

Preface

What's New in the 14th Edition

The overriding goal of the revision for the 14th edition of *Marketing Management* was to create as comprehensive, current, and engaging MBA marketing textbook as possible. Where appropriate, new material was added, old material was updated, and no longer relevant or necessary material was deleted. *Marketing Management*, 14th edition, allows those instructors who have used the 13th edition to build on what they have learned and done while at the same time offering a text that is unsurpassed in breadth, depth, and relevance for students experiencing *Marketing Management* for the first time.

The successful across-chapter reorganization into eight parts that began with the 12th edition of *Marketing Management* has been preserved, as well as many of the favorably received within-chapter features that have been introduced through the years, such as topical chapter openers, in-text boxes highlighting noteworthy companies or issues, and the Marketing Insight and Marketing Memo boxes that provide in-depth conceptual and practical commentary.

Significant changes to the 14th edition include:

- Brand new opening vignettes for each chapter set the stage for the chapter material to follow. By covering topical brands or companies, the vignettes are great classroom discussion starters.
- Almost half of the in-text boxes are new. These boxes provide vivid illustrations of chapter concepts using actual companies and situations. The boxes cover a variety of products, services, and markets, and many have accompanying illustrations in the form of ads or product shots.
- The end-of-chapter section now includes two Marketing in Action mini-cases highlighting innovative, insightful marketing accomplishments by leading organizations. Each case includes questions that promote classroom discussion and analysis.
- Dramatic changes in the marketing environment have occurred in recent years—in particular, the economic, natural, and technological environments. Throughout the new edition, these three areas are addressed, sometimes via new subsections in chapters, with emphasis on marketing during economic downturns and recessions, the rise of sustainability and “green” marketing, and the increased development of computing power, the Internet, and mobile phones. These new marketing realities make it more important than ever for marketers to be holistic in what they do, the overriding theme of this text.
- Chapter 19, on personal communications, received a significant update with much new material to reflect the changing social media landscape and communications environment.
- Forecasting has been moved to Chapter 3 where it fits well with the material on the marketing environment.
- Chapter 5 was re-titled as “Creating Long-Term Loyalty Relationships” to better reflect its stronger area of emphasis.
- Chapters 10 and 11 were reorganized and material swapped. Chapter 11 was also re-titled as “Competitive Dynamics” to acknowledge the significant material added on marketing in an economic downturn.

What Is *Marketing Management* All About?

Marketing Management is the leading marketing text because its content and organization consistently reflect changes in marketing theory and practice. The very first edition of *Marketing Management*, published in 1967, introduced the concept that companies must be customer-and-market driven. But there was little mention of what have now become fundamental topics such as segmentation, targeting, and positioning. Concepts such as brand equity, customer value analysis, database marketing, e-commerce, value networks, hybrid channels, supply chain management, and integrated marketing communications were not

even part of the marketing vocabulary then. *Marketing Management* continues to reflect the changes in the marketing discipline over the past 40 years.

Firms now sell goods and services through a variety of direct and indirect channels. Mass advertising is not nearly as effective as it was, so marketers are exploring new forms of communication, such as experiential, entertainment, and viral marketing. Customers are telling companies what types of product or services they want and when, where, and how they want to buy them. They are increasingly reporting to other consumers what they think of specific companies and products—using e-mail, blogs, podcasts, and other digital media to do so. Company messages are becoming a smaller fraction of the total “conversation” about products and services.

In response, companies have shifted gears from managing product portfolios to managing *customer* portfolios, compiling databases on individual customers so they can understand them better and construct individualized offerings and messages. They are doing less product and service standardization and more niching and customization. They are replacing monologues with customer dialogues. They are improving their methods of measuring customer profitability and customer lifetime value. They are intent on measuring the return on their marketing investment and its impact on shareholder value. They are also concerned with the ethical and social implications of their marketing decisions.

As companies change, so does their marketing organization. Marketing is no longer a company department charged with a limited number of tasks—it is a company-wide undertaking. It drives the company’s vision, mission, and strategic planning. Marketing includes decisions like who the company wants as its customers, which of their needs to satisfy, what products and services to offer, what prices to set, what communications to send and receive, what channels of distribution to use, and what partnerships to develop. Marketing succeeds only when all departments work together to achieve goals: when engineering designs the right products; finance furnishes the required funds; purchasing buys high-quality materials; production makes high-quality products on time; and accounting measures the profitability of different customers, products, and areas.

To address all these different shifts, good marketers are practicing holistic marketing. *Holistic marketing* is the development, design, and implementation of marketing programs, processes, and activities that recognize the breadth and interdependencies of today’s marketing environment. Four key dimensions of holistic marketing are:

1. **Internal marketing**—ensuring everyone in the organization embraces appropriate marketing principles, especially senior management.
2. **Integrated marketing**—ensuring that multiple means of creating, delivering, and communicating value are employed and combined in the best way.
3. **Relationship marketing**—having rich, multifaceted relationships with customers, channel members, and other marketing partners.
4. **Performance marketing**—understanding returns to the business from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects.

These four dimensions are woven throughout the book and at times spelled out explicitly. The text specifically addresses the following tasks that constitute modern marketing management in the 21st century:

1. Developing marketing strategies and plans
2. Capturing marketing insights and performance
3. Connecting with customers
4. Building strong brands
5. Shaping the market offerings
6. Delivering and communicating value
7. Creating successful long-term growth

What Makes *Marketing Management* the Marketing Leader?

Marketing is of interest to everyone, whether they are marketing goods, services, properties, persons, places, events, information, ideas, or organizations. As it has maintained its respected position among students, educators, and businesspeople, *Marketing Management* has kept up-to-date and contemporary. Students (and instructors) feel that the book is talking directly to them in terms of both content and delivery.

Marketing Management owes its marketplace success to its ability to maximize three dimensions that characterize the best marketing texts—depth, breadth, and relevance—as measured by the following criteria:

- **Depth.** Does the book have solid academic grounding? Does it contain important theoretical concepts, models, and frameworks? Does it provide conceptual guidance to solve practical problems?
- **Breadth.** Does the book cover all the right topics? Does it provide the proper amount of emphasis on those topics?
- **Relevance.** Does the book engage the reader? Is it interesting to read? Does it have lots of compelling examples?

The 14th edition builds on the fundamental strengths of past editions that collectively distinguish it from all other marketing management texts:

- **Managerial Orientation.** The book focuses on the major decisions that marketing managers and top management face in their efforts to harmonize the organization's objectives, capabilities, and resources with marketplace needs and opportunities.
- **Analytical Approach.** *Marketing Management* presents conceptual tools and frameworks for analyzing recurring problems in marketing management. Cases and examples illustrate effective marketing principles, strategies, and practices.
- **Multidisciplinary Perspective.** The book draws on the rich findings of various scientific disciplines—economics, behavioral science, management theory, and mathematics—for fundamental concepts and tools directly applicable to marketing challenges.
- **Universal Applications.** The book applies strategic thinking to the complete spectrum of marketing: products, services, persons, places, information, ideas and causes; consumer and business markets; profit and nonprofit organizations; domestic and foreign companies; small and large firms; manufacturing and intermediary businesses; and low- and high-tech industries.
- **Comprehensive and Balanced Coverage.** *Marketing Management* covers all the topics an informed marketing manager needs to understand to execute strategic, tactical, and administrative marketing.

Student Supplements

mymarketinglab

Mymarketinglab gives you the opportunity to test yourself on key concepts and skills, track your progress through the course and use the personalized study plan activities—all to help you achieve success in the classroom.

Features include:

- **Personalized Study Plans**—Pre- and post-tests with remediation activities directed to help you understand and apply the concepts where you need the most help.

- **Interactive Elements**—A wealth of hands-on activities and exercises let you experience and learn actively.
- **Current Events Articles**—Concise, highly relevant articles about the latest marketing related news with thought provoking short essay questions.
- **Critical Thinking Challenge Question**—These questions measure core critical-thinking skills through the context of marketing applications. To answer these questions, you will need to recognize assumptions, evaluate arguments, identify relevant issues, draw inferences, spot logical flaws, and recognize similarities between arguments. Knowledge of marketing content picked up through the text and the class will help you zero in on the correct issues, but you will still need to exercise critical judgment in order to get the correct answer.

Marketing Management Cases

Prentice Hall Custom Business Resources can provide instructors and students with all the cases and articles needed to enhance and maximize learning in a marketing course. Instructors can create Custom CoursePacks or Custom CaseBooks. Resources include top-tier cases from Darden, Harvard, Ivey, NACRA, and Thunderbird, plus full access to a database of articles. For details on how to order these value-priced packages, contact your local representative or visit the Prentice Hall Custom Business Resources Web site at www.prenhall.com/custombusiness.

Marketing Management Video Gallery

Make your classroom “newsworthy.” PH has updated the Marketing Management video library for the 14th edition. A full library of video segments accompany this edition featuring issue-focused footage such as interviews with top executives, objective reporting by real news anchors, industry research analysts, and marketing and advertising campaign experts. A full video guide, including synopses, discussion questions, and teaching suggestions, is available on the IRC (online and on CD-ROM) to accompany the video library.

The Marketing Plan Handbook, 4th edition, with Marketing Plan Pro

Marketing Plan Pro is a highly rated commercial software program that guides you through the entire marketing plan process. The software is totally interactive and features 10 sample marketing plans, step-by-step guides, and customizable charts. Customize your marketing plan to fit your marketing needs by following easy-to-use plan wizards. Follow the clearly outlined steps from strategy to implementation. Click to print, and your text, spreadsheet, and charts come together to create a powerful marketing plan. The new *The Marketing Plan Handbook*, by Marian Burk Wood, supplements the in-text marketing plan material with an in-depth guide to what student marketers really need to know. A structured learning process leads to a complete and actionable marketing plan. Also included are timely, real-world examples that illustrate key points, sample marketing plans, and Internet resources.