

SIXTH EDITION

MARKETING THE CORE

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Marketing text in the world?



Answer:
Engagement. Leadership. Innovation.

MARKETING: THE CORE

6/e

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MARKETING: THE CORE, SIXTH EDITION

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A MESSAGE FROM THE AUTHORS

Welcome to the next step in your journey to learn about the exciting world of marketing! You could not have chosen a more dynamic time to become involved in the discipline. Changes in consumers' values, efforts at an economic recovery, new technologies related to social media and data analytics, global competition, and increasing regulation related to privacy and e-commerce are all contributing to a marketing environment that changes every day. In addition, the relationships between capitalism and democracy and other market and governance perspectives are evolving rapidly. We are thrilled to provide a textbook that helps you navigate the challenges of studying marketing during the next several months, and possibly your entire career!

Our efforts to provide you with exceptional learning resources have focused on three important elements of the text and its supplements: Engagement, Leadership, and Innovation. We believe that each of these elements is essential to students and instructors and can contribute to the development of marketing expertise while facilitating the integration of the many complexities of marketing.

Engagement. Our experiences with thousands of students, managers, and instructors have given us many insights into important aspects of education in colleges and universities around the globe. For example, active, high-involvement, real-life, and current materials are essential to effective teaching and learning. In addition, we believe that higher education must embrace a new "age of engagement" in which interactions hold your attention and integrate all elements of study. Our text and supplements encourage interaction between students and four learning partners—the instructor, other students, businesses, and the publisher. In-class activities, an interactive web page and blog, "building-your-marketing-plan" guides, and an online learning center are just a few examples of our efforts to encourage engagement in the learning process.

Leadership. Through 6 U.S. editions and 18 international editions in 10 languages, we have been committed to taking a leadership role in the development and presentation of new ideas, principles, theories, and practices in marketing. We are at the forefront of coverage of ethics, social responsibility, technology, social media, marketing dashboards and metrics, and new research in the marketing discipline. Perspectives from an extraordinary variety of companies, industries, trading blocs, and countries are integrated in our package to create learning resources that help students become leaders in marketing.

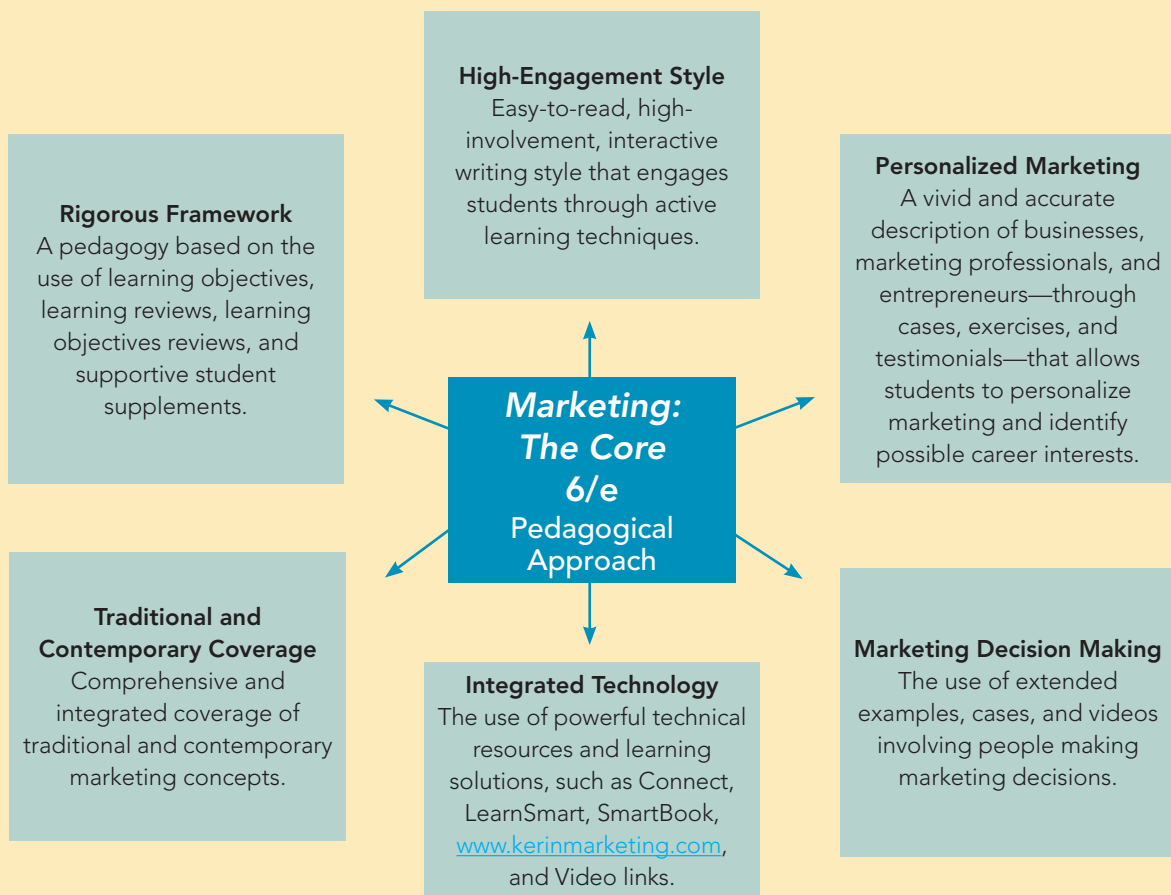
Innovation. We have been diligent in our efforts to use innovation in our text and its supplements to serve the many learning styles of today's students. For example, we added new videos about Chobani Greek Yogurt, X-1 audio equipment, Secret Deodorant, Carmex lip balm, Amazon, Taco Bell, and StuffDOT social loyalty service, and made them available through streaming links; and we increased the visual impact of text, PowerPoint, and testing materials to facilitate visual learning styles.

We believe these and many other aspects of *Marketing: The Core* and its supplements create a unique learning package, and we are very excited to have this opportunity to share our interests, insights, and experiences with you. We hope you enjoy your marketing studies. Welcome to the 6th edition of *Marketing: The Core*!

Roger A. Kerin
Steven W. Hartley

PREFACE

Marketing: The Core utilizes a unique, innovative, and effective pedagogical approach developed by the authors through the integration of their combined classroom, college, and university experiences. The elements of this approach have been the foundation for each edition of *Marketing: The Core* and serve as the core of the text and its supplements as they evolve and adapt to changes in student learning styles, the growth of the marketing discipline, and the development of new instructional technologies. The distinctive features of the approach are illustrated below:



The goal of the 6th edition of *Marketing: The Core* is to create an exceptional experience for today's students and instructors of marketing. The development of *Marketing: The Core* was based on a rigorous process of assessment, and the outcome of the process is a text and package of learning tools that are based on *engagement, leadership, and innovation* in marketing education.

ENGAGEMENT

The members of this author team have benefited from extraordinary experiences as instructors, researchers, and consultants, as well as the feedback of users of previous editions of *Marketing: The Core*—now more than one million students! The authors believe that success in marketing education in the future will require the highest levels of engagement. They ensure engagement by facilitating interaction between students and four learning partners—the instructor, other students, businesses, and the publisher. Some examples of high-engagement elements of *Marketing: The Core* include:

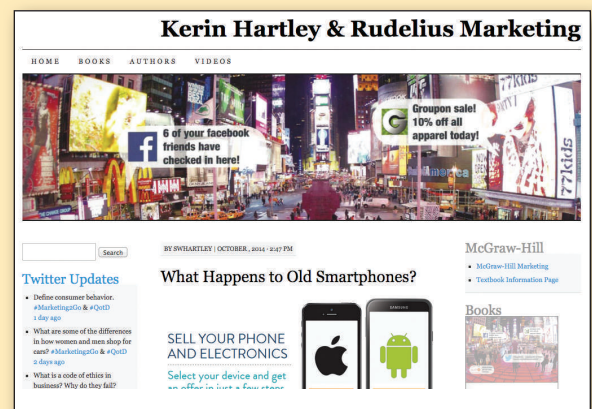
ICA 1-1: IN-CLASS ACTIVITY
Designing a Candy Bar

Learning Objectives. To have students work in teams to (1) define a target market for a candy bar and (2) develop a simple marketing program for it.

Nature of the Activity. To engage students actively in a realistic marketing task in their first class meeting and have them share their ideas with classmates.

In-Class Activities. These activities are designed to engage students in discussions with the instructor and among themselves. They involve surveys, online resources, out-of-class assignments, and personal observations. Each activity illustrates a concept from the textbook and can be done individually or as a team. Examples include: Designing a Candy Bar, Marketing Yourself, Pepsi vs. Coke Taste Test, and What Makes a Memorable TV Commercial?

Interactive Web Page and Blog (www.kerinformarketing.com). Students can access recent articles about marketing and post comments for other students. The site also provides access to the videos and a *Marketing: The Core* Twitter feed!



BUILDING YOUR MARKETING PLAN

- 1 Read Appendix A, “Building an Effective Marketing Plan.” Then write a 600-word executive summary for the Paradise Kitchens marketing plan using the numbered headings shown in the plan. When you have completed the draft of your own marketing plan, write a 600-word executive summary to go in the front of your own marketing plan.
- 2 Using Chapter 2 and Appendix A as guides, focus your marketing plan by (a) writing your mission statement in 25 words or less, (b) listing three nonfinancial goals and three financial goals, (c) writing your competitive advantage in 35 words or less, and (d) creating a SWOT analysis table.
- 3 Draw a simple organization chart for your organization.

course assignment, students can use the activities to organize interactions with businesses to build a marketing plan. Students and employers often suggest that a well-written plan in a student’s portfolio is an asset in today’s competitive job market.

Building Your Marketing Plan. The Building Your Marketing Plan guides at the end of each chapter are based on the format of the Marketing Plan presented in Appendix A. On the basis of self-study or as part of a

LEADERSHIP

The popularity of *Marketing: The Core* in the United States and around the globe is the result, in part, of the leadership role of the authors in developing and presenting new marketing content and pedagogies. For example, they were the first authors to integrate ethics, technology, and interactive marketing. In addition, they were the first to develop custom-made videos to help illustrate marketing principles and practices and bring them to life for students as they read the text. The authors have also been leaders in developing new learning tools such as a three-step learning process that includes learning objectives, learning reviews, and learning objectives reviews; and new testing materials that are based on Bloom's learning taxonomy and include questions with figures and images from the text. Other elements that show how *Marketing: The Core* is a leader in the discipline include:

16 Using Social Media to Connect with Consumers

LEARNING OBJECTIVES

After reading this chapter you should be able to:

- 1. Define social media and describe how they differ from traditional advertising media.
- 2. Identify how four major social media sites and how social managers manage them for marketing actions.
- 3. Describe the offering and use of social media through traditional social media and how brands manage each a social network.
- 4. Compare the advantages and disadvantages of social media versus traditional advertising.
- 5. Identify the cost of social media and compare social media to other advertising media.

How to Connect With Today's College Students? Try Facebook and Twitter!

Like Kristy Summers at the University of North Carolina (learning rate in the article), thousands of "brand ambassadors" at U.S. colleges and universities face a special challenge right before freshmen week!

Finding Volunteers for Freshman Week?

The challenge: How can you recruit student volunteers to help promote freshmen week on campus? (See the article "Marketing.")

The answer: A combination of social engagement starting as early as orientation for new students (American Sign Challenge 405), Degree and Apple, Use Facebook and Twitter! There's a somewhat generic marketing plan for freshmen week, with 10 as an example.


- Use the college Facebook Page and Twitter messages to recruit student volunteers to assist freshmen on campus.
- "Get incoming freshmen about the volunteers on the college Facebook and Twitter pages like "Fresh help recruit of the system."
- Have freshmen who help freshmen move into their college dorms.
- Give each freshman who helps a coupon for a free pair of All By One.

The volunteers offer get a free American Eagle T-shirt (photo).

College Students and Social Media

"College students are using all old-school marketing," says Paul Hernandez, managing director of Social Marketing Connection, which helps marketers with college students. "You have to take a brand and present it in the digital college landscape. You have to understand the use of the internet and social media to collect information and buy into the college landscape. You have to understand how to reach students because they work better than traditional print and TV ads." More than 100 million Facebook members and the 400 million college campuses use social media to connect with other students.

The chapter defines social media, describes the variety of social media strategies, and considers where social media are headed in the future.



UNDERSTANDING SOCIAL MEDIA

Social media are online platforms and applications that allow users to create and share content or to participate in social networking.

Defining Social Media Social media represent unique blend of technology and social interaction to create personal ideas for users. Social media are online and their users interact, connect, share, and collaborate. They are used to build back links to identify "popular" sites. More social media are a general online communication space that a variety of social media can be used in their own social media, in which the online interaction includes playing a game, completing a quest, connecting to a friend, and so on. Business firms also use social media as customer generated media. A single social media can link millions of users interacting with each other like Facebook, Twitter, LinkedIn, and YouTube, in combination social network.

What Are Social Media?

This section describes how social media came about, defines social media, and provides a means of identifying the countless social media networks available to assist marketing campaigns in flowing among them.

Chapter 16: Using Social Media to Connect with Consumers. *Marketing: The Core* features a dedicated chapter for social media marketing. This new environment is rapidly changing and constantly growing. The authors cover the building blocks of social media marketing and provide thorough, relevant content and examples. The authors discuss major social media platforms like Twitter, Facebook, LinkedIn, and YouTube. They explain how managers and companies can use those outlets for marketing purposes. Also discussed in Chapter 16 are methods of measuring a company's success with social media marketing. This chapter is one of many ways *Marketing: The Core* is on the cutting edge of the field.

Marketing Dashboards and Marketing Metrics. The *Using Marketing Dashboards* feature in the text delivers two of the newest elements of the business and marketing environment today—performance metrics and dashboards to visualize them. Some of the metrics included in the text are: Category Development Index (CDI), Brand Development Index (BDI), Price Premium, Sales per Square Foot, Same-Store Sales Growth, Promotion-to-Sales Ratio, and Cost per Thousand (CPM) impressions. The Dashboard feature is designed to allow readers to learn, practice, and apply the concepts.

MARKET SEGMENTS	PRODUCT GROUPINGS: MEAL OCCASION			
Behavioral: Where They Live	Lunch	Between-Meal Snack	Dinner	After-Dinner Snack
Dormitory Students	1	3	0	3
Apartment Students	3	3	1	1
Day Commuter Students	3	2	1	0
Night Commuter Students	0	1	3	2

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market

Color-Coded Graphs and Tables. The use of color in the graphs and tables enhances their readability and adds a visual level of learning to the textbook for readers. In addition, these color highlights increase student comprehension by linking the text discussion to colored elements in the graphs and tables.

New Video Cases. Each chapter ends with a case that

is supported by a video to illustrate the issues in the chapter. New cases such as Chobani Greek Yogurt, X-1 Audio, Secret Deodorant, Carmex lip balm, Amazon, Taco Bell, and StuffDOT, and recent cases such as IBM, Groupon, Trek Bicycles, Google, and Mountain Dew provide current and relevant examples that are familiar to students.

VIDEO CASE 1 Chobani®: Making Greek Yogurt a Household

Video 1-5
Chobani Video Case
kerin.tv/cr6e/v1-5

“Everybody should be able to enjoy a pure, simple cup of yogurt. And that’s what Chobani is,” says Hamdi Ulukaya, founder and chief executive officer of Chobani, Inc., summarizing his vision for the company. As the winner of the 2013 Ernst & Young World Entrepreneur of the Year

yogurt of his home too thin, too sweet. So he decided to yogurt”—an author child that has a thick little or no fat. With 18 months to perfect

viii

INNOVATION

In today's fast-paced and demanding educational environment, innovation is essential to effective learning. To maintain *Marketing: The Core*'s leadership position in the marketplace, the author team consistently creates innovative pedagogical tools that match contemporary students' learning styles and interests. The authors keep their fingers on the pulse of technology to bring real innovation to their text and package. Innovations such as a Twitter feed, hyperlinked PowerPoint slides, and an online blog augment the McGraw-Hill Education online innovations such as Connect, LearnSmart, and SmartBook.

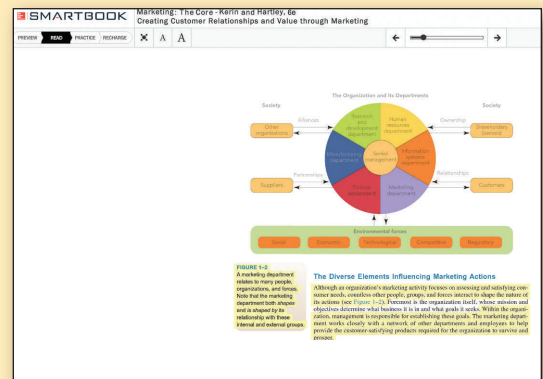
Uniform Resource Locators (URLs). You can see URLs in magazine ads; on television programming; as part of catalogs, in-store displays, and product packaging; and throughout *Marketing: The Core 6/e*! These links bring the text to life with ads and videos about products and companies that are discussed in the text. These videos also keep the text even more current. While each link in the text has a caption (as shown to the right), the links are updated to reflect new campaigns and market changes. In addition, the URLs provide links to stream the video cases at the end of each chapter. You can use your smartphone or computer to use the links found throughout the book.

Video 1-1
Chobani 2014
Super Bowl Ad
kerin.tv/cr6e/v1-1



Twitter Feed and Online Blog. Visit www.kerinmarketing.com to participate in *Marketing's* online blog discussion and to see Twitter feed updates. You can also subscribe to the Twitter feed to receive the Marketing Question of the Day and respond with the #QotD hashtag.

Connect, LearnSmart, and SmartBook Integration. These McGraw-Hill Education products provide a comprehensive package of online resources to enable students to learn faster, study more efficiently, and increase knowledge retention. The products represent the gold standard in online, interactive, and adaptive learning tools and have received accolades from industry experts for their Library and Study Center elements, filtering and reporting functions, and immediate student feedback capabilities. In addition, the authors have developed book-specific interactive assignments, including (a) auto-graded applications based on the marketing plan exercises, and (b) activities based on the Marketing Dashboards and marketing metrics presented in the text.



CHAPTER 3: MASTER TEST BANK			
SCANNING THE MARKETING ENVIRONMENT			
Test Item Table by Major Section of the Chapter and Bloom's Level of Learning			
Major Section of the Chapter	Bloom's Level of Learning (LL)		
	Level 1 Knowledge (Knows Basic Terms & Facts)	Level 2 Comprehension (Understands Concepts & Principles)	Level 3 Application (Applies Principles)
Chapter Opener: Facebook (pp. 62-63)	1	2	
Environmental Scanning (p. 64)	3, 4, 5,	6, 7, 8 359, 359	9, 10, 11, 12, 13, 14, 15, 16, 17 356, 357, 360

Innovative Test Bank. Containing almost 5,000 multiple-choice and essay questions, the *Marketing: The Core, 6/e* Test Bank reflects more than two decades of innovations. The Test Bank includes two Test Item Tables for each chapter that organize all the chapter's test items by Bloom's three levels of learning against both (1) the main sections in the chapter, and (2) the chapter's learning objectives. In addition, a number of "visual test questions" for each chapter reward students who have spent the effort to understand key graphs, tables, and images in the chapter.

NEW AND REVISED CONTENT



Chapter 1: New Chapter Opening Example and New Case on Chobani Greek Yogurt. Chapter 1 begins by describing Chobani's development of its Greek Yogurt as a new food category and its use of word-of-mouth advertising, sponsorship of the Olympics, and Facebook as marketing activities to help it grow to a brand with more than \$1 billion in sales. New examples from Domino's, Target, and US Bank have been added, and the discussion of the customer relationship era has been expanded. The chapter ends with a new case and supporting video about Chobani.

Chapter 2: New Coverage of B-Corp Certification and Business Definition, and New Application of BCG Model to Apple Products. The Chapter 2 opening example now includes discussion of Ben & Jerry's "B-Corp" certification, which reflects its efforts to solve social and environmental problems. The chapter also includes an in-depth application of the Boston Consulting Group's business portfolio analysis model to selected Apple products (including the iPod, iMac, iPhone, and iPad) and a planning gap analysis for Apple's goals and results.



Chapter 3: Update of Environmental Scan for Facebook and Discussion of New Trends in Marketing. Facebook's management mantra, "Move fast and break things," is discussed in the context of a rapidly changing marketing environment. In addition, discussion of new trends such as consumers constantly switching media, computers developing predictive capabilities, and green technologies gaining widespread acceptance has been added. Other new examples include green marketing and cause marketing activities by Levi Strauss and Procter & Gamble.

Chapter 4: Update of Evaluative Criteria Example and Addition of Brand Community Discussion. The discussion of alternative evaluation and evaluative criteria has been updated with recent smartphone ratings and Apple iPhone-versus-Motorola Dröid comparisons. In addition, the Reference Group Influence section now includes a new discussion of associative, aspiration, and dissociative groups and the definition and description of a brand community.



Chapter 5: Updated Coverage of Buyer-Seller Relationships and Supply Partnerships. An updated discussion describes the supply partnership between Harley-Davidson and Milsco Manufacturing, a company that has designed and manufactured Harley-Davidson motorcycle seats for 80 years. The chapter also includes new examples related to Siemens and IBM.



Chapter 6: New Material on Dell's Retail Stores in India and China's Growth in World Trade. The chapter-opening example has been updated to describe Dell's retail growth strategy in India, which includes shop-in-a-shop stores and Dell-exclusive stores. In addition, the discussion of trends in global marketing now includes the growing prevalence of economic espionage.



Chapter 7: Updated Test Screening Examples, New In-Depth Example Using LEGO, and New Coverage of the Impact of Social Media and the Use of Cross Tabulations. The discussion of movie studios using marketing research is updated with movies such as *The Hobbit*, *Iron Man*, and *The Hunger*



Games sequels (*Catching Fire* and *Mockingjay*). The discussions related to Step 1 and Step 2 of the Marketing Research Approach are completely updated with LEGO's research as an example. In addition, the discussion of the use of social media in marketing research has been expanded to include Frito-Lay's use of Facebook as a substitute for focus groups.



Chapter 8: Updated Zappos, Wendy's, and Apple Examples. The chapter-opening example has been updated to reflect Zappos's expansion to products other than shoes. In addition, the Wendy's example now includes discussion of Wendy's new upscale menu, and the Apple examples include updated discussions of the Apple product-market grid.



Chapter 9: Expanded Discussions of Innovation, Idea Generation, Crowdfunding, and Development; and New X-1 Audio Video Case. Chapter 9 has added new examples of innovation at Apple, a discussion about using internal training to generate new-product ideas, a description of crowdsourcing sites where inventors can obtain early-stage funding, and a detailed discussion of Google's driverless car in the development stage of the new-product process. A new case, X-1 Audio, gives a detailed description of the development of new waterproof audio equipment for athletes of any kind!



Chapter 10: Updated Examples, New Counterfeit Product and Brand Name Discussions, and New Secret Deodorant Video. Chapter 10 includes new examples about, Microsoft, LEGO, Unilever, ConAgra Foods, and Pepsi-Cola. In addition, an expanded discussion adds to the list of criteria to use when selecting a good brand name. The chapter ends with a new video case about Secret deodorant.



Chapter 11: Updated Discussions of Price Elasticity and Break-Even Analysis, and New Video Case on Carmex lip balm. New and expanded discussions include the factors that determine price elasticity and a "color-coded" explanation of break-even analysis and a break-even chart. A new case discusses pricing practices for Carmex lip balm.



Chapter 12: Updated Examples and Advertisements. The chapter-opening example has been updated to reflect that Callaway Golf's online store is now one of the largest Internet retailers, with \$30 million in annual sales. New examples and ads include IBM, Eddie Bauer, Jiffy Lube, and PetSmart. The chapter ends with a new case and accompanying video about supply chain and logistics management at Amazon.



Chapter 13: New Chapter-Opening Example and Updated Material on Green Retailing. Google Glass(es) and its potential impact on retailing are now the topic of the chapter-opening example. In addition, the discussion of green retailing now includes the *Newsweek* ranking of retailers with the best green practices.



Chapter 14: New Chapter-Opening Example, Updated Coverage of Mobile Marketing, and Updated Discussion of Privacy Issues in Marketing. Taco Bell's integrated marketing campaign is discussed in the chapter-opening example. In addition, an updated discussion of the use of mobile marketing to reach today's college students is part of the Marketing Matters box, and expanded coverage of do-not-call, do-not-mail, and do-not-track legislation is provided. The chapter ends with a new case about Taco Bell.



Chapter 15: New Coverage of Online Television, New Advertising Campaigns, and New Discussion of Advertising Agency of the Year.

Chapter 15 begins with a discussion of the dramatic changes in television, a medium that is now available through broadcast, cable, satellite, and the Internet. New examples of advertising include campaigns from Welch's, Fidelity, Dove, Under Armour, GoDaddy, and Lagerfeld. In addition, the chapter includes a new discussion of *Advertising Age's* Agency of the Year—72andSunny.



Chapter 16: New Material on Facebook, Twitter, LinkedIn, YouTube, and Other Social Media, and New StuffDOT Video Case.

This chapter, new in the last edition, is completely updated to reflect the incredible impact of social media on marketing. New examples include Facebook's purchase of WhatsApp and Oculus, YouTube channels, the growth of apps such as Clash of Clans, Candy Crush Saga, and many others. The chapter ends with a new StuffDOT video case.



Chapter 17: Update about the Sales Organization at GE Healthcare and New Discussion on Genetic Predisposition to Create Value.

The chapter-opening example has been updated to describe the success of sales professional Lindsey Smith at GE Healthcare Americas. In addition, the chapter now includes new material about genetic markers that may indicate a salesperson's predisposition or willingness to interact with customers and learn about their problems in order to meet their needs.



Chapter 18: Updated Examples, Data, and Information about Interactive Marketing.

The chapter-opening example is updated to describe the interactive marketing process at custom bike builder, Seven Cycles. In addition, new data on the number of online shoppers and the level of online retail sales emphasize the growth and importance of interactive marketing and cross-channel shoppers. New data regarding what online consumers buy indicate that just five product categories account for two-thirds of all online sales.

ENGAGING FEATURES

Chapter-opening vignettes introduce students to chapter concepts by using an exciting company as an example. Students are immediately engaged while learning about real-world companies.

9 Developing New Products and Services

LEARNING OBJECTIVES
After reading this chapter you should be able to:

- LO 9.1 Recognize the various forms that pertain to products and services.
- LO 9.2 Identify the ways in which consumer and business products and services can be classified.
- LO 9.3 Describe four unique aspects of services.
- LO 9.4 Explain the significance of “newness” in new products and services as it relates to the degree of consumer learning involved.
- LO 9.5 Describe the factors contributing to the success or failure of a new product or service.
- LO 9.6 Explain the purposes of each step of the new-product process.

APPLE: THE WORLD-CLASS NEW-PRODUCT MACHINE

The stage in front of an auditorium was empty except for a chair, a table, and a huge screen with a large white logo. Then, in walked a legend ready for his magic show in his black, most-fur-lined, denim, and gray New Balance sneakers.


Apple’s Innovation Machine.

The legend, of course, was Steve Jobs, co-founder and former chairman of the board of Apple Inc., who died in October 2011. Advertising Age anointed Steve Jobs as Marketer of the Decade. *Fortune* rated Apple as the world’s most admired company, while Bloomberg Businessweek has perennially identified Apple as the world’s most innovative company. The magic show Jobs orchestrated over the years introduced many to Apple’s market-changing innovations, such as this:

- Apple II—the first commercial personal computer (1977).
- Macintosh—the first personal computer (PC) with a mouse and a graphical user interface (1978).
- iPod—the first and most successful MP3 music player (2001).
- iPhone—the world’s best multimodal smartphone and media player with almost one million apps (2007).
- iPad (2010) and iPad mini (2012)—the thin tablet devices that allow users to read books, newspapers, magazines, and even textbooks!
- CarPlay—using your iPhone while driving to make calls, listen to music, and access messages by voice or touch (2014).

Steve Jobs’s innovations revolutionized six industries: personal computing, digitally animated movies (he was CEO of Pixar), music, smartphones, tablet computing, and digital publishing. Jobs even designed and holds the patent on the stainless steel in major Apple retail stores. He said, “You want that stairway so people believe they’re in someplace magical.”

When Steve Jobs named Tim Cook to be Apple’s chief executive officer, his charge to Cook was simple: “Just do what’s right.” However, he reveals, developing successful new products is full of challenges, and the CEO of Apple will be to continue innovations to drive the company’s future growth.”



Video 9.1
Apple CarPlay
[Watch Now!](#)

product
A good service, or idea consisting of a bundle of tangibles that satisfies consumer needs and is measured in terms of money or something else of value.

WHAT ARE PRODUCTS AND SERVICES?

LO 9.1 Recognize the various forms that pertain to products and services.

The essence of marketing is in developing products and services to meet buyer needs. A product is a good, service, or idea consisting of a bundle of tangibles and intangibles (the intangible component) made and is received in exchange for money or something else of value. Let’s clarify the meanings of goods, services, and ideas.

Marketing Matters

Feature Bloat: Geek Squad to the Rescue!

Adding more features to a product to satisfy more consumers seems like a no-brainer strategy for success. Right?

Feature Bloat

In fact, most marketing research with potential buyers of a product shows that while they say they want more features, in actuality they are overwhelmed with the mind-boggling complexity—or “feature bloat”—of some new products.

Computers pose a special problem for home users because there’s no in-house technical assistance like that existing in large organizations. Ever call the manufacturer’s toll-free “help” line? One survey showed that 29 percent of the callers swore at the customer service representative and 21 percent just screamed.



More than a decade ago he turned his geekiness into the Geek Squad—a group of technically savvy people who can fix almost any computer problem.

“The biggest complaint about tech support people is rude, egotistical behavior,” says Stephens. So he launched the Geek Squad to show some friendly humility by having team members work their wizardry while:

1. Showing genuine concern to customers.
2. Dressing in geeky white shirts, black clip-on ties, and white socks, a “uniform” borrowed from NASA engineers.
3. Driving to customer homes or offices in black-and-white VW “geekmobiles.”

Do customers appreciate the 20,000-person Geek Squad, now owned by Best Buy? Robb

customer value

Marketing Matters boxes highlight real-world examples of customer value creation and delivery, entrepreneurship, and technology that give students further insight into the practical world of marketing.

Making Responsible Decisions

Consumer Economics of Downsizing—Get Less, Pay More

For more than 30 years, Starkist put 6.5 ounces of tuna into its regular-sized can. Today, Starkist puts 6.125 ounces of tuna into its can but charges the same price. Frito-Lay (Doritos and Lay’s snack chips), PepsiCo (Tropicana orange juice), and Nestlé (Poland Spring and Calistoga bottled waters) have whittled away at package contents 5 to 10 percent while maintaining their products’ package size, dimensions, and prices.

Procter & Gamble recently kept its retail price on its jumbo pack of Pampers and Luvs diapers, but reduced the number of diapers per pack from 140 to 132. Similarly, Unilever reduced the number of Popsicles in each package from 24 to 20 without changing the package price. Georgia-Pacific reduced



the content of its Brawny paper towel six-roll pack by 20 percent without lowering the price.

Consumer advocates charge that downsizing the content of packages while maintaining prices is a subtle and unannounced way of taking advantage of consumer buying habits. They also say downsizing is a price increase in disguise and a deceptive, but legal, practice. Some manufacturers argue that this practice is a way of keeping prices from rising beyond psychological barriers for their products. Other manufacturers say prices are set by individual stores, not by them.

Is downsizing an unethical practice if manufacturers do not inform consumers that the package contents are less than they were previously?

ethics

BUILDING YOUR MARKETING PLAN

In fine-tuning the product strategy for your marketing plan, do these two things:

- 1 Develop a simple three-column table in which (a) market segments of potential customers are in the first column and (b) the one or two key points of difference

the product to satisfy the segment’s needs are in the second column.


- 2 In the third column of your table, write ideas for specific new products for your business in each of the rows in your table.

CHAPTER 9

Building Your Marketing Plan is an end-of-chapter feature that requires students to go through the practical application of creating their own marketing plan.

INSTRUCTOR RESOURCES



 The *Marketing: The Core 6/e Course Planning Roadmap* is designed to help you select elements from the textbook and supplements to plan and deliver a course tailored to your students' needs. The Roadmap is available for download at connect.mheducation.com.

Course Planning Checklist

Chapters (CH)	Video Cases (VC)	Using Marketing Dashboards (UMD)	Quick Response Codes (QR)	In-Class Activities (ICA)
CH 1: Creating Customer Relationships and Value through Marketing	<input type="checkbox"/> VC 1: Chobani®: Making Greek Yogurt a Household Name		<input type="checkbox"/> QR 1-1: Chobani Ad <input type="checkbox"/> QR 1-2: Terrafugia Transition Video <input type="checkbox"/> QR 1-3: Pepsi Next Ad <input type="checkbox"/> QR 1-4: 3M Flag Highlighters Ad <input type="checkbox"/> QR 1-5: Hermitage Tour Video <input type="checkbox"/> QR-1-6: Chobani Video Case	<input type="checkbox"/> ICA 1-1: Designing a Candy Bar <input type="checkbox"/> ICA 1-2: What Makes a Better Mousetrap?
CH 2: Developing Successful Organizational and Marketing Strategies	<input type="checkbox"/> VC 2: IBM: Using Strategy to Build a "Smarter Planet"	<input type="checkbox"/> UMD 2: How Well is Ben & Jerry's Doing?: Dollar Sales and Dollar Market Share	<input type="checkbox"/> QR 2-1: Cree LED Bulb Ad <input type="checkbox"/> QR 2-2: Medtronic Video <input type="checkbox"/> QR 2-3: Angry Birds Video <input type="checkbox"/> QR 2-4: B&J's Bonnaroo Buzz Ad <input type="checkbox"/> QR 2-5: IBM Video Case	<input type="checkbox"/> ICA 2-1: Calculating a "Fog Index" for Your Own Writing <input type="checkbox"/> ICA 2-2: Marketing Yourself



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Many educational institutions today focus on the notion of *assurance of learning*, an important element of some accreditation standards. *Marketing: The Core* is designed specifically to support instructors’ assurance of learning initiatives with

a simple yet powerful solution. Each test bank question for *Marketing: The Core* maps to a specific chapter learning objective listed in the text. Instructors can use our test bank software, EZ Test and EZ Test Online, to easily query for learning objectives that directly relate to the learning outcomes for their course. Instructors can then use the reporting features of EZ Test to aggregate student results in similar fashion, making the collection and presentation of assurance of learning data simple and easy.



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Acknowledgments

To ensure continuous improvement of our textbook and supplements we have utilized an extensive review and development process for each of our past editions. Building on that history, the *Marketing: The Core*, 6th edition development process included several phases of evaluation and a variety of stakeholder audiences (e.g., students, instructors, etc.).

Reviewers who were vital in the changes that were made to the sixth edition and its supplements include:

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The preceding section demonstrates the amount of feedback and developmental input that went into this project, and we are deeply grateful to the numerous people who have shared their ideas with us. Reviewing a book or supplement takes an incredible amount of energy and attention. We are glad so many of our colleagues took the time to do it. Their comments have inspired us to do our best.

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This is the first edition of *Marketing: The Core* without William Rudelius as our coauthor. Our relationship with Bill began as his students at the University of Minnesota, but in addition to being an exceptional professor he also quickly became a mentor, colleague, and friend. It was Bill's idea to write a textbook and many of our innovations such as video cases, the social media chapter, and in-class activities were the direct result of his commitment to improving the marketing education experience for students. We will miss the day-to-day interaction with Bill as he now takes time to travel and continue his research on improving undergraduate education. We are certain, however, that he will continue to be an influence on the content, appearance, and rigor of this and future editions. For ourselves, and on behalf of the many students and instructors who have benefited from Bill's insights, skills, and professionalism, we cannot say "thank you" enough.

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BRIEF CONTENTS

Part 1	Initiating the Marketing Process
	1 Creating Customer Relationships and Value through Marketing 2
	2 Developing Successful Organizational and Marketing Strategies 22
	<i>APPENDIX A Building an Effective Marketing Plan</i> 48
	3 Understanding the Marketing Environment, Ethical Behavior, and Social Responsibility 62
Part 2	Understanding Buyers and Markets
	4 Understanding Consumer Behavior 86
	5 Understanding Organizations as Customers 114
	6 Understanding and Reaching Global Consumers and Markets 134
Part 3	Targeting Marketing Opportunities
	7 Marketing Research: From Customer Insights to Actions 160
	8 Market Segmentation, Targeting, and Positioning 188
Part 4	Satisfying Marketing Opportunities
	9 Developing New Products and Services 212
	10 Managing Successful Products, Services, and Brands 242
	11 Pricing Products and Services 272
	12 Managing Marketing Channels and Supply Chains 298
	13 Retailing and Wholesaling 324
	14 Integrated Marketing Communications and Direct Marketing 350
	15 Advertising, Sales Promotion, and Public Relations 374
	16 Using Social Media to Connect with Consumers 402
	17 Personal Selling and Sales Management 428
	18 Implementing Interactive and Multichannel Marketing 452
	<i>APPENDIX B Planning a Career in Marketing</i> 475
	Glossary 488
	Name Index 495
	Company/Product Index 500
	Subject Index 506

DETAILED CONTENTS

Part I

Initiating the Marketing Process



1 CREATING CUSTOMER RELATIONSHIPS AND VALUE THROUGH MARKETING 2

Launching a New Billion-Dollar Food Category—in Just Seven Years! 2

Developing Chobani’s Unique Greek Yogurt 2

Reaching Customers 2

Chobani, Marketing, and You 3

What Is Marketing? 4

Marketing and Your Career 4

Marketing: Delivering Benefits to the Organization, Its Stakeholders, and Society 4

The Diverse Elements Influencing Marketing Actions 5

What Is Needed for Marketing to Occur 6

How Marketing Discovers and Satisfies Consumer Needs 6

Discovering Consumer Needs 7

The Challenge: Meeting Consumer Needs with New Products 7

Satisfying Consumer Needs 9

The Marketing Program: How Customer Relationships Are Built 10

Relationship Marketing: Easy to Understand, Hard to Do 10

The Marketing Program and Market Segments 11

3M’s Strategy and Marketing Program to Help Students Study 11

How Marketing Became So Important 13

Evolution of the Market Orientation 13

Ethics and Social Responsibility: Balancing Interests of Groups 14

The Breadth and Depth of Marketing 15

Learning Objectives Review 16

Learning Review Answers 17

Focusing on Key Terms 17

Applying Marketing Knowledge 17

Building Your Marketing Plan 18

[Video Case 1: Chobani®: Making Greek Yogurt a Household Name](#) 18

Chapter Notes 20

Credits 21

2 DEVELOPING SUCCESSFUL ORGANIZATIONAL AND MARKETING STRATEGIES 22

Starting a Business by Getting an “A” in an Ice Cream-Making Course! 22



Economic Forces	67
Macroeconomic Conditions	67
Consumer Income	67
Technological Forces	69
Technology of Tomorrow	69
Technology's Impact on Customer Value	70
Competitive Forces	70
Alternative Forms of Competition	70
Small Businesses as Competitors	71
Regulatory Forces	71
Protecting Competition	71
Protecting Producers and Consumers	72
Control through Self-Regulation	73
Understanding Ethical Marketing Behavior	73
Societal Culture and Norms	73
Business Culture and Industry Practices	74
Making Responsible Decisions: Corporate Conscience in the Cola War	75
Corporate Culture and Expectations	75
Your Personal Moral Philosophy and Ethical Behavior	76
Understanding Social Responsibility in Marketing	76
Three Concepts of Social Responsibility	76
Marketing Matters: Will Consumers Switch Brands for a Cause? Yes, If . . .	78
Sustainable Development: Doing Well by Doing Good	78
Learning Objectives Review	78
Learning Review Answers	79
Focusing on Key Terms	80
Applying Marketing Knowledge	80
Building Your Marketing Plan	80
Video Case 3: Toyota: Building Cleaner, Greener Cars	81
Chapter Notes	84
Credits	85

Part 2

Understanding Buyers and Markets



4 UNDERSTANDING CONSUMER BEHAVIOR 86

Enlightened Carmakers Know What Custom(h)ers and Influenc(h)ers Value	86
Consumer Purchase Decision Process and Experience	88
Problem Recognition: Perceiving a Need	88
Information Search: Seeking Value	88
Alternative Evaluation: Assessing Value	89
Purchase Decision: Buying Value	90
Postpurchase Behavior: Realizing Value	90

Marketing Matters: How Much Is a Satisfied Customer Worth? 91

- Consumer Involvement Affects Problem Solving 91
- Situational Influences That Affect Purchase Decisions 93
- Psychological Influences on Consumer Behavior 94
- Consumer Motivation and Personality 94

Making Responsible Decisions: The Ethics of Subliminal Messages 96

- Consumer Perception 96
- Consumer Learning 98
- Consumer Values, Beliefs, and Attitudes 98
- Consumer Lifestyle 99
- Sociocultural Influences on Consumer Behavior 101
- Personal Influence 101

Marketing Matters: BzzAgent—The Buzz Experience 102

- Reference Group Influence 103
- Family Influence 103
- Culture and Subculture Influences 106

- Learning Objectives Review 108
- Learning Review Answers 108
- Focusing on Key Terms 109
- Applying Marketing Knowledge 109
- Building Your Marketing Plan 109

Video Case 4: Groupon: Helping Consumers with Purchase Decisions 110

- Chapter Notes 112
- Credits 113

5 UNDERSTANDING ORGANIZATIONS AS CUSTOMERS 114

- Buying Is Marketing Too! Purchasing Publication Paper for JCPenney 114
- The Nature and Size of Organizational Markets 116
 - Industrial Markets 116
 - Reseller Markets 116
 - Government Markets 117
- Measuring Domestic and Global Industrial, Reseller, and Government Markets 117
- Characteristics of Organizational Buying 118
 - Demand Characteristics 118
 - Size of the Order or Purchase 119
 - Number of Potential Buyers 120
 - Organizational Buying Objectives 120
 - Organizational Buying Criteria 120
 - Buyer–Seller Relationships and Supply Partnerships 121

