

GLOBAL  
EDITION



Kotler  
Keller

A FRAMEWORK FOR  
MARKETING  
MANAGEMENT

6e

ALWAYS LEARNING

PEARSON

# A Framework for Marketing Management

*This page intentionally left blank*

# A FRAMEWORK FOR MARKETING MANAGEMENT

**Sixth Edition**

**Global Edition**

Philip Kotler

Northwestern University

Kevin Lane Keller

Dartmouth College

**PEARSON**

Boston Columbus Indianapolis New York San Francisco Amsterdam Cape  
Town Dubai London Madrid Milan Munich Paris Montréal Toronto  
Delhi Mexico City São Paulo Sydney Hong Kong Seoul Singapore Taipei Tokyo

**Vice President, Business Publishing:** Donna Battista  
**Editor-in-Chief:** Stephanie Wall  
**Acquisitions Editor:** Mark Gaffney  
**Senior Acquisitions Editor, Global Editions:**  
Steven Jackson  
**Development Editor:** Elisa Adams  
**Program Manager Team Lead:** Ashley Santora  
**Program Manager:** Jennifer Collins  
**Editorial Assistant:** Daniel Petrino  
**Assistant Project Editor, Global Editions:**  
Paromita Banerjee  
**Vice President, Product Marketing:** Maggie Moylan  
**Director of Marketing, Digital Services and Products:**  
Jeanette Koskinas  
**Executive Product Marketing Manager:** Anne Fahlgren  
**Field Marketing Manager:** Lenny Ann Raper  
**Senior Strategic Marketing Manager:** Erin Gardner  
**Project Manager Team Lead:** Judy Leale  
**Project Manager:** Becca Groves  
**Senior Manufacturing Controller, Global Editions:**  
Trudy Kimber

**Operations Specialist:** Carol Melville  
**Creative Director:** Blair Brown  
**Senior Art Director:** Janet Slowik  
**Interior and Cover Designer:** Integra Software Services Pvt Ltd.  
**Vice President, Director of Digital Strategy & Assessment:** Paul Gentile  
**Manager of Learning Applications:** Paul Deluca  
**Digital Editor:** Brian Surette  
**Digital Studio Manager:** Diane Lombardo  
**Digital Studio Project Manager:** Robin Lazrus  
**Digital Studio Project Manager:** Alana Coles  
**Digital Studio Project Manager:** Monique Lawrence  
**Digital Studio Project Manager:** Regina DaSilva  
**Media Production Manager, Global Editions:**  
Vikram Kumar  
**Full-Service Project Management and Composition:**  
Integra Software Services Pvt Ltd.

Acknowledgements of third party content appear on the appropriate page within the text, which constitutes an extension of this copyright page.

*Pearson Education Limited*  
Edinburgh Gate  
Harlow  
Essex CM20 2JE  
England

and Associated Companies throughout the world

Visit us on the World Wide Web at: [www.pearsonglobaleditions.com](http://www.pearsonglobaleditions.com)

© Pearson Education Limited 2016

The rights of Philip Kotler and Kevin Lane Keller to be identified as authors of this work have been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

*Authorized adaptation from the United States edition, entitled A Framework for Marketing Management, 6th Edition, ISBN 978-0-13-387131-9 by Philip Kotler and Kevin Lane Keller, published by Pearson Education © 2016.*

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without either the prior written permission of the publisher or a license permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency Ltd, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

All trademarks used herein are the property of their respective owners. The use of any trademark in this text does not vest in the author or publisher any trademark ownership rights in such trademarks, nor does the use of such trademarks imply any affiliation with or endorsement of this book by such owners.

ISBN 10: 1-292-09314-5  
ISBN 13: 978-1-292-09314-7

#### **British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library

10 9 8 7 6 5 4 3 2 1

Typeset in 10/12 Minion Pro Regular by Integra Software Services Pvt. Ltd.  
Printed and bound by Courier Westford in The United States of America

# Brief Contents

Preface 19

**Part 1** [Introduction to Marketing Management](#) 25

- 1 Scope of Marketing for New Realities 25
- 2 Marketing Strategies and Plans 42
- 3 Marketing Research and Analysis 58

**Part 2** [Connecting with Customers](#) 78

- 4 Building Long-Term Customer Relationships 78
- 5 Buying Dynamics of Consumers and Businesses 92

**Part 3** [Strategic Brand Management](#) 116

- 6 Target Marketing 116
- 7 Competitive and Effective Brand Positioning 130
- 8 Branding and Core Business Growth 145

**Part 4** [Value Creation](#) 162

- 9 Product Mix and New Offerings 162
- 10 Analyzing and Marketing Services 183
- 11 Concepts and Tools for Strategic Pricing 197

**Part 5** [Value Delivery](#) 215

- 12 Developing and Managing Strategic and Integrated Marketing Channels 215
- 13 Managing Retailing, Wholesaling, and Logistics 232

**Part 6** [Value Communication](#) 245

- 14 Designing and Managing Integrated Marketing Communications 245
- 15 Managing Mass Communications: Advertising, Sales Promotions, Events and Experiences, and Public Relations 259
- 16 Managing Digital Communications: Online, Social Media, and Mobile 274
- 17 Managing Personal Communications: Direct and Database Marketing and Personal Selling 285

**Part 7** [Managing the Marketing Organization for Long-Term Success](#) 299

- 18 Responsible Marketing in a Global Environment 299

Glossary 314

Brand, Company, and Name Index 324

Subject Index 333

*This page intentionally left blank*

# Contents

Preface 19

## **Part 1** Introduction to Marketing Management 25

### 1 Scope of Marketing for New Realities 25

#### *Marketing Management at Unilever* 25

The Value of Marketing 26

The Scope of Marketing 26

*What Is Marketing?* 26

*What Is Marketed?* 27

*Who Markets?* 28

*What Is a Market?* 28

Core Marketing Concepts 29

*Needs, Wants, and Demands* 29

*Target Markets, Positioning, and Segmentation* 29

*Offerings and Brands* 29

*Marketing Channels* 30

*Paid, Owned, and Earned Media* 30

*Impressions and Engagement* 30

*Value and Satisfaction* 30

*Supply Chain* 30

*Competition* 31

*Marketing Environment* 31

The New Marketing Realities 31

*Technology* 31

*Globalization* 32

*Social Responsibility* 32

*A Dramatically Changed Marketplace* 32

Company Orientation Toward the Marketplace 34

*The Production Concept* 34

*The Product Concept* 34

*The Selling Concept* 34

*The Marketing Concept* 34

*The Holistic Marketing Concept* 35



Updating The Four Ps 36  
Marketing Management Tasks 38  
Executive Summary 39  
Notes 40

**2 Marketing Strategies and Plans 42**

***Marketing Management at Hewlett-Packard 42***

Marketing and Customer Value 43  
*The Value Delivery Process 43*  
*The Value Chain 43*  
*Core Competencies 44*  
*The Central Role of Strategic Planning 44*  
Corporate and Division Strategic Planning 45  
*Defining the Corporate Mission 45*  
*Establishing Strategic Business Units 45*  
*Assigning Resources to Each SBU 46*  
*Assessing Growth Opportunities 46*  
*Organization and Organizational Culture 47*  
Business Unit Strategic Planning 47  
*The Business Mission 47*  
*SWOT Analysis 47*  
*Goal Formulation 49*  
*Strategy Formulation 49*  
*Strategy and Implementation 50*  
The Marketing Plan 50  
*Contents of a Marketing Plan 50*  
*From Marketing Plan to Marketing Action 51*  
Marketing Implementation, Control, and Performance 52  
*Marketing Metrics 52*  
*Marketing-Mix Modeling 52*  
*Marketing Dashboards 53*  
*Marketing Control 54*  
Executive Summary 55  
Notes 56

**3 Marketing Research and Analysis 58**

***Marketing Management at Campbell Soup Company 58***

The Marketing Information System and Marketing  
Intelligence 59  
*Internal Records and Database Systems 59*  
*Marketing Intelligence 60*

The Marketing Research System	60
<i>Defining Marketing Research</i>	61
<i>The Marketing Research Process</i>	62
<i>Step 1: Define the Problem, Decision Alternatives, and Research Objectives</i>	62
<i>Step 2: Develop the Research Plan</i>	63
<i>Step 3: Collect the Data</i>	65
<i>Step 4: Analyze the Information</i>	65
<i>Step 5: Present the Findings</i>	65
<i>Step 6: Make the Decision</i>	65
Forecasting and Demand Measurement	66
<i>The Measures of Market Demand</i>	66
<i>The Market Demand Function</i>	66
<i>Estimating Current Demand</i>	68
<i>Estimating Future Demand</i>	69
Analyzing the Macroenvironment	69
<i>Identifying the Major Forces</i>	70
<i>The Demographic Environment</i>	70
<i>The Economic Environment</i>	72
<i>The Sociocultural Environment</i>	72
<i>The Natural Environment</i>	73
<i>The Technological Environment</i>	74
<i>The Political-Legal Environment</i>	74
Executive Summary	75
Notes	76

## **Part 2** Connecting with Customers 78

4	Building Long-Term Customer Relationships	78
	<i>Marketing Management at Pandora</i>	78
	Building Customer Value, Satisfaction, and Loyalty	79
	<i>Customer-Perceived Value</i>	79
	<i>Total Customer Satisfaction</i>	80
	<i>Monitoring Satisfaction</i>	81
	<i>Product and Service Quality</i>	82
	Maximizing Customer Lifetime Value	83
	<i>Customer Profitability</i>	83
	<i>Measuring Customer Lifetime Value</i>	84
	Cultivating Customer Relationships	84
	<i>Attracting and Retaining Customers</i>	85
	<i>Building Loyalty</i>	87
	<i>Win-Backs</i>	88

Executive Summary	88
Notes	89
<b>5</b>	<b>Buying Dynamics of Consumers and Businesses 92</b>
	<b><i>Marketing Management at Cisco 92</i></b>
	What Influences Consumer Behavior? 93
	<i>Cultural Factors 93</i>
	<i>Social Factors 93</i>
	<i>Personal Factors 94</i>
	Key Psychological Processes 96
	<i>Motivation 96</i>
	<i>Perception 97</i>
	<i>Learning 98</i>
	<i>Emotions 98</i>
	<i>Memory 98</i>
	The Consumer Buying Decision Process 99
	<i>Problem Recognition 99</i>
	<i>Information Search 100</i>
	<i>Evaluation of Alternatives 101</i>
	<i>Purchase Decision 102</i>
	<i>Postpurchase Behavior 102</i>
	<i>Behavioral Decision Theory and Behavioral Economics 103</i>
	What is Organizational Buying? 104
	<i>The Business Market versus the Consumer Market 104</i>
	<i>Institutional and Government Markets 105</i>
	<i>Business Buying Situations 105</i>
	Participants in the Business Buying Process 106
	<i>The Buying Center 106</i>
	<i>Buying Center Influences 106</i>
	<i>Targeting Firms and Buying Centers 107</i>
	Stages in the Business Buying Process 108
	<i>Problem Recognition 108</i>
	<i>General Need Description and Product Specification 109</i>
	<i>Supplier Search 109</i>
	<i>Proposal Solicitation 110</i>
	<i>Supplier Selection 110</i>
	<i>Order-Routine Specification 110</i>
	<i>Performance Review 110</i>
	Managing Business-to-Business Customer Relationships 110
	<i>The Benefits of Vertical Coordination 110</i>
	<i>Risks and Opportunism in Business Relationships 111</i>

	Executive Summary	111
	Notes	112
<b>Part 3</b>	<b>Strategic Brand Management</b>	<b>116</b>
<b>6</b>	<b>Target Marketing</b>	<b>116</b>
	<b><i>Marketing Management at LinkedIn</i></b>	<b>116</b>
	Bases for Segmenting Consumer Markets	117
	<i>Geographic Segmentation</i>	117
	<i>Demographic Segmentation</i>	117
	<i>Psychographic Segmentation</i>	120
	<i>Behavioral Segmentation</i>	120
	Bases for Segmenting Business Markets	123
	Market Targeting	124
	<i>Effective Segmentation Criteria</i>	124
	<i>Evaluating and Selecting Market Segments</i>	125
	Executive Summary	128
	Notes	128
<b>7</b>	<b>Competitive and Effective Brand Positioning</b>	<b>130</b>
	<b><i>Marketing Management at Burberry</i></b>	<b>130</b>
	Developing and Establishing a Brand Positioning	131
	<i>Understanding Positioning and Value Propositions</i>	131
	<i>Choosing a Competitive Frame of Reference</i>	131
	<i>Identifying Potential Points-of-Difference</i>	
	<i>and Points-of-Parity</i>	132
	<i>Choosing Specific POPs and PODs</i>	133
	<i>Emotional Branding</i>	135
	<i>Brand Mantras</i>	135
	<i>Establishing a Brand Positioning</i>	135
	<i>Alternative Approaches to Positioning</i>	136
	Competitive Strategies for Market Leaders	136
	<i>Expanding Total Market Demand</i>	138
	<i>Protecting Market Share</i>	138
	<i>Increasing Market Share</i>	140
	Other Competitive Strategies	140
	<i>Market-Challenger Strategies</i>	140
	<i>Market-Follower Strategies</i>	141
	<i>Market-Nicher Strategies</i>	142
	Executive Summary	142
	Notes	143

**8 Branding and Core Business Growth 145**  
***Marketing Management at Gatorade 145***  
How Does Branding Work? 146  
    *The Role of Brands 146*  
    *The Scope of Branding 146*  
Defining Brand Equity 147  
    *Customer-Based Brand Equity 147*  
    *Brand Equity Models 148*  
Building Brand Equity 149  
    *Choosing Brand Elements 150*  
    *Designing Holistic Marketing Activities 150*  
    *Leveraging Secondary Associations 151*  
    *Internal Branding 152*  
Measuring and Managing Brand Equity 152  
    *Brand Audits and Brand Tracking 152*  
    *Brand Valuation 152*  
    *Managing Brand Equity 153*  
Devising a Branding Strategy 153  
    *Branding Decisions 153*  
    *Brand Portfolios 154*  
    *Brand Extensions 155*  
Customer Equity 156  
Driving Growth 156  
    *Growth Strategies 156*  
    *Growing the Core 157*  
Executive Summary 158  
Notes 158

**Part 4 Value Creation 162**

**9 Product Mix and New Offerings 162**  
***Marketing Management at Lexus 162***  
Product Characteristics and Classifications 163  
    *Product Levels: The Customer-Value Hierarchy 163*  
    *Product Classifications 164*  
Differentiation 164  
    *Product Differentiation 164*  
    *Services Differentiation 165*  
    *Design Differentiation 165*  
Product and Brand Relationships 166  
    *The Product Hierarchy 166*  
    *Product Line Analysis 167*

	<i>Product Line Length</i>	167
	<i>Line Modernization, Featuring, and Pruning</i>	168
	<i>Product Mix Pricing</i>	168
	<i>Co-Branding and Ingredient Branding</i>	169
Packaging, Labeling, Warranties, and Guarantees		169
	<i>Packaging</i>	169
	<i>Labeling</i>	170
	<i>Warranties and Guarantees</i>	170
Managing New Products		170
	<i>The Innovation Imperative and New Product Success</i>	171
	<i>New Product Development</i>	171
The Consumer-Adoption Process		175
	<i>Stages in the Adoption Process</i>	175
	<i>Factors Influencing the Adoption Process</i>	175
Product Life-Cycle Marketing Strategies		176
	<i>Product Life Cycles</i>	177
	<i>Marketing Strategies: Introduction Stage and the Pioneer Advantage</i>	177
	<i>Marketing Strategies: Growth Stage</i>	178
	<i>Marketing Strategies: Maturity Stage</i>	178
	<i>Marketing Strategies: Decline Stage</i>	178
	<i>Critique of the Product Life-Cycle Concept</i>	178
Executive Summary		179
Notes		180
<b>10</b>	<b>Analyzing and Marketing Services</b>	<b>183</b>
	<b><i>Marketing Management at Emirates Airline</i></b>	<b>183</b>
	The Nature of Services	184
	<i>Categories of Service Mix</i>	184
	<i>Distinctive Characteristics of Services</i>	184
	The New Services Realities	186
	<i>A Shifting Customer Relationship</i>	187
	<i>Achieving Excellence in Services Marketing</i>	187
	<i>Differentiating Services</i>	189
	Managing Service Quality	190
	<i>Managing Customer Expectations</i>	190
	<i>Incorporating Self-Service Technologies</i>	192
	Managing Product-Support Services	193
	<i>Identifying and Satisfying Customer Needs</i>	193
	<i>Postsale Service Strategy</i>	193

	Executive Summary	194
	Notes	194
<b>11</b>	<b>Concepts and Tools for Strategic Pricing</b>	<b>197</b>
	<b><i>Marketing Management at Ryanair</i></b>	<b>197</b>
	Understanding Pricing	198
	<i>Pricing in a Digital World</i>	198
	<i>A Changing Pricing Environment</i>	198
	<i>How Companies Price</i>	198
	<i>Consumer Psychology and Pricing</i>	199
	Setting the Price	200
	<i>Step 1: Selecting the Pricing Objective</i>	200
	<i>Step 2: Determining Demand</i>	201
	<i>Step 3: Estimating Costs</i>	202
	<i>Step 4: Analyzing Competitors' Costs, Prices, and Offers</i>	204
	<i>Step 5: Selecting a Pricing Method</i>	204
	<i>Step 6: Selecting the Final Price</i>	207
	Adapting the Price	208
	<i>Geographical Pricing (Cash, Countertrade, Barter)</i>	208
	<i>Price Discounts and Allowances</i>	209
	<i>Promotional Pricing</i>	209
	<i>Differentiated Pricing</i>	210
	Initiating and Responding to Price Changes	211
	<i>Initiating Price Cuts</i>	211
	<i>Initiating Price Increases</i>	211
	<i>Anticipating Competitive Responses</i>	211
	<i>Responding to Competitors' Price Changes</i>	211
	Executive Summary	212
	Notes	212
<b>Part 5</b>	<b>Value Delivery</b>	<b>215</b>
<b>12</b>	<b>Developing and Managing Strategic and Integrated Marketing Channels</b>	<b>215</b>
	<b><i>Marketing Management at IKEA</i></b>	<b>215</b>
	Marketing Channels and Value Networks	216
	<i>The Importance of Channels</i>	216
	<i>Multichannel Marketing</i>	216
	<i>Integrating Multichannel Marketing Systems</i>	217
	<i>Value Networks</i>	217
	<i>The Digital Channels Revolution</i>	217
	The Role of Marketing Channels	218
	<i>Channel Functions and Flows</i>	218

	<i>Channel Levels</i>	219
	<i>Service Sector Channels</i>	220
Channel-Design Decisions		220
	<i>Analyzing Customer Needs and Wants</i>	220
	<i>Establishing Objectives and Constraints</i>	221
	<i>Identifying Major Channel Alternatives</i>	222
	<i>Evaluating Major Channel Alternatives</i>	222
Channel-Management Decisions		223
	<i>Selecting Channel Members</i>	223
	<i>Training and Motivating Channel Members</i>	224
	<i>Evaluating Channel Members</i>	224
	<i>Modifying Channel Design and Arrangements</i>	224
	<i>Global Channel Considerations</i>	224
Channel Integration and Systems		224
	<i>Vertical Marketing Systems</i>	225
	<i>Horizontal Marketing Systems</i>	225
E-Commerce and M-Commerce Marketing Practices		226
	<i>E-Commerce and Pure-Click Companies</i>	226
	<i>E-Commerce and Brick-and-Click Companies</i>	226
	<i>M-Commerce Marketing</i>	226
Channel Conflict, Cooperation, and Competition		227
	<i>Types of Conflict and Competition</i>	227
	<i>Causes of Channel Conflict</i>	228
	<i>Managing Channel Conflict</i>	228
	<i>Dilution and Cannibalization</i>	228
	<i>Legal and Ethical Issues in Channel Relations</i>	228
Executive Summary		229
Notes		229
<b>13</b>	<b>Managing Retailing, Wholesaling, and Logistics</b>	<b>232</b>
	<b><i>Marketing Management at Warby Parker</i></b>	<b>232</b>
	Retailing	233
	<i>Types of Retailers</i>	233
	<i>The Modern Retail Marketing Environment</i>	234
	<i>Retailer Marketing Decisions</i>	235
	Private Labels	237
	<i>Role of Private Labels</i>	238
	<i>Private-Label Success Factors</i>	238
	Wholesaling	238
	<i>Wholesaling Functions</i>	239
	<i>Trends in Wholesaling</i>	240



Market Logistics 240  
    *Integrated Logistics Systems* 240  
    *Market-Logistics Objectives* 241  
    *Market-Logistics Decisions* 241  
Executive Summary 243  
Notes 244

**Part 6** Value Communication 245

14 Designing and Managing Integrated Marketing Communications 245  
    ***Marketing Management at Volkswagen*** 245  
    The Role of Marketing Communications 246  
        *The Marketing Communications Mix* 246  
        *Communications Process Models* 248  
    Developing Effective Communications 248  
        *Identify the Target Audience* 248  
        *Set the Communications Objectives* 249  
        *Design the Communications* 250  
        *Select the Communications Channels* 252  
        *Establish the Total Marketing Communications Budget* 253  
    Selecting the Marketing Communications Mix 253  
        *Characteristics of the Marketing Communications Mix* 254  
        *Factors in Setting the Marketing Communications Mix* 255  
        *Measuring Communication Results* 256  
    Managing the Integrated Marketing Communications Process 256  
        *Coordinating Media* 256  
        *Implementing IMC* 256  
    Executive Summary 257  
    Notes 257

15 Managing Mass Communications: Advertising, Sales Promotions, Events and Experiences, and Public Relations 259  
    ***Marketing Management at Procter & Gamble*** 259  
    Developing and Managing an Advertising Program 260  
        *Setting the Advertising Objectives* 260  
        *Deciding on the Advertising Budget* 261  
        *Developing the Advertising Campaign* 261  
        *Choosing Media* 262  
        *Evaluating Advertising Effectiveness* 264  
    Sales Promotion 265  
        *Advertising versus Promotion* 265  
        *Major Decisions* 266

Events and Experiences	268
<i>Events Objectives</i>	268
<i>Major Sponsorship Decisions</i>	269
<i>Creating Experiences</i>	269
Public Relations	270
<i>Marketing Public Relations</i>	270
<i>Major Decisions in Marketing PR</i>	271
Executive Summary	271
Notes	272
<b>16</b>	<b>Managing Digital Communications: Online, Social Media, and Mobile 274</b>
	<b><i>Marketing Management at PepsiCo</i> 274</b>
Online Marketing	275
<i>Advantages and Disadvantages of Online Marketing Communications</i>	275
<i>Online Marketing Communication Options</i>	275
Social Media	277
<i>Social Media Platforms</i>	277
<i>Using Social Media</i>	278
Word of Mouth	278
<i>Forms of Word of Mouth</i>	278
<i>Creating Word-of-Mouth Buzz</i>	279
<i>Measuring the Effects of Word of Mouth</i>	280
Mobile Marketing	280
<i>The Scope of Mobile Marketing</i>	281
<i>Developing Effective Mobile Marketing Programs</i>	281
<i>Mobile Marketing across Markets</i>	281
Executive Summary	281
Notes	282
<b>17</b>	<b>Managing Personal Communications: Direct and Database Marketing and Personal Selling 285</b>
	<b><i>Marketing Management at StarHub</i> 285</b>
Direct Marketing	286
<i>The Benefits of Direct Marketing</i>	286
<i>Direct Mail</i>	286
<i>Catalog Marketing</i>	287
<i>Telemarketing</i>	287
<i>Other Media for Direct-Response Marketing</i>	287
<i>Customer Databases and Database Marketing</i>	288
<i>Public and Ethical Issues in Direct Marketing</i>	289

Personal Selling and the Sales Force 289  
*Types of Sales Representatives* 289  
*Personal Selling and Relationship Marketing* 290  
*Designing the Sales Force* 291

Managing the Sales Force 293  
*Recruiting and Selecting Representatives* 293  
*Training and Supervising Sales Representatives* 295  
*Sales Rep Productivity* 295  
*Motivating Sales Representatives* 295  
*Evaluating Sales Representatives* 296

Executive Summary 296  
Notes 297

**Part 7** **Managing the Marketing Organization for Long-Term Success** 299

**18** **Responsible Marketing in a Global Environment** 299  
*Marketing Management at Patagonia* 299

Competing On a Global Basis 300  
*Deciding Whether to Go Abroad* 301  
*Deciding Which Markets to Enter* 301  
*Deciding How to Enter the Market* 301  
*Deciding on the Marketing Program* 303

Internal Marketing 306  
*Organizing the Marketing Department* 306  
*Relationships with Other Departments* 307  
*Building a Creative Marketing Organization* 307

Socially Responsible Marketing 307  
*Corporate Social Responsibility* 307  
*Sustainability* 309  
*Cause-Related Marketing* 309  
*Social Marketing* 310

Executive Summary 310  
Notes 311

Glossary 314

Brand, Company, and Name Index 324

Subject Index 333

# Preface

The sixth edition of *A Framework for Marketing Management* is a concise paperback adapted from Philip Kotler and Kevin Lane Keller's fifteenth edition of *Marketing Management*. Its streamlined approach will appeal to those who want an authoritative account of current marketing management practices and theory plus a text that is short enough to allow the incorporation of outside cases, simulations, and projects. Like previous editions, the sixth edition of *A Framework for Marketing Management* is dedicated to helping companies, groups, and individuals adapt their marketing strategies and management to the marketplace of the twenty-first century.

## What's New In The Edition

- A new chapter (Chapter 16, Managing Digital Communications: Online, Social Media, and Mobile) highlights expanded coverage of the latest digital trends and their marketing implications.
- New combined coverage of consumer and business markets in a single chapter (Chapter 5, Analyzing Consumer and Business Markets) explores the similarities and differences in marketing to individual consumers, businesses, government agencies, and institutions.
- The positioning chapter (Chapter 7) now follows the segmentation and targeting chapter (Chapter 6) to align with the conventional STP sequencing of topics.
- The marketing strategy and planning chapter (Chapter 2) now includes all material on marketing implementation, metrics, and control, emphasizing the importance of advance planning for measuring and managing marketing performance.
- New opening vignettes for each chapter show marketing management in action at real-world companies and provide effective discussion starters for chapter concepts. Companies featured include LinkedIn, PepsiCo, Emirates Airline, Gatorade, Pandora, Cisco, and Patagonia.
- New “Marketing Insights” boxes discuss a wide range of cutting-edge topics and marketing situations, including Marketing 3.0, marketing double jeopardy, showrooming, playing tricks to build a brand, and other subjects.
- New coverage throughout the text of contemporary marketing developments and issues, including omnichannel marketing, mobile apps, geofencing and mobile commerce, privacy concerns, shopper marketing, and the sharing economy.

## Features of The Edition

### Major Themes

This new edition explores how the powerful forces of globalization, technology, and social responsibility—individually and in combination—can affect the success of modern marketing programs. Incorporating the latest concepts with recent examples and current academic research, this edition examines the complexities and possibilities of holistic marketing today, encompassing relationship marketing, integrated marketing, internal marketing, and performance marketing.

## Instructor Resources

At the Instructor Resource Center, [www.pearsonglobaleditions.com/Kotler](http://www.pearsonglobaleditions.com/Kotler), instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <http://247.pearsoned.com> for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- Instructor's Resource Manual
- Test Bank
- TestGen® Computerized Test Bank
- PowerPoint Presentation

## Acknowledgments

This edition of *A Framework for Marketing Management* bears the imprint of many people who have contributed to the previous edition of this text and to the fifteenth edition of *Marketing Management*. We reserve special thanks to Marian Burk Wood for her extensive development and editorial work on this edition. Many thanks also to the professional editorial and production teams at Pearson. We gratefully acknowledge the many reviewers who helped shape this book over the years.

John H. Antil, University of Delaware  
Bill Archer, Northern Arizona University  
Timothy W. Aurand, Northern Illinois University  
Ruth Clotey, Barry University  
Jeff Conant, Texas A&M University  
Mike Dailey, University of Texas, Arlington  
Brian Engelland, Mississippi State University  
Brian Gibbs, Vanderbilt University  
Thomas Gruca, University of Iowa  
Mark Houston, University of Missouri, Columbia  
Nicole Howatt, University of Central Florida  
Gopal Iyer, Florida Atlantic University  
Jack Kasulis, University of Oklahoma  
Susan Keaveney, University of Colorado, Denver  
Bob Kent, University of Delaware  
Robert Kuchta, Lehigh University  
Jack K. H. Lee, City University of New York Baruch College  
Ning Li, University of Delaware  
Steven Lysonski, Marquette University  
Naomi Mandel, Arizona State University  
Ajay K. Manrai, University of Delaware  
Denny McCorkle, Southwest Missouri State University  
James McCullough, Washington State University

Ron Michaels, University of Central Florida  
 George R. Milne, University of Massachusetts, Amherst  
 Marian Chapman Moore, Duke University  
 Steve Nowlis, Arizona State University  
 Louis Nzegwu, University of Wisconsin, Platteville  
 K. Padmanabhan, University of Michigan, Dearborn  
 Mary Anne Raymond, Clemson University  
 William Robinson, Purdue University  
 Carol A. Scott, University of California at Los Angeles  
 Stanley F. Slater, Colorado State University  
 Robert Spekman, University of Virginia  
 Edwin Stafford, Utah State University  
 Vernon Stauble, California State Polytechnic  
 Mike Swenson, Brigham Young University  
 Kimberly A. Taylor, Florida International University  
 Bronis J. Verhage, Georgia State University

**Philip Kotler**

S. C. Johnson & Son Distinguished Professor of International Marketing  
 Kellogg School of Management  
 Northwestern University  
 Evanston, Illinois

**Kevin Lane Keller**

E.B. Osborn Professor of Marketing  
 Tuck School of Business  
 Dartmouth College  
 Hanover, New Hampshire

Pearson would like to thank Marian Burk Wood for developing content for this Global Edition and would also like to thank and acknowledge the following reviewers for their feedback and suggestions that helped improve the global content

Michael A. Grund, HWZ University of Applied Sciences in Business Administration  
 Yoosuf A. Cader, Zayed University  
 Frances Ekwulugo, University of Westminster

*This page intentionally left blank*

# A Framework for Marketing Management



*This page intentionally left blank*

## Part 1: Introduction to Marketing Management

### Chapter 1

# Scope of Marketing for New Realities

In this chapter, we will address the following questions:

1. Why is marketing important? (Page 26)
2. What is the scope of marketing? (Page 26)
3. What are some core marketing concepts? (Page 29)
4. What forces are defining the new marketing realities? (Page 31)
5. What tasks are necessary for successful marketing management? (Page 34)

## Marketing Management at Unilever

*Under the leadership of ex-P&G marketing executive Paul Polman and marketing whiz Keith Weed, Unilever is steering in an aggressive new direction. Its “Crafting Brands for Life” model establishes social, economic, and product missions for each brand, including Dove, Ben & Jerry’s, and Knorr. One part of the mission, for instance, is sustainability—specifically, to halve its ecological footprint while doubling revenues. To improve marketing communications, it aims to strike a balance between “magic” and “logic,” doubling marketing training expenditures and emphasizing ad research. Unilever has set its sights on developing and emerging markets, hoping to draw 70 percent to 75 percent of revenues from these markets by 2020. The company has also adopted “reverse innovation” by applying marketing innovations from developing markets to recession-hit developed markets. In Spain, it now sells Surf detergent in five-wash packs. In Greece, it offers mayonnaise in small packages.<sup>1</sup>*

Good marketing is no accident. It is both an art and a science, and it results from careful planning and execution using state-of-the-art tools and techniques. In this book, we describe how skillful marketers are updating classic practices and inventing new ones to find creative,