

VALUE AND SATISFACTION  
CUSTOMER LIFE VALUE CUSTOMER PARTICIPATION SOCIAL RESPONSIBILITY  
CUSTOMER COMPETITORS CHANNELS SUPPLIERS  
BRAND POSITIONING E-COMMERCE  
BIG DATA FORECASTING DEMAND CROWDSOURCING  
SOCIAL MEDIA MOBILE MARKETING  
IDENTIFYING OPPORTUNITIES CUSTOMER LOYALTY BRAND EQUITY

**A FRAMEWORK FOR  
MARKETING** 6E

GLOBALIZATION SERVICES MARKETING

**MANAGEMENT**

DATA-DRIVEN STRATEGIES  
NEW PRODUCT DEVELOPMENT PUBLIC RELATIONS METRICS  
MARKET SHARE PROFITS ADVERTISING  
CONSUMER BEHAVIOR DIGITAL COMMUNICATIONS PRODUCT  
BUYING ENVIRONMENT STAKEHOLDERS LIFE CYCLE  
PROCESS PRICING STRATEGIES CO-CREATION CUSTOMER VALUE ANALYSIS  
TECHNOLOGY INNOVATION GROWTH

ENGAGEMENT  
COMPETITIVE  
ADVANTAGE

# A Framework for Marketing Management

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# A FRAMEWORK FOR MARKETING MANAGEMENT

**Sixth Edition**

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Northwestern University

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Dartmouth College

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# 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, USAA, 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.pearsonhighered.com/irc](http://www.pearsonhighered.com/irc), 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

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# A Framework for Marketing Management



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## Part 1: Understanding Marketing Management

### Chapter 1

# Defining Marketing for the New Realities

In this chapter, we will address the following questions:

1. Why is marketing important? (Page 2)
2. What is the scope of marketing? (Page 2)
3. What are some core marketing concepts? (Page 5)
4. What forces are defining the new marketing realities? (Page 7)
5. What tasks are necessary for successful marketing management? (Page 10)

## 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,

practical solutions to new marketing realities. In the first chapter, we lay our foundation by reviewing important marketing concepts, tools, frameworks, and issues.

## The Value of Marketing

Finance, operations, accounting, and other business functions won't really matter without sufficient demand for products and services so the firm can make a profit. In other words, there must be a top line for there to be a bottom line. Thus, financial success often depends on marketing ability. Marketing's value extends to society as a whole. It has helped introduce new or enhanced products that ease or enrich people's lives. Successful marketing builds demand for products and services, which, in turn, creates jobs. By contributing to the bottom line, successful marketing also allows firms to more fully engage in socially responsible activities.<sup>2</sup>

Many firms, even service and nonprofit, now have a chief marketing officer (CMO) to put marketing on a more equal footing with other C-level executives such as the chief financial officer (CFO) or chief information officer (CIO).<sup>3</sup> In an Internet-fueled environment where consumers, competition, technology, and economic forces change rapidly and consequences quickly multiply, marketers in every organization must choose features, prices, and markets and decide how much to spend on advertising, sales, and online and mobile marketing—while under intense pressure to make every marketing dollar count.

At greatest risk are those that fail to carefully monitor their customers and competitors, continuously improve their value offerings and marketing strategies, or satisfy their employees, stockholders, suppliers, and channel partners in the process. Thus, skillful marketing is a never-ending pursuit. Despite these challenges, some businesses are adapting and thriving in these changing times.

## The Scope of Marketing

To be a marketer, you need to understand what marketing is, how it works, who does it, and what is marketed.

### What Is Marketing?

**Marketing** is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably.” When Google recognized that people needed to more effectively and efficiently access information on the Internet, it created a powerful search engine that organized and prioritized queries. When IKEA noticed that people wanted good furnishings at substantially lower prices, it created knockdown furniture. These two firms demonstrated marketing savvy and turned a private or social need into a profitable business opportunity.

The American Marketing Association offers the following formal definition: *Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*<sup>4</sup> We see **marketing management** as *the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.* Cocreation of value among consumers and with businesses and the importance of value creation and sharing have become important themes in the development of modern marketing thought.<sup>5</sup>

Note that selling is *not* the most important part of marketing. Peter Drucker, famed management theorist, says that “the aim of marketing is to know and understand the customer so well

that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.”<sup>6</sup> When Apple launched its iPad tablet computer and when Toyota introduced its Prius hybrid automobile, these manufacturers were swamped with orders because they designed the right product, based on careful marketing homework.

## What Is Marketed?

Marketers market 10 main types of entities: goods, services, events, experiences, persons, places, properties, organizations, information, and ideas.

**Goods** Physical goods constitute the bulk of most countries’ production and marketing efforts. Each year, U.S. companies market billions of fresh, canned, bagged, and frozen food products and other tangible items.

**Services** As economies advance, a growing proportion of their activities focuses on the production of services. The U.S. economy today produces a services-to-goods mix of roughly two-thirds to one-third.<sup>7</sup> Services include the work of airlines, hotels, car rental firms, barbers and beauticians, maintenance and repair people, and accountants, bankers, lawyers, engineers, doctors, software programmers, and management consultants. Many market offerings mix goods and services, such as a fast-food meal.

**Events** Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries. Global sporting events such as the Olympics and the World Cup are promoted aggressively to companies and fans.

**Experiences** By orchestrating several services and goods, a firm can create, stage, and market experiences. Walt Disney World’s Magic Kingdom lets customers visit a fairy kingdom, a pirate ship, or a haunted house. Customized experiences include a week at a baseball camp with retired baseball greats, as one example.<sup>8</sup>

**Persons** Artists, musicians, CEOs, physicians, high-profile financiers, and other professionals often get help from marketers.<sup>9</sup> Management consultant Tom Peters, himself a master at self-branding, has advised each person to become a “brand.”

**Places** Cities, states, regions, and whole nations compete to attract tourists, residents, factories, and company headquarters.<sup>10</sup> Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies.

**Properties** Properties are intangible rights of ownership to either real property (real estate) or financial property (stocks and bonds). They can be bought and sold and therefore require marketing through the efforts of real estate agents, investment companies, and banks.

**Organizations** Museums, performing arts organizations, corporations, and nonprofits all use marketing to boost their public images and compete for audiences and funds. Some universities have created chief marketing officer (CMO) positions to better manage their school identity and image, via everything from admission brochures and Twitter feeds to brand strategy.<sup>11</sup>

**Information** Information is essentially what books, schools, and universities produce, market, and distribute at a price to parents, students, and communities.

**Ideas** Every market offering includes a basic idea. Charles Revson of Revlon once observed: “In the factory we make cosmetics; in the drugstore we sell hope.” Products and services are platforms for delivering some idea or benefit. Social marketers promote such ideas as “Friends Don’t Let Friends Drive Drunk” and “A Mind Is a Terrible Thing to Waste.”

## Who Markets?

A **marketer** is someone who seeks a response—attention, a purchase, a vote, a donation—from another party, called the **prospect**. If two parties are seeking to sell something to each other, we call them both marketers.

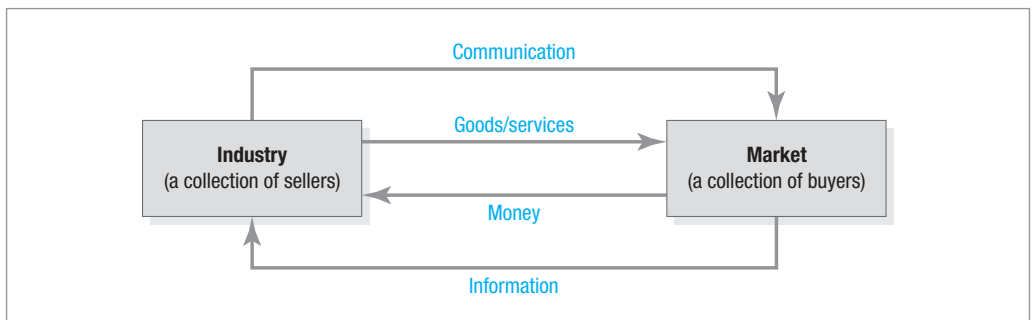
Increasingly, marketing is *not* done only by the marketing department. Marketers now must properly manage all possible *touch points* (where a customer directly or indirectly interacts with the company), including store layouts, package designs, product functions, employee training, and shipping and logistics. To create a strong marketing organization, marketers must think like executives in other departments, and executives in other departments must think more like marketers. Interdepartmental teamwork that includes marketers is needed to manage key processes like production innovation, new-business development, customer acquisition and retention, and order fulfillment.

## What Is a Market?

Traditionally, a “market” was a physical place where buyers and sellers gathered to buy and sell goods. Economists describe a *market* as a collection of buyers and sellers who transact over a particular product or product class (such as the housing market or the grain market). Marketers use the term **market** to describe customer groups. They talk about need markets (the diet-seeking market), product markets (the shoe market), demographic markets (the “millennium” youth market), geographic markets (the Chinese market), or voter markets, labor markets, and donor markets. Four key customer markets are consumer, business, global, and nonprofit.

Figure 1.1 shows how sellers and buyers are connected by four flows. Sellers send goods and services and communications such as ads and direct mail to the market; in return they receive money and information such as customer attitudes and sales data. The inner loop shows an exchange of money for goods and services; the outer loop shows an exchange of information.

**FIGURE 1.1** A Simple Marketing System



## Core Marketing Concepts

To understand the marketing function, we need to understand the following core set of concepts.

### Needs, Wants, and Demands

*Needs* are the basic human requirements such as for air, food, water, clothing, and shelter. Humans also have strong needs for recreation, education, and entertainment. These needs become *wants* when directed to specific objects that might satisfy the need. A U.S. consumer needs food but may want a Chicago-style “deep-dish” pizza and a craft beer. A person in Afghanistan needs food but may want rice, lamb, and carrots. Our wants are shaped by our society. *Demands* are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few can buy one. Companies must measure not only how many people want their product, but also how many are willing and able to buy it.

These distinctions shed light on the criticism that “marketers get people to buy things they don’t want.” Marketers do not create needs: Needs pre-exist marketers. Marketers might promote the idea that a Mercedes satisfies a person’s need for social status. They do not, however, create the need for social status.

Some customers have needs of which they are not fully conscious or that they cannot articulate. What does the customer mean in asking for a “powerful” lawn mower or a “peaceful” hotel? We can distinguish five types of needs:

1. Stated needs (The customer wants an inexpensive car.)
2. Real needs (The customer wants a car whose operating cost, not initial price, is low.)
3. Unstated needs (The customer expects good service from the dealer.)
4. Delight needs (The customer would like the dealer to include an onboard GPS system.)
5. Secret needs (The customer wants friends to see him or her as a savvy consumer.)

Responding only to the stated need may shortchange the customer.<sup>12</sup> Consumers did not know much about tablet computers when they were first introduced, but Apple worked hard to shape consumer perceptions of them. To gain an edge, companies must help customers learn what they want.

### Target Markets, Positioning, and Segmentation

Not everyone likes the same cereal, restaurant, university, or movie. Marketers therefore identify distinct segments of buyers by identifying demographic, psychographic, and behavioral differences between them. They then decide which segment(s) present the greatest opportunities. For each of these *target markets*, the firm develops a *market offering* that it *positions* in target buyers’ minds as delivering some key benefit(s). Porsche targets buyers who seek pleasure and excitement in driving and want to make a statement about their wheels.

### Offerings and Brands

Companies address customer needs by putting forth a **value proposition**, a set of benefits that satisfy those needs. The intangible value proposition is made physical by an *offering*, which can be a combination of products, services, information, and experiences. A *brand* is an offering from a known source. A brand name such as Apple carries many different kinds of associations in people’s minds that make up its image: creative, innovative, easy-to-use, fun, cool, iPhone, and iPad to name just a few. All companies strive to build a brand image with strong, favorable, and unique brand associations.

## Marketing Channels

To reach a target market, the marketer uses three kinds of marketing channels. *Communication channels* deliver and receive messages from target buyers and include newspapers, magazines, radio, television, mail, telephone, smart phone, billboards, posters, and the Internet. Firms also communicate through the look of their retail stores and Web sites and other media, adding dialogue channels such as e-mail, blogs, text messages, and URLs to familiar monologue channels such as ads.

*Distribution channels* help display, sell, or deliver the physical product or service(s) to the buyer or user. These channels may be direct via the Internet, mail, or mobile phone or telephone or indirect with distributors, wholesalers, retailers, and agents as intermediaries. To carry out transactions with potential buyers, the marketer also uses *service channels* that include warehouses, transportation companies, banks, and insurance companies. Marketers clearly face a design challenge in choosing the best mix of communication, distribution, and service channels.

## Paid, Owned, and Earned Media

We can group communication options for interacting with customers into three categories.<sup>13</sup> *Paid media* include TV, magazine and display ads, paid search, and sponsorships, all of which allow marketers to show their ad or brand for a fee. *Owned media* are communication channels marketers actually own, like a company or brand brochure, Web site, blog, Facebook page, or Twitter account. *Earned media* are streams in which consumers, the press, or other outsiders voluntarily communicate something about the brand via word of mouth, buzz, or viral marketing methods. The emergence of earned media has allowed some companies, such as Chipotle, to reduce paid media expenditures.<sup>14</sup>

## Impressions and Engagement

Marketers now think of three “screens” or means to reach consumers: TV, Internet, and mobile. *Impressions*, which occur when consumers view a communication, are a useful metric for tracking the scope or breadth of a communication’s reach that can also be compared across all communication types. The downside is that impressions don’t provide any insight into the results of viewing the communication. *Engagement* is the extent of a customer’s attention and active involvement with a communication, which is more likely to create value for the firm. Some online measures of engagements are Facebook “likes,” Twitter tweets, comments on a blog or Web site, and sharing of video or other content.

## Value and Satisfaction

The buyer chooses the offerings he or she perceives to deliver the most *value*, the sum of the tangible and intangible benefits and costs. Value, a central marketing concept, is primarily a combination of quality, service, and price, called the *customer value triad*. Value perceptions increase with quality and service but decrease with price.

*Satisfaction* reflects a person’s judgment of a product’s perceived performance in relationship to expectations. If performance falls short of expectations, the customer is disappointed. If it matches expectations, the customer is satisfied. If it exceeds them, the customer is delighted.

## Supply Chain

The supply chain is a longer channel stretching from raw materials to components to finished products carried to final buyers. The supply chain for coffee may start with farmers who plant, tend, and pick the coffee beans and sell their harvest. After farmers sell their harvest to

wholesalers or perhaps a Fair Trade cooperative, the beans are prepared and then transported to the developed world for sale through wholesale or retail channels. Each company in the chain captures only a certain percentage of the total value generated by the supply chain's value delivery system. When a company acquires competitors or expands upstream or downstream, its aim is to capture a higher percentage of supply chain value.

## Competition

Competition includes all the actual and potential rival offerings and substitutes a buyer might consider. An automobile manufacturer can buy steel from U.S. Steel, from a firm in Japan or Korea, or from a mini-mill. Alternatively, it can buy aluminum parts from Alcoa to reduce the car's weight or engineered plastics instead of steel. Clearly, U.S. Steel is more likely to be hurt by substitute products than by other integrated steel companies and would be defining its competition too narrowly if it didn't recognize this.

## Marketing Environment

The marketing environment consists of the task environment and the broad environment. The *task environment* includes the actors engaged in producing, distributing, and promoting the offering. These are the company, suppliers, distributors, dealers, and target customers. In the supplier group are material suppliers and service suppliers, such as marketing research agencies, advertising agencies, banking and insurance companies, transportation companies, and telecommunications companies. Distributors and dealers include agents, brokers, manufacturer representatives, and others who facilitate finding and selling to customers.

The *broad environment* consists of six components: demographic environment, economic environment, social-cultural environment, natural environment, technological environment, and political-legal environment. Marketers must pay close attention to the trends and developments in these and adjust their marketing strategies as needed.

## The New Marketing Realities

The marketplace is dramatically different from even 10 years ago, with new marketing behaviors, opportunities, and challenges emerging. In this book we focus on three transformative forces: technology, globalization, and social responsibility.

## Technology

The pace of change and the scale of technological achievement can be staggering. With the rapid rise of e-commerce, the mobile Internet, and Web penetration in emerging markets, the Boston Consulting Group believes brand marketers must enhance their “digital balance sheets.”<sup>15</sup> Massive amounts of information and data about almost everything are now available to consumers and marketers. In fact, the technology research firm Gartner predicts that by 2017, chief marketing officers will spend more time on information technology than chief information officers.

The old credo “information is power” is giving way to the new idea that “sharing information is power.”<sup>16</sup> Even traditional marketing activities are profoundly affected by technology. As just one example, drug maker Roche decided to issue iPads to its entire sales team to improve sales force effectiveness. Now sales personnel can do real-time data entry, improving the quality of the data entered while freeing up time for other tasks.<sup>17</sup>



## Globalization

The world has become a smaller place. New transportation, shipping, and communication technologies have made it easier for us to know the rest of the world, to travel, to buy and sell anywhere. By 2025, annual consumption in emerging markets will total \$30 trillion and contribute more than 70 percent of global GDP growth.<sup>18</sup> A staggering 56 percent of global financial services consumption is forecast to come from emerging markets by 2050, up from 18 percent in 2010.

Globalization has made countries increasingly multicultural. U.S. minorities have much economic clout, and their buying power is growing faster than that of the general population. As a result, one survey found that 87 percent of companies planned to increase or maintain multicultural media budgets.<sup>19</sup> Companies can now take marketing ideas and lessons from one country and apply them to another. After years of little success with premium ultrasound scanners in the Chinese market, GE successfully developed a portable, ultra-low-cost version that addressed the country's unique market needs. Later, it began to successfully sell the product throughout the developed world for use in ambulances and operating rooms where existing units were too big.<sup>20</sup>

## Social Responsibility

Poverty, pollution, water shortages, climate change, wars, and wealth concentration demand our attention. The private sector is taking some responsibility for improving living conditions, and firms all over the world have elevated the role of corporate social responsibility. Because marketing's effects extend to society as a whole, marketers must consider the ethical, environmental, legal, and social context of their activities.<sup>21</sup> "Marketing Insight: Getting to Marketing 3.0" describes how companies need to change to do that.

## A Dramatically Changed Marketplace

These three forces—technology, globalization, and social responsibility—have dramatically changed the marketplace and provided both consumers *and* companies with new capabilities, as shown in Table 1.1.

One of the reasons consumers have more choices is that channels of distribution have changed. Store-based retailers face competition from catalog houses; direct-mail firms; newspaper, magazine, and TV direct-to-customer ads; home shopping TV; and e-commerce. In

**TABLE 1.1** New Capabilities in the Changed Marketplace

### New Consumer Capabilities:

- Can use the Internet as a powerful information and purchasing aid
- Can search, communicate, and purchase on the move
- Can tap into social media to share opinions and express loyalty
- Can actively interact with companies
- Can reject marketing they find inappropriate

### New Company Capabilities:

- Can use the Internet as a powerful information and sales channel, including for individually differentiated goods
- Can collect fuller and richer information about markets, customers, prospects, and competitors
- Can reach customers quickly and efficiently via social media and mobile marketing, sending targeted ads, coupons, and information
- Can improve purchasing, recruiting, training, and internal and external communications
- Can improve cost efficiency

## marketing insight

### Getting to Marketing 3.0

Philip Kotler, Hermawan Kartajaya, and Iwan Setiawan believe today's customers want marketers to treat them as whole human beings and acknowledge that their needs extend beyond pure consumerism. Successful marketing is thus distinguished by its human or emotional element. A third wave of thinking, values-driven and heralded as "Marketing 3.0," has moved us beyond the product-centric and consumer-centric models of the past, these authors say. Its three central trends are increased consumer participation and collaborative marketing, globalization, and the rise of a creative society.

- We live with sustained technological development—low-cost Internet, cheap computers and mobile phones, open source services and systems. Expressive and collaborative social media, such as Facebook and Wikipedia, have changed the way marketers operate and interact with consumers.
- Culturally relevant brands can have far-reaching effects. A cultural brand might

position itself as a national or local alternative to a global brand with poor environmental standards, for instance.

- Creative people are increasingly the backbone of developed economies. Marketing can now help companies tap into creativity and spirituality by instilling marketing values in corporate culture, vision, and mission.

These authors believe the future of marketing will be consumer-to-consumer. They say the recent economic downturn has not fostered trust in the marketplace and customers are increasingly turning to one another for credible advice and information when selecting products.

**Sources:** Philip Kotler, Hermawan Kartajaya, and Iwan Setiawan, *Marketing 3.0: From Products to Customers to the Human Spirit* (Hoboken, NJ: Wiley, 2010); Michael Krauss, "Evolution of an Academic: Kotler on Marketing 3.0," *Marketing News*, January 30, 2011; Vivek Kaul, "Beyond Advertising: Philip Kotler Remains One of the Most Influential Marketing Thinkers," *The Economic Times*, February 29, 2012. For related ideas, see also Jim Stengel, *Grow: How Ideals Power Growth and Profit at the World's Greatest Companies* (New York: Crown, 2011).

response, entrepreneurial retailers are building entertainment into their stores with coffee bars, demonstrations, and performances, marketing an "experience" rather than a product assortment. Early dot-coms such as Amazon.com successfully created *disintermediation* in the delivery of products and services by intervening in the traditional flow of goods. Now traditional companies are engaging in *reintermediation* and becoming "brick-and-click" retailers, adding online services to their offerings.

While globalization has created intense competition among domestic and foreign brands, the rise of private labels (marketed by powerful retailers) and mega-brands (and brands extended into related product categories) plus a trend toward deregulation and privatization have also increased competition. Many countries have deregulated industries to create greater competition and growth opportunities. In the United States, laws restricting financial services, telecommunications, and electric utilities have all been loosened in the spirit of greater competition. Meanwhile, many countries have converted public companies to private ownership and management to increase efficiency, which also adds to the competitive pressure.

Marketers are increasingly asked to justify their investments in financial and profitability terms as well as in terms of building the brand and growing the customer base. Organizations recognize that much of their market value comes from intangible assets, particularly brands,