling objections .....	304
9.6.1 Types of media .....	251	10.4.7 Closing the sale and gaining customer commitment .....	307
9.6.2 Incorporating components of integrated marketing communication .....	252	10.4.8 Follow-up .....	308
<b>9.7 Marketing communication media</b> .....	252	<b>10.5 Business development</b> .....	309
9.7.1 Advertising .....	253	10.5.1 Customer relationship management software .....	310
9.7.2 Public relations and media relations ....	259	10.5.2 Customer service .....	310
9.7.3 Direct and relationship marketing .....	261	<b>10.6 International selling</b> .....	311
9.7.4 Sponsorship .....	263	<b>10.7 Sales force management</b> .....	313
9.7.5 Sales promotion .....	268	10.7.1 Role of the sales force manager .....	314
9.7.6 Digital and mobile marketing .....	271	10.7.2 Size of the team and sales forecasting .....	314
9.7.7 Social media .....	276	10.7.3 Structure of the sales force .....	315
9.7.8 Alternative forms of communication ...	278	10.7.4 Recruiting and selecting salespeople ...	318
<b>9.8 Creative strategy and the advertising idea</b> .....	280	10.7.5 Compensating salespeople .....	318
<b>9.9 Structure and role of communication agencies</b> .....	281	10.7.6 Evaluating, training and motivating salespeople .....	319

## Chapter 10 Relationship Selling .....

<b>10.1 Selling approaches</b> .....	284
10.1.1 Transactional approach .....	285
10.1.2 Consultative approach .....	286
10.1.3 Relational approach .....	286
<b>10.2 Relational selling approach</b> .....	287
<b>10.3 The salesperson</b> .....	288
10.3.1 Salespeople's activities .....	288
10.3.2 Main types of salespeople .....	289
10.3.3 Job outlooks .....	291
<b>10.4 Selling process</b> .....	292
10.4.1 Prospecting .....	293
10.4.2 Pre-approach .....	295
10.4.3 Approach .....	296
10.4.4 Needs assessment .....	300

## Chapter 11 Distribution .....

<b>11.1 The rationale for distribution intermediaries</b> .....	325
<b>11.2 The functions of distribution intermediaries</b> .....	327
11.2.1 Logistics function .....	328
11.2.2 Financing function .....	329
11.2.3 Research function .....	329
11.2.4 Title transfer function .....	329
11.2.5 Promotion function .....	330
11.2.6 Sales function .....	330
11.2.7 Customer service function .....	330
11.2.8 Payment function .....	330
<b>11.3 Types of distribution intermediaries</b> .....	331
11.3.1 Traders .....	331
11.3.2 Agents .....	333

<b>11.4 Distribution channels</b> .....	334	<b>12.3 Pricing objectives</b> .....	356
11.4.1 Distribution channel length .....	334	12.3.1 Profit-oriented objectives .....	357
11.4.2 Integration of distribution intermediaries .....	336	12.3.2 Competition-oriented objectives .....	358
<b>11.5 Selecting a distribution network</b> .....	340	12.3.3 Sales-related objectives .....	359
11.5.1 Determining the intensity of distribution .....	341	12.3.4 Customer perception-related objectives .....	359
11.5.2 Selection of the type of channel and intermediary .....	343	12.3.5 Distribution intermediary-related objectives .....	360
<b>11.6 Multi-channel distribution with an omnichannel strategy</b> .....	345	<b>12.4 Pricing strategies</b> .....	360
11.6.1 Multi-channel distribution .....	345	12.4.1 Pricing strategies determined by competitive pressure .....	361
11.6.2 Disruption in the various channels ...	346	12.4.2 Pricing strategies dictated by consumer preferences .....	362
11.6.3 Conflicts linked to a multi-channel distribution strategy .....	347	12.4.3 Pricing strategies based on business costs .....	363
11.6.4 Omnichannel strategy to resolve conflicts .....	348	12.4.4 Pricing strategies for a product line ...	364
		12.4.5 Price and product life cycle .....	365
		<b>12.5 Pricing methods</b> .....	367
		12.5.1 Cost-based method .....	367
		12.5.2 Competition-based method .....	369
		12.5.3 Demand-based method .....	370
		12.5.4 Customer-based method .....	370
		Photo credits .....	375
		Bibliography .....	376
		Sources Index .....	389
		Subjects Index .....	392
<b>Chapter 12</b>			
<b>Price</b> .....	351		
<b>12.1 Product prices</b> .....	353		
<b>12.2 Environmental influences on pricing</b> .....	354		
12.2.1 Economic environment .....	355		
12.2.2 Governments and the legal environment .....	356		