Macmillan Business Masters

Marketing

Macmillan Business Masters

Company Accounts Roger Oldcorn

Economics S. F. Goodman

Financial Management Geoffrey Knott

Management Roger Oldcorn

Marketing Geoff Lancaster and Paul Reynolds

Operations Management Howard Barnett

Personnel Management Margaret Attwood and Stuart Dimmock

Marketing

Geoff Lancaster
and
Paul Reynolds

© Geoff Lancaster and Paul Reynolds 1998

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1P 9HE.

Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 1998 by
MACMILLAN PRESS LTD
Houndmills, Basingstoke, Hampshire RG21 6XS
and London
Companies and representatives throughout the world

ISBN 978-0-333-65847-5 ISBN 978-1-349-14039-8 (eBook)
DOI 10.1007/978-1-349-14039-8

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

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources.

10	9	8	7	6	5	4	3	2	1
07	06	05	04	03	02	01	00	99	98

Contents

1	Development of the Marketing Concept	1
1.1	An Early Historical Perspective	1
1.2	The Modern Era	3
1.3	Different Types of Business Orientation	10
1.4	Summary	11
2	Marketing and the Macro-environment	13
2.1	The Micro-environment	13
2.2	The Proximate Macro-environment	19
2.3	The Wider Macro-environment	21
2.4	Other Macro-environmental Factors	24
2.5	Summary	25
3	Customers and Marketing	27
3.1	Segmentation Defined	27
3.2	Targeted Marketing Efforts	28
3.3	Effective Segmentation	29
3.4	Segmentation Bases in Consumer Product Markets	30
3.5	Segmentation Bases in Industrial Product Markets	37
3.6	Effective Segmentation	39
3.7	Product Positioning	40
3.8	Summary	41
4	Buyer Behaviour	42
4.1	Importance of Understanding Customer Motives	42
4.2	Social and Cultural Influences	42
4.3	Specific Social Influences	44
4.4	Models of Consumer Behaviour	54
4.5	Organisational Buying Behaviour	60
4.6	Summary	68

5	Marketing Information Systems and Forecasting	70
5.1	Introduction	70
5.2	Marketing Information Systems	71
5.3	Component Parts of the System	73
5.4	Designing, Implementing and Controlling an MkIS	83
5.5	Cost–Benefit Aspects of MkIS	84
5.6	Forecasting	86
5.7	Forecasting Methods I – Subjective Methods	91
5.8	Forecasting Methods II – Objective Methods	92
5.9	Summary	99
6	Marketing Research	101
6.1	Introduction	101
6.2	Definition of Marketing Research	102
6.3	Marketing Research and Marketing Information Systems	102
6.4	Types of Marketing Research	104
6.5	Stages in the Research Process	107
6.6	Tools of Marketing Research	108
6.7	Main Research Areas	113
6.8	Summary	116
7	Products and Services	118
7.1	Defining the Product	118
7.2	Categories of Products	119
7.3	Product Management	122
7.4	New Products	123
7.5	Product Mix and Product Line	127
7.6	Product Life-cycle	128
7.7	Product Diffusion and Adoption	134
7.8	Portfolio Models	136
7.9	Packaging	146
7.10	Summary	147
8	Prices	149
8.1	The Importance of Pricing	149
8.2	Pricing Perspectives	150
8.3	Pricing Decisions	150
8.4	Concepts of Pricing	152
8.5	Tactical Pricing Issues	165
8.6	Summary	166
9	Channels of Distribution	168
9.1	Introduction	168
9.2	Channels of Distribution and the Marketing Concept	169
9.3	Indirect versus Direct Systems	170

9.4	The Nature of Distribution	173
9.5	Strategic Elements of Channel Choice	175
9.6	Changes in the Structure of Retailing	183
9.7	Summary	189
10	Logistics Management	191
10.1	Scope of Logistics Management	191
10.2	History and Development of Logistics Management	194
10.3	Definitions	197
10.4	The Distribution Process	197
10.5	A Systems Approach to PDM	200
10.6	Monitoring and Control of PDM	202
10.7	Summary	206
11	Managing Selling	209
11.1	Importance of Personal Selling to the Organisation	209
11.2	Benefits of Personal Selling	211
11.3	The Broader Task of Selling	211
11.4	Different Types of Selling Task	213
11.5	Selling Skills and Qualities	215
11.6	The Selling Routine	216
11.7	Sales Management	226
11.8	Summary	233
12	Above and Below-the-line Promotion	235
12.1	Introduction	235
12.2	Real and Implied Product Attributes	236
12.3	Needs and Wants	238
12.4	The Marketing Communications Mix	240
12.5	The Marketing Communications Process	243
12.6	Above-the-line Promotion	249
12.7	Advertising Models	250
12.8	Below-the-line Promotion	255
12.9	The Main Elements of Sales Promotion	256
12.10	Summary	263
13	Public Relations	266
13.1	Intoduction	266
13.2	The Role and Nature of Public Relations	269
13.3	What PR is Not	273
13.4	The Need for Public Relations	276
13.5	Publics	276
13.6	Media Used in Public Relations	284
13.7	Internal and Relationship Marketing	287
13.8	Summary	288

14	International Marketing	290
14.1	International Marketing Definitions	290
14.2	The Significance of International Marketing	290
14.3	A Macro-overview of International Trade	293
14.4	The Four Ps of the International Marketing Mix	295
14.5	Sales Channels	300
14.6	Cultural and Environmental Factors	303
14.7	Summary	304
15	Marketing Planning	307
15.1	Marketing Planning in the Context of Corporate Planning	307
15.2	An Overview of Marketing Planning	309
15.3	Summary	316
	<i>References</i>	318
	<i>Index</i>	320