



# Marketing

Real People, Real Choices

**ELEVENTH EDITION** 

Michael R. Solomon | Greg W. Marshall | Elnora W. Stuart



# Marketing

# Real People, Real Choices

# **Eleventh Edition Global Edition**

Michael R. SOLOMON
SAINT JOSEPH'S UNIVERSITY

Greg W. MARSHALL
ROLLINS COLLEGE

Elnora W. STUART
UNIVERSITY OF SOUTH CAROLINA UPSTATE



# Marketing: Real People, Real Choices, Global Edition

# **Table of Contents**

Cover

Title Page

Copyright

Dedication

**Brief Contents** 

Contents

**Preface** 

About the Authors

## Part 1: Understand the Value Proposition

Chapter 1. Welcome to the World of Marketing: Create and Deliver Value

Real People, Real Choices: Suzanne McFadden

Marketing: What Is It?

"Marketing Is the Activity, Set of Institutions, and Processes ..."

- "... for Creating, Communicating, Delivering, and Exchanging ...": The Marketing Mix
- "... Offerings ...": What Can We Market?
- "... Value for Customers ..."

#### When Did Marketing Begin? The Evolution of a Concept

The Production Era

The Sales Era

The Relationship Era

The Triple-Bottom-Line Era

Whats Next in the Evolution of Marketing?

#### The Value of Marketing and the Marketing of Value

Value from the Customers Perspective

Value from the Sellers Perspective

Value from Societys Perspective

#### Marketing as a Process

Disruptive Marketing

#### Brand You: A Framework for Managing Your Career

Starting the Brand You Process

Applying Marketing Concepts to Brand You

Objective Summaries and Key Terms



Chapter Questions and Activities

Marketing in Action Case: Real Choices at StockX

Chapter 2. Global, Ethical, and Sustainable Marketing

Real People, Real Choices: Tom Szaky

Take a Bow: Marketing on the Global Stage

World Trade

Should We Go Global?

Understand International, Regional, and Country Global Trade Controls

Initiatives in International Cooperation and Regulation

Analyze the External Marketing Environment

The Economic Environment

The Technological Environment

The Political and Legal Environment

The Sociocultural Environment

Disruption in the Global Marketplace

How Global Should a Global Marketing Strategy Be?

Company-Level Decisions: The Market Entry Strategy

Marketing Mix Strategies: To P or Not to P?

Ethics Is Job One in Marketing Planning

**Ethical Philosophies** 

Codes of Business Ethics

Is Marketing Unethical?

When Is a Bribe Not a Bribe? Ethical Issues for Global Business

Sustainability: Marketers Do Well by Doing Good

Sustainability Is a Sensible Business Decision

Developing a Sustainable Marketing Mix

Sustainable Customer Behavior

Brand You: Finding the Right Fit

Organizational Culture

Differences among Industries

Landing a Job Overseas

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Walmart

Chapter 3. Strategic Market Planning

Real People, Real Choices: Robert "Navy Bob" Roncska

Business Planning: Compose the Big Picture

The Three Levels of Business Planning

Strategic Planning: Frame the Picture



Step 1: Define the Mission, Vision, and Values

Step 2: Evaluate the Internal and External Environment

Step 3: Set Organizational or SBU Objectives

Step 4: Establish the Business Portfolio

Step 5: Develop Growth Strategies

#### Market Planning: Develop and Execute Marketing Strategy

Step 1: Perform a Situation Analysis

Step 2: Set Marketing Objectives

Step 3: Develop Marketing Strategies: Target Markets and the Marketing Mix

Step 4: Implement and Control the Marketing Plan

Action Plans

Operational Planning: Day-to-Day Execution of Marketing Plans

Agile Marketing and the Strategic Market Planning Process

Digital Disruption and Strategic Market Planning

Make Your Life Easier! Use the Market Planning Template

#### Brand You: Planning Your Career

Your Personal Strategic Plan

From Strategic Planning to Success

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at P&G

Chapter 3 Supplement: Build a Marketing Plan

# Part 2: Determine the Value Propositions Different Customers Want

#### Chapter 4. Market Research

Real People, Real Choices: Cindy Bean

Knowledge Is Power

Disruption and Market Research

The Marketing Information System

#### Evidence-Based Decision Making in Marketing

#### Steps in the Market Research Process

Step 1: Define the Research Problem

Step 2: Determine the Research Design

Step 3: Choose the Method to Collect Primary Data

Step 4: Design the Sample

Step 5: Collect the Data

Step 6: Analyze and Interpret the Data

Step 7: Prepare the Research Report

#### Brand You: Career and Internship Information and Research

Good Research Strategies

How to Begin and End Your Search



Gathering Information Online and Offline

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at LEGO

Chapter 5. Marketing Analytics: Welcome to the Era of Data-Driven Insights!

Real People, Real Choices: Josh Barbieri

Customer Relationship Management (CRM): A Key Decision Tool for Marketers

Why Is CRM So Effective?

Measuring Marketing Success

Big Data: Zettabytes Rule

Big Data Creation, Sources, and Usage

**Data Mining** 

Primary Data Types for Data Mining

Data Mining: Applications for Marketers

Data Scientists: Transforming Big Data into Winning Information

Augmented Intelligence: Enhancing Consumer Experiences with Big Data Reality Check for Marketers: Ethical Considerations in Using Big Data

A Primer on Analytics

Connect Digital Marketing Channels to Marketing Analytics

Connect with Consumers across Digital Marketing Channels

Marketing Accountability within Digital Marketing Channels: A Specialty Headphones Example

Marketing Accountability within Nondigital Marketing Channels

**Predictive Analytics** 

Brand You: Creating, Organizing, and Mining Your Personal Career Big DataFor the Lifetime of Your Career

**Customer Acquisition** 

**Customer Retention** 

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Spotify

Chapter 5 Supplement: CRM Metrics and Key Performance Indicators (KPIs)

#### Chapter 6. Understand Consumer and Business Markets

Real People, Real Choices: Dondeena Bradley

The Consumer Decision-Making Process

Not All Decisions Are the Same

Step 1: Problem Recognition

Step 2: Information Search

Step 3: Evaluation of Alternatives

Step 4: Product Choice

Step 5: Postpurchase Evaluation



The Hive Mind: Consumer Decision Making in the Digital Age

Changes in Consumer Decision Making: Welcome to Al

#### Internal Influences on Consumers Decisions

Perception

Motivation

Learning

Attitudes

Personality and the Self: Are You What You Buy?

Age

Lifestyle

#### Situational and Social Influences on Consumers Decisions

Situational Influences

Social Influences on Consumers Decisions

Values (Again)

#### Business Markets: Buying and Selling When the Customer Is Another Organization

Types of Business-to-Business Customers

Factors That Make a Difference in Business Markets

**B2B** Demand

#### Business Purchase Situations and the Business Buying Decision Process

The Buyclass Framework

Professional Buyers and Buying Centers

The Business Purchase Decision Process

B2B E-Commerce and Social Media

Brand You: Why Employers Buy

Step 1: Understand the Employers Decision Process

Step 2: Understand the Process of Creating Brand You

Objective Summaries and Key Terms

**Chapter Questions and Activities** 

Marketing in Action Case: Real Choices at Anheuser-Busch InBev

#### Chapter 7. Segmentation, Target Marketing, and Positioning

Real People, Real Choices: Jen Sey

Target Marketing: Select and Enter a Market

Step 1: Segmentation

Segment Consumer Markets

Demographic Segmentation: By Age

Segment B2B Markets

Disruption in Segmentation: When Everybodys a Segment of One

Step 2: Targeting

Phases of Targeting

Step 3: Positioning



Steps in Positioning

Perceptual Maps

Brand You: Sharpening Your Focus with Target Marketing

**Target Marketing** 

Bringing Your Personal Brand to Life

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at ThirdLove

#### Part 3: Develop the Value Proposition for the Customer

#### Chapter 8. Product I: Innovation and New Product Development

Real People, Real Choices: Sheryl Adkins-Green

Build A Better Mousetrapand Add Value

Layers of the Product Concept

#### How Marketers Classify Products

How Long Do Products Last?

How Do Consumers Buy Products?

How Do Businesses Buy Products?

#### Disruption in Marketing: Innovation and Design Thinking Now Drive Product Success

Types of Innovations

#### New Product Development

Phase 1: Ideation (or Idea Generation)

Phase 2: Product Concept Development and Screening

Phase 3: Marketing Strategy Development

Phase 4: Business Analysis

Phase 5: Technical Development

Phase 6: Market Test

Phase 7: Commercialization

#### Adoption and Diffusion of New Products

Stages in Consumers Adoption of a New Product

**Adopter Categories** 

Product Factors That Affect the Rate of Adoption

#### Brand You: Creating Your Value Proposition

Add to Your Product Layers

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Nature On Tap

#### Chapter 9. Product II: Product Strategy, Branding, and Product Management

Real People, Real Choices: Aaron Keller

Product Planning: Develop Product Objectives and Product Strategy



Getting Product Objectives Right

Objectives and Strategies for Individual Products

Objectives and Strategies for Multiple Products

**Product Mix Strategies** 

Quality as a Product Objective: TQM and Beyond

#### Marketing Throughout the Product Life Cycle

Introduction Stage

Growth Stage

Maturity Stage

Decline Stage

#### Branding and Packaging: Create Product Identity

Whats in a Name (or a Symbol)?

Why Brands Matter

**Branding Strategies** 

Disruption in Branding: Toward Social Justice and Marketings Responses

Packages and Labels: Brandings Little Helpers

#### Organize for Effective Product Management

Manage Existing Products

Organize for New Product Development

#### Brand You: Managing the ProductYou

Your Value PropositionThe Key to Success

Launch Your Career with Marketable Skills

Manage Your Career by Remaining Employable

Communicate Your Value

Going Up!

#### Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Helen of Troy

#### Chapter 10. Price: What Is the Value Proposition Worth?

Real People, Real Choices: Imad Khalidi

Yes, but What Does It Cost?

What Is Price?

Step 1: Develop Pricing Objectives

#### Costs, Demand, Revenue, and the Pricing Environment

Step 2: Estimate Demand

Step 3: Determine Costs

Step 4: Examine the Pricing Environment

#### Identify Strategies and Tactics to Price the Product

Step 5: Choose a Pricing Strategy

Step 6: Develop Pricing Tactics



#### Pricing and Innovations in Payment for E-Commerce

Pricing Advantages for Online Shoppers

Dynamic Pricing Strategies

Online Auctions

Freemium Pricing Strategies

Internet Price Discrimination

Innovations in Payment Systems

Disruption on the Consumer Side of the Exchange

#### Psychological, Legal, and Ethical Aspects of Pricing

Psychological Issues in Setting Prices

Psychological Pricing Strategies

Legal and Ethical Considerations in B2C and C2C Pricing

Legal Issues in B2B Pricing

Price-Fixing

**Predatory Pricing** 

#### Brand You: How Much Are You Worth?

Step 1: Realistic Expectations

Step 2: Know What Youre Worth

Step 3: Know How Much You Need

Salary Question Dos and Donts

#### Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at United Airlines

Chapter 10 Supplement: Marketing Math

### Part 4: Deliver and Communicate the Value Proposition

#### Chapter 11. Deliver the Goods: Determine the Distribution Strategy

Real People, Real Choices: Michael Ford

#### Types of Distribution Channels and Wholesale Intermediaries

**Functions of Distribution Channels** 

The Evolution of Distribution Functions

Types of Distribution Channels

Distribution Channels and the Marketing Mix

Ethics in the Distribution Channel

#### Develop a Channel Strategy

Step 1: Develop Distribution Objectives

Step 2: Evaluate Internal and External Environmental Influences

Step 3: Choose a Distribution Strategy

Step 4: Develop Distribution Tactics

#### Logistics and the Supply Chain

The Lowdown on Logistics



Place: Pulling It All Together through the Supply Chain

Disruption in Logistics and Supply Chain

Brand You: Delivering Your Value Proposition

Step 1: Study the Company

Step 2: Prepare Good Questions and Good Answers

Step 3: Close the Interview

Step 4: Follow Up

How to Dress and What to Bring

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Rent the Runway

#### Chapter 12. Deliver the Customer Experience

Real People, Real Choices: Paula Hopkins

The Customer Experience Is Everything!

**Customer Journey Mapping** 

Retailing, 21St-Century Style

Retailing: A Mixed (Shopping) Bag

The Evolution of Retailing

#### Types of Retailers

Classifying Retailers by What They Sell

Classifying Retailers by Level of Service

Major Brick-and-Mortar Retailing Formats

#### B2C E-Commerce and Other Types of Nonstore Retailers

**B2C E-Commerce** 

Benefits of B2C E-Commerce

Limitations of B2C E-Commerce

#### The Evolution Continues: Whats In Store for the Future?

**Economic Evolution** 

Customer Evolution

Technological Evolution

#### Ethical Problems in Retailing

**Dishonest Behaviors** 

**Ethical Treatment of Customers** 

Other Ethical Issues in B2C and C2C Retailing

Fair Trade: Retailing and Global Social Responsibility

#### Selling What Isnt There: Services and Other Intangibles

Marketing Services

The Service Encounter

How We Provide Quality Service

Marketing People, Places, and Ideas



The Future of Services

Disruption in Retail

Brand You: Evaluating and Finalizing Your Offer

Salary Discussions

Evaluating the Offer

But Is It the Right Offer for YOU?

Negotiating an Offer

Accepting the Offer

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Lululemon Athletica

Chapter 13. Promotion I: Planning and Advertising

Real People, Real Choices: Sara Bamossy

Communication Models in a Digital World That Is Always On

The Communication Process

Updated Web 2.0 Communication

The Promotion Mix

Mass Communication: The One-to-Many Model
Personal Communication: The One-to-One Model

#### An Overview of Promotion Planning

Step 1: Identify the Target Audience(s)

Step 2: Establish the Communication Objectives

Step 3: Determine and Allocate the Marketing Communication Budget

Step 4: Design the Promotion Mix

Step 5: Evaluate the Effectiveness of the Communication Program

Multichannel Promotion Strategies

#### Advertising

Types of Advertising Based on Marketing Goals

Who Creates Advertising?

User-Generated Advertising Content

Ethical Issues in Advertising

Develop the Advertising Campaign

Where to Say It: Traditional Mass Media

Comparing Traditional Media Vehicles

Where to Say It: Branded Entertainment

Where to Say It: Support Media

Where to Say It: Digital Media

Ethical Issues in Digital Media Advertising

When and How Often to Say It: Media Scheduling

Disruption in Advertising

**Direct Marketing** 



Mail Order

Direct Mail

Telemarketing

Direct-Response Advertising

M-Commerce

Brand You: Developing a Personal Marketing Communication Plan

Step 1: Your Job Search: What Media to Use

Step 2: Advertising: Developing Your Marketing Communication Messages

Objective Summaries and Key Terms

Chapter Questions and Activities

Marketing in Action Case: Real Choices at Nestlé

#### Chapter 14. Promotion II: Social Media Platforms and Other Promotion Elements

Real People, Real Choices: Andrew Mitchell

Social Media Marketing

Social Media

Social Networks

Location-Based Social Networks and Mobile Apps

The Internet of Things

Disruption in Storytelling

#### Sales Promotion

Sales Promotion Directed toward Consumers

Trade Sales Promotion: Targeting the B2B Customer

#### Personal Selling: Adding the Personal Touch to the Promotion Mix

The Role of Personal Selling in the Marketing Mix

Technology and Personal Selling

Future Trends in Professional Selling

Types of Sales Jobs

Two Approaches to Personal Selling

The Creative Selling Process

#### **Public Relations**

Plan a PR Campaign

PR Tactics

**Buzz Marketing** 

Evaluation of a PR Campaign

#### Brand You: How Networking Can Help You Achieve Your Career Goals

NetworkingHow It Works

Where to Start Networking

How LinkedIn Can Help You Build Your Network

Other Ways to Enhance Networking

Objective Summaries and Key Terms



Chapter Questions and Activities

Marketing in Action Case: Real Choices at Brud

Appendix Marketing Plan: The S&S Smoothie Company

Glossary

Name Index

Subject Index