## Building a Creative Marketing Organization

Many companies realize they're not yet really market and customer driven—they are product and sales driven. Transforming into a true market-driven company requires:

1. Developing a company-wide passion for customers
2. Organizing around customer segments instead of products
3. Understanding customers through qualitative and quantitative research

The task is not easy, but the payoffs can be considerable. It won't happen as a result of the CEO making speeches and urging every employee to "think customer." See "Marketing Insight: The Marketing CEO" for concrete actions a CEO can take to improve marketing capabilities.

Although it's *necessary* to be customer oriented, it's not *enough.* The organization must also be creative.[23] Companies today copy each others' advantages and strategies with increasing speed, making differentiation harder to achieve and lowering margins as firms become more alike. The only answer is to build a capability in strategic innovation and imagination. This capability comes from assembling tools, processes, skills, and measures that let the firm generate more and better new ideas than its competitors.[24]

Companies must watch trends and be ready to capitalize on them. Motorola was 18 months late in moving from analog to digital cellular phones, giving Nokia and Ericsson a big lead. Nestlé was

---

**Marketing Insight**

## The Marketing CEO

What steps can a CEO take to create a market- and customer-focused company?

1. ***Convince senior management of the need to become customer focused.*** The CEO personally exemplifies strong customer commitment and rewards those in the organization who do likewise. Former CEOs Jack Welch of GE and Lou Gerstner of IBM were said to have each spent 100 days a year visiting customers in spite of their many strategic, financial, and administrative burdens.
2. ***Appoint a senior marketing officer and marketing task force.*** The marketing task force should include the CEO, the vice presidents of sales, R&D, purchasing, manufacturing, finance, and human resources, and other key individuals.
3. ***Get outside help and guidance.*** Consulting firms have considerable experience helping companies adopt a marketing orientation.
4. ***Change the company's reward measurement and system.*** As long as purchasing and manufacturing are rewarded for keeping costs low, they will resist accepting some costs required to serve customers better. As long as finance focuses on short-term profit, it will oppose major investments designed to build satisfied, loyal customers.
5. ***Hire strong marketing talent.*** The company needs a strong marketing vice president who not only manages the marketing department but also gains respect from and influence with the other vice presidents. A multidivisional company will benefit from establishing a strong corporate marketing department.
6. ***Develop strong in-house marketing training programs.*** The company should design well-crafted marketing training programs for corporate management, divisional general managers, marketing and sales personnel, manufacturing personnel, R&D personnel, and others. GE, Motorola, and Accenture run such programs.
7. ***Install a modern marketing planning system.*** The planning format will require managers to think about the marketing environment, opportunities, competitive trends, and other forces. These managers then prepare strategies and sales-and-profit forecasts for specific products and segments and are accountable for performance.
8. ***Establish an annual marketing excellence recognition program.*** Business units that believe they've developed exemplary marketing plans should submit a description of their plans and results. Winning teams should be rewarded at a special ceremony and the plans disseminated to the other business units as "models of marketing thinking." Becton, Dickinson and Company; Procter & Gamble; and SABMiller follow this strategy.
9. ***Shift from a department focus to a process-outcome focus.*** After defining the fundamental business processes that determine its success, the company should appoint process leaders and cross-disciplinary teams to reengineer and implement these processes.
10. ***Empower the employees.*** Progressive companies encourage and reward their employees for coming up with new ideas and empower them to settle customer complaints to save the customer's business. IBM lets frontline employees spend up to $5,000 to solve a customer problem on the spot.

late seeing the trend toward coffeehouses such as Starbucks. Coca-Cola was slow to pick up beverage trends toward fruit-flavored drinks such as Snapple, energy drinks such as Gatorade, and designer water brands. Market leaders can miss trends when they are risk averse, obsessed about protecting their existing markets and physical resources, and more interested in efficiency than innovation.[25]

# Socially Responsible Marketing

Effective internal marketing must be matched by a strong sense of ethics, values, and social responsibility.[26] A number of forces are driving companies to practice a higher level of corporate social responsibility, such as rising customer expectations, evolving employee goals and ambitions, tighter government legislation and pressure, investor interest in social criteria, media scrutiny, and changing business procurement practices.[27]

Virtually all firms have decided to take a more active, strategic role in corporate social responsibility, carefully scrutinizing what they believe in and how they should treat their customers, employees, competitors, community, and the environment. Taking this broader stakeholder view is believed to also benefit another important constituency—shareholders. Look at how Walmart is addressing corporate social responsibility.[28]

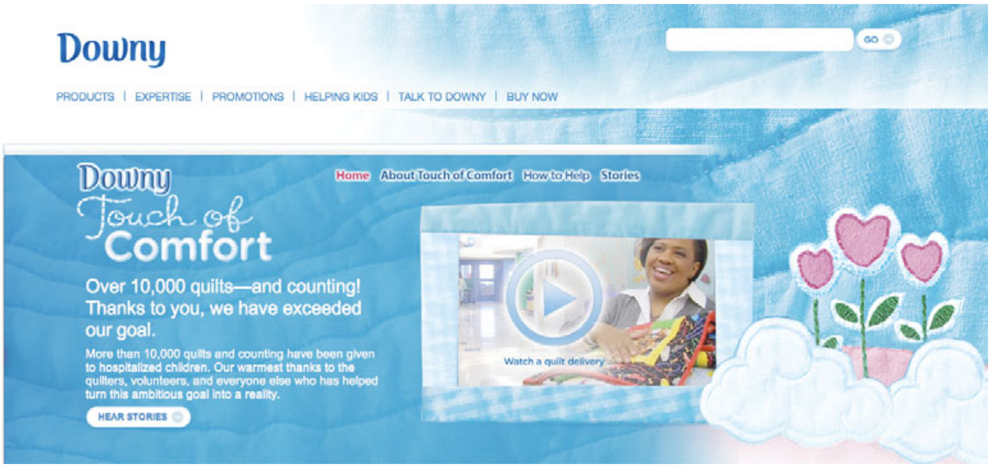
Walmart

**Walmart** In 2005, Walmart ex-CEO Lee Scott said, "We thought we could sit in Bentonville [Arkansas], take care of customers, take care of associates—and the world would leave us alone. It doesn't work that way anymore." Determined to become more environmentally friendly, Scott vowed that the company would invest $500 million in sustainability projects, such as doubling the efficiency of its vehicle fleet over the next ten years, eliminating 30 percent of the energy used in stores, and reducing solid waste from U.S. stores by 25 percent in three years. Little decisions can make big differences for the retail giant. By eliminating excess packaging on its Kid Connection private-label toys, the company saved 3,800 trees and 1 million barrels of oil, along with an estimated $2.4 million a year in shipping costs. It redirected more than 57 percent of the waste generated by stores and Sam's Club facilities to recycling centers instead of landfills, and it enlisted long-time environmentalist and Patagonia founder Yvon Chouinard to provide insight and advice. Major environmental groups have been pleased, but Walmart still faces criticism from union leaders and liberal activists about its wage rates, employee health care, gender discrimination, and treatment of local competition. The company has responded by citing progress in each area, such as the fact that it created approximately 63,000 jobs around the world in 2008, including more than 33,000 in the United States.

Businesses have not always believed in the value of social responsibility. In 1776, Adam Smith proclaimed, "I have never known much good done by those who profess to trade for the public good." Legendary economist Milton Friedman famously declared social initiatives "fundamentally subversive" because he felt they undermined the profit-seeking purpose of public companies and wasted shareholders' money. Some critics worry that important business investment in areas such as R&D could suffer as a result of a focus on social responsibility.[29]

But these critics are in a tiny minority. Many now believe that satisfying customers, employees, and other stakeholders and achieving business success are closely tied to the adoption and implementation of high standards of business and marketing conduct. A further benefit of being seen as socially responsible is the ability to attract employees, especially younger people who want to work for companies they feel good about.

The most admired—and most successful—companies in the world abide by a code of serving people's interests, not only their own. Procter & Gamble's new CEO Bob McDonald has made "brand purpose" a key component of the company's marketing strategies, noting: "Consumers have a higher expectation of brands and want to know what they are doing for the world. But it has to be authentic with a genuine desire to do it." Downy fabric softener's "Touch of Comfort" cause program, for example, donates 5 cents from purchases to Quilts for Kids, an organization that works with volunteer quilters to make and distribute custom-sewn quilts to children in hospitals.[30] P&G is not alone, as the following demonstrates.




**Downy fabric softener's "Touch of Comfort" cause marketing program donated thousand of blankets to hospitalized children.**

Firms of Endearment

**Firms of Endearment** Researchers Raj Sisodia, David Wolfe, and Jag Sheth believe humanistic companies make great companies. They see "Firms of Endearment" as those with a culture of caring that serve the interests of their stakeholders, defined by the acronym SPICE: Society, Partners, Investors, Customers, and Employees. Sisodia et al. believe Firms of Endearment create a love affair with stakeholders. Their senior managers run an open-door policy, are passionate about customers, and earn modest compensation. They pay more to their employees, relate more closely to a smaller group of excellent suppliers, and give back to the communities in which they work. The researchers assert that Firms of Endearment actually spend less on marketing as a percentage of sales yet earn greater profits, because customers who love the company do most of the marketing. The authors see the 21st-century marketing paradigm as creating value for all stakeholders and becoming a beloved firm. Table 22.2 lists firms receiving top marks as Firms of Endearment from a sample of thousands of customers, employees, and suppliers.[31]

## Corporate Social Responsibility

Raising the level of socially responsible marketing calls for making a three-pronged attack that relies on proper legal, ethical, and social responsibility behavior. One company that puts social responsible marketing squarely at the center of all it does is Stonyfield Farm.[32]

Stonyfield Farm

**Stonyfield Farm** As Chapter 1 described, social responsibility is at the foundation of Stonyfield Farm. The company was cofounded in 1983 by long-time "CE-Yo" Gary Hirshberg on the belief that there was a business opportunity in selling organic dairy products while "restoring the environment." The global market leader in organic yogurt, Stonyfield works

**TABLE 22.2 Top Firms of Endearment**

| | | | |
|---|---|---|---|
| Best Buy | BMW | CarMax | Caterpillar |
| Commerce Bank | Container Store | Costco | eBay |
| Google | Harley-Davidson | Honda | IDEO |
| IKEA | JetBlue | Johnson & Johnson | Jordan's Furniture |
| L.L.Bean | New Balance | Patagonia | Progressive Insurance |
| REI | Southwest | Starbucks | Timberland |
| Toyota | Trader Joe's | UPS | Wegmans |
| Whole Foods | | | |

**Source:** Raj Sisodia, David B. Wolfe, and Jag Sheth, *Firms of Endearment: How World-Class Companies Profit from Passion and Purpose* (Upper Saddle River, NJ: Wharton School Publishing, 2007), p. 16, © 2007. Printed and electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

with socially responsible suppliers, adopts environmentally friendly manufacturing practices, and uses packaging to promote its views on environmental and health issues. Stonyfield donates 10 percent of profits "to efforts that help protect and restore the Earth" and has launched a nonprofit foundation called "Climate Counts." Progressive business practices have not hurt its financial performance. Stonyfield is the number three yogurt brand in the United States, and it now also sells smoothies, milk, frozen yogurt, and ice cream.

**LEGAL BEHAVIOR** Organizations must ensure every employee knows and observes relevant laws.[33] For example, it's illegal for salespeople to lie to consumers or mislead them about the advantages of buying a product. Salespeople may not offer bribes to purchasing agents or others influencing a B2B sale. Their statements must match advertising claims, and they may not obtain or use competitors' technical or trade secrets through bribery or industrial espionage. Finally, they must not disparage competitors or their products by suggesting things that are not true. Managers must make sure every sales representative knows the law and acts accordingly.

**ETHICAL BEHAVIOR** Business practices come under attack because business situations routinely pose ethical dilemmas: It's not easy to draw a clear line between normal marketing practice and unethical behavior. Some issues sharply divide critics. Though Kraft chose to stop advertising some of its less healthy products such as Oreos and Chips Ahoy! on television programs targeted to children ages 6 to 11, some watch groups felt that was not enough.[34]

Of course certain business practices are clearly unethical or illegal. These include bribery, theft of trade secrets, false and deceptive advertising, exclusive dealing and tying agreements, quality or safety defects, false warranties, inaccurate labeling, price-fixing or undue discrimination, and barriers to entry and predatory competition.

Companies must adopt and disseminate a written code of ethics, build a company tradition of ethical behavior, and hold their people fully responsible for observing ethical and legal guidelines.[35] In the past, a disgruntled customer might bad-mouth an unethical or poorly performing firm to 12 other people; today, via the Internet, he or she can reach thousands. Microsoft, for example, has attracted scores of anti-Microsoft sites, including www.msboycott.com and www.ihatemicrosoft.com. The general distrust of companies among U.S. consumers is evident in research showing the percentage who view corporations unfavorably has reached 26 percent.[36]

**SOCIAL RESPONSIBILITY BEHAVIOR** Individual marketers must exercise their social conscience in specific dealings with customers and stakeholders. Some top-rated companies for corporate social responsibility are Microsoft, Johnson & Johnson, 3M, Google, Coca-Cola, General Mills, UPS, Sony, and Procter & Gamble.[37]

Increasingly, people want information about a company's record on social and environmental responsibility to help them decide which companies to buy from, invest in, and work for.[38] H. J. Heinz received awards for its 108-page 2009 Corporate Social Responsibility report, which reflects the company's commitment to "achieving sustainable growth that benefits our shareholders, consumers, customers, employees and communities, guided by the principles of integrity, transparency and social responsibility." Table 22.3 contains the opening words of that report.

Communicating corporate social responsibility can be a challenge. Once a firm touts an environmental initiative, it can become a target for criticism. Many well-intentioned product or marketing initiatives can have unforeseen or unavoidable negative consequences.[39]


**Nestlé** Palm oil was hailed as a renewable fuel for food companies looking to find a solution to a trans-fat ban, until its use was linked to the destruction of tropical rain forests and the extinction of the orangutan and the sun bear. When Greenpeace released a report criticizing Nestlé for purchasing palm oil for its KitKat candy bars from an Indonesian firm linked to rain forest destruction there, a social media war ensued. Protestors posted a negative video on YouTube, bombarded Twitter and Nestlé's Facebook page, and took to the

**TABLE 22.3** Excerpt from the H. J. Heinz 2009 Corporate Social Responsibility Report

**Message from Chairman, President and CEO**

**Making a Difference for People and the Planet**

The H. J. Heinz Company has been a good corporate citizen for 140 years. Throughout the Company's history, it has made a positive social and economic impact in the community and pursuing sustainable business practices. . . .

In Fiscal Years 2008 and 2009, Heinz delivered record sales, higher earnings per share and dividend growth for our shareholders while staying true to the principles that have guided our Company since 1869—Quality, Integrity, Innovation and Food Safety.

At the same time, we expanded our strong commitment to environmental responsibility by launching a global initiative across six continents that aims to achieve a 20% reduction in our greenhouse gas emissions, water and energy consumption, and solid waste by 2015.

Our Company has been working to achieve transparency and sustainability ever since Henry John Heinz started selling horseradish, his first product, in clear glass bottles so consumers could see its wholesome purity. . . .

Heinz has a strong and independent Board of Directors and a Global Code of Conduct, Global Operating Principles and Supplier Guiding Principles that set high ethical standards for our employees and suppliers.

Most importantly, Heinz is a global company that values people, their dignity and their rights, in the workplace and in the community. We empower our diverse workforce of approximately 33,000 men and women to make a sustainable difference on the job and in their communities and we foster a workplace culture where competitive wages, safety, fairness and respect are the pillars of our success.

Finally, as one of the world's premier food companies, Heinz is dedicated to enhancing the health and wellness of men, women and children around the world. . . .

The Heinz Micronutrient Campaign is combating the global problem of iron-deficiency anemia and malnutrition among infants and children. The campaign has provided nutritional supplements to almost three million children in 15 developing nations and it is expanding to other countries to help many more children in the years to come.

Our Company has invested millions in the Heinz Micronutrient Campaign to ensure a sustainable future for people and our planet.

I invite you to learn more about Heinz, our performance and our progress by visiting the Social, Environment and Economic sections of this interactive Web-based report, where you will find comprehensive facts and data, videos and photos, and links to other informative Heinz documents.

Thank you for your interest in Heinz.

Sincerely,

William R. Johnson
Chairman, President and Chief Executive Officer

**Source:** Excerpt from the H. J. Heinz 2009 Corporate Social Responsibility Report.


In Indonesia, Greenpeace activists' dramatic protests drew attention to the environmental effects of Nestlé's manufacturing of products such as KitKat candy bars.

streets outside Nestlé's Jakarta offices. Nestlé cut ties with the firm and took other steps to address the controversy but continued to receive criticism.

Often, the more committed a company is to sustainability and environmental protection, the more dilemmas that can arise. Vermont-based Green Mountain Coffee Roasters prides itself on sustainability efforts that have, in part, helped the firm become one of the fastest-selling coffee brands around. Then its 2006 purchase of Kuerig and its popular single-cup brewing system posed a quandary: The K-Cups used with the Kuerig brewing system were made of totally nonrecyclable plastic and foil. Given its environmental heritage and beliefs, Green Mountain Coffee saw only one course of action, and it has been engaged in extensive R&D to find a more environmentally sound solution.[40]

Corporate philanthropy also can pose dilemmas. Merck, DuPont, Walmart, and Bank of America have each donated $100 million or more to charities in a year. Yet good deeds can be overlooked—even resented—if the company is seen as exploitive or fails to live up to a "good guys" image. Philip Morris Company's $250 million ad campaign touting its charitable activities was met with skepticism because of its negative image as a tobacco company. Some critics worry that cause marketing or "consumption philanthropy" may replace virtuous actions with less-thoughtful buying, reduce emphasis on real solutions, or deflect attention from the fact that markets may create many social problems to begin with.[41]

**SUSTAINABILITY** *Sustainability*—the ability to meet humanity's needs without harming future generations—now tops many corporate agendas. Major corporations outline in great detail how they are trying to improve the long-term impact of their actions on communities and the environment. As one sustainability consultant put it, "There is a triple bottom line—people, planet, and profit—and the people part of the equation must come first. Sustainability means more than being eco-friendly, it also means you are in it for the long haul."[42]

Sustainability ratings exist, but there is no consistent agreement about what metrics are appropriate.[43] One comprehensive study used 11 factors to evaluate and assemble a list of the Top 100 Sustainable Corporations in the World: energy, water, $CO_2$, and waste productivity; leadership diversity; CEO-to-average-worker pay; taxes paid; sustainability leadership; sustainability pay link; innovation capacity; and transparency. The top 5 firms were GE, PG&E, TNT, H&M, and Nokia.[44]

Some feel companies that score well on sustainability typically exhibit high-quality management in that "they tend to be more strategically nimble and better equipped to compete in the complex, high-velocity, global environment."[45] Consumer interest is also creating market opportunities. Clorox's line of naturally derived Green Works laundry and home cleaners—aided by restrained price premiums and a Sierra Club endorsement—has experienced early success.[46] Another good example is organic products (see "Marketing Insight: The Rise of Organic").

Heightened interest in sustainability has also unfortunately resulted in *greenwashing,* which gives products the appearance of being environmentally friendly without living up to that promise. One study revealed that half the labels on allegedly green products focus on an eco-friendly benefit (such as recycled content) while omitting information about significant environmental drawbacks (such as manufacturing intensity or transportation costs).[47]

Because of insincere firms jumping on the green bandwagon, consumers bring a healthy skepticism to environmental claims, but they are also unwilling to sacrifice product performance and quality.[48] Many firms are rising to the challenge and are using the need for sustainability to fuel

---

**Marketing Insight**

## The Rise of Organic

Organic products have become a strong presence in many food and beverage categories. Caster & Pollux's success with organic and natural pet foods led to its distribution in major specialty retail chains such as Petco. All-organic Honest Tea grew 50 percent a year after its founding in 1998; the firm sold 40 percent of the business to Coca-Cola in 2008.

Organic and natural are at the core of some brands' positioning. Chipotle Mexican Grill's mission statement, "Food with Integrity," reflects its focus on good food with a socially responsible message. One of the first fast-casual restaurant chains, Chipotle uses natural and organic ingredients and serves more naturally raised meat than any other restaurant. Making each burrito by hand takes time, but the quality of the food and the message behind it are a satisfying payoff for many customers.

Many companies beyond the food industry are embracing organic offerings that avoid chemicals and pesticides to stress ecological preservation. Apparel and other nonfood items make up the second-fastest growth category of the $3.5 billion organic product industry. Organic nonfood grew 9.1 percent in 2009 to $1.8 billion—now 7 percent of the $26.6 billion organic products industry. Organic cotton grown by farmers who fight boll weevils with ladybugs, weed crops by hand, and use manure for fertilizer has become a hot product at retail.

**Sources:** "Industry Statistics and Projected Growth," Organic Trade Association, June 2010; Jessica Shambora, "The Honest Tea Guys Look Back," *Fortune*, July 26, 2010; Arianne Cohen, "Ode to a Burrito," *Fast Company*, April 2008, pp. 54–56; Kenneth Hein, "The World on a Platter," *Brandweek*, April 23, 2007, pp. 27–28; Megan Johnston, "Hard Sell for a Soft Fabric," *Forbes*, October 30, 2006, pp. 73–80.

innovation. Sales of products emphasizing sustainability remained strong through the recent economic recession.[49]

## Socially Responsible Business Models

The future holds a wealth of opportunities, yet forces in the socioeconomic, cultural, and natural environments will impose new limits on marketing and business practices. Companies that innovate solutions and values in a socially responsible way are most likely to succeed.[50]

Companies such as The Body Shop, Working Assets, and Smith & Hawken are giving social responsibility a more prominent role. Late actor Paul Newman's homemade salad dressing has grown to a huge business. Newman's Own brand also includes pasta sauce, salsa, popcorn, and lemonade sold in 15 countries. The company has given away all its profits and royalties after tax—almost $300 million so far—to educational and charitable programs such as the Hole in the Wall Gang camps Newman created for children with serious illnesses.[51]

Corporate philanthropy as a whole is on the rise: After years of steady growth, with $14.1 billion in cash and in-kind support given in 2009, it held fairly steady even during a recession.[52] In addition to these contributions, more firms are coming to believe corporate social responsibility in the form of cause marketing and employee volunteerism programs are not just the "right thing" but also the "smart thing to do."[53]

## Cause-Related Marketing

Many firms blend corporate social responsibility initiatives with marketing activities.[54] **Cause-related marketing** links the firm's contributions to a designated cause to customers' engaging directly or indirectly in revenue-producing transactions with the firm.[55] Cause marketing is part of *corporate societal marketing (CSM)*, which Minette Drumwright and Patrick Murphy define as marketing efforts "that have at least one noneconomic objective related to social welfare and use the resources of the company and/or of its partners."[56] Drumwright and Murphy also include traditional and strategic philanthropy and volunteerism in CSM.

Table 22.4 summarizes three award-winning and highly successful cause marketing programs. We next review pros and cons of such programs and some important guidelines.

**TABLE 22.4** Three Classic Cause Marketing Programs

| |
|---|
| **Tesco**<br>Tesco, a leading UK retailer, has created a "Tesco for Schools and Clubs" program that dovetails well with its overall corporate brand positioning of "Every Little Bit Helps." Customers receive one voucher for every £10 spent, which they can donate to a school of their choice or any registered amateur club for children under 18. In 2009, the company gave away 540,000 items worth £13.4 million. It also offers vouchers for recycled inkjet cartridges and donated working phones. |
| **Dawn**<br>Procter & Gamble's Dawn, the top dishwashing liquid in the United States, has long highlighted its unusual side benefit—it can clean birds caught in oil spills. A report by the U.S. Fish and Wildlife Service called Dawn "the only bird-cleaning agent that is recommended because it removes oil from feathers; is non-toxic; and does not leave a residue." A Web site launched in 2006, www.DawnSavesWildlife.com, drew 130,000 people who formed virtual groups to encourage friends and others to stop gas and oil leaks from their cars. After the catastrophic BP oil spill in 2010, P&G donated thousands of bottles as well as placing a code on bottles and donating $1 to Gulf wildlife causes for each code customers activated, eventually totaling $500,000. The brand also drew massive publicity and visits to its Facebook site, which outlined the environmental cleanup and relief effort. |
| **British Airways**<br>British Airways developed a cause-marketing campaign called "Change for Good" to encourage its passengers to help by donating the foreign currency left over from their travels to UNICEF. The airline advertised its program during an in-flight video, on the backs of seat cards, and with in-flight announcements. It also developed a television ad that featured a child thanking British Airways for its contribution to UNICEF. Because Change for Good directly targeted passengers, it did not require extensive advertising or promotion and was highly cost-efficient. It produced immediate results, and over a 15-year period from 1994 to 2009, it distributed almost $45 million around the world. |

**Sources:** www.tescoforschoolsandclubs.co.uk; www.dawnsaveswildlife.com; www.britishairways.com; Jack Neff and Stephanie Thompson, "Eco-Marketing Has Staying Power This Time Around," *Advertising Age*, April 30, 2007, p. 55.

**CAUSE-MARKETING BENEFITS AND COSTS** A successful cause-marketing program can improve social welfare, create differentiated brand positioning, build strong consumer bonds, enhance the company's public image, create a reservoir of goodwill, boost internal morale and galvanize employees, drive sales, and increase the firm's market value.[57] Consumers may develop a strong, unique bond with the firm that transcends normal marketplace transactions.

Specifically, from a branding point of view, cause marketing can (1) build brand awareness, (2) enhance brand image, (3) establish brand credibility, (4) evoke brand feelings, (5) create a sense of brand community, and (6) elicit brand engagement.[58] It has a particularly interested audience in civic-minded 18- to 24-year-old Millennial consumers (see Table 22.5).

Cause-related marketing could backfire, however, if consumers question the link between the product and the cause or see the firm as self-serving and exploitive.[59] Problems can also arise if consumers do not think a company is consistent and sufficiently responsible in all its behavior, as happened to KFC.[60]

The double meaning in British Airways "Change for Good" cause marketing program cleverly highlighted how the program worked and the benefits it created.

KFC

**KFC** KFC's "Buckets for the Cure" program was to donate 50 cents for every $5 "pink" bucket of fried chicken purchased over a one-month period to the famed Susan G. Komen for the Cure Foundation. It was slotted to be the single biggest corporate donation ever to fund breast cancer research—over $8.5 million. One problem: At virtually the same time, KFC also launched its Double Down sandwich with two pieces of fried chicken, bacon, and cheese. Critics immediately pointed out that KFC was selling a food item with excessively high calories, fat, and sodium that contributed to obesity, a significant risk factor for breast cancer. On the Susan G. Komen site itself, being overweight was flagged for increasing the risk of breast cancer by 30 percent to 60 percent in postmenopausal women, also leaving the foundation open to criticism over the partnership.

To avoid backlash, some firms take a soft-sell approach to their cause efforts. Nike's alliance with the Lance Armstrong Foundation for cancer research sold over 80 million yellow LIVESTRONG bracelets for $1 from 2004 to 2010, but intentionally the famed Nike swoosh was nowhere to be seen.[61] One interesting recent cause program is the PRODUCT(RED) campaign.[62]

**TABLE 22.5** Millennial Data Points: 18- to 24-Year-Olds' Attitudes about Causes

| |
|---|
| 85% are likely to switch from one brand to another brand that is about the same in price and quality, if the other brand is associated with a good cause. |
| 86% consider a company's social or environmental commitments when deciding which products and services to recommend to others. |
| 84% consider a company's social or environmental commitments when deciding what to buy or where to shop. |
| 87% consider a company's social or environmental commitments when deciding where to work. |
| 86% say when a product or company supports a cause (a social or environmental issue) they care about, they have a more positive image of that product or company. |

**Source:** 2010 Cone Cause Evolution Study; for additional content, see www.coneinc.com/2010-cone-cause-evolution-study.


Nike deliberately downplays its role in cause marketing programs, such as Lance Armstrong Foundation's LIVESTRONG bracelets.

(RED)

**PRODUCT(RED)** The highly publicized launch of PRODUCT(RED) in 2006, championed by U2 singer and activist Bono and Bobby Shriver, chairman of DATA, raised awareness and money for The Global Fund by teaming with some of the world's most iconic branded products—American Express cards, Motorola phones, Converse sneakers, Gap T-shirts, Apple iPods, and Emporio Armani sunglasses—to produce (RED)-branded products. Up to 50 percent of the profits from sales of these products go to The Global Fund to help women and children affected by HIV/AIDS in Africa. Each company that becomes PRODUCT(RED) places its logo in the "embrace" signified by the parentheses and is "elevated to the power of red." Although some critics felt the PRODUCT(RED) project was overmarketed, in its first 18 months its contribution to The Global Fund surpassed $36 million, more than seven times what businesses had contributed since the fund's founding in 2002. Many well-known brands have joined the cause since then, such as Dell computers, Hallmark cards, and Starbucks coffee.

The knowledge, skills, and resources of a top firm may be even more important to a nonprofit or community group than funding. Nonprofits must be clear about what their goals are, communicate clearly what they hope to accomplish, and devise an organizational structure to work with different firms. Developing a long-term relationship with a firm can take time. As one consultant noted, "What's often a problem between corporations and nonprofits is different expectations and different understanding about the amount of time everything will take."[63]

Firms must make a number of decisions in designing and implementing a cause-marketing program, such as how many and which cause(s) to choose and how to brand the cause program.

**DESIGNING A CAUSE PROGRAM** Some experts believe the positive impact of cause-related marketing is reduced by sporadic involvement with numerous causes. Cathy Chizauskas, Gillette's director of civic affairs, states: "When you're spreading out your giving in fifty-dollar to one-thousand-dollar increments, no one knows what you are doing. . . . It doesn't make much of a splash."[64]

Many companies focus on one or a few main causes to simplify execution and maximize impact. McDonald's Ronald McDonald Houses in 30-plus countries offer more than 7,200 rooms each night to families needing support while their child is in the hospital, saving them a total of $257 million annually in hotel costs. The program has provided a "home away from home" for nearly 10 million family members since 1974.[65]

Limiting support to a single cause, however, may limit the pool of consumers or other stakeholders who can transfer positive feelings from the cause to the firm. Many popular causes also already have numerous corporate sponsors. Over 300 companies, including Avon, Ford, Estée Lauder, Revlon, Lee Jeans, Polo Ralph Lauren, Yoplait, Saks, BMW, and American Express, have associated themselves with breast cancer as a cause.[66] Thus a brand may find itself overlooked in a sea of symbolic pink ribbons.

Opportunities may be greater with "orphan causes"—diseases that afflict fewer than 200,000 people.[67] Another option is overlooked diseases; pancreatic cancer is the fourth-deadliest form of cancer behind skin, lung, and breast yet has received little or no corporate support. Even major killers such as prostate cancer for men and heart disease for women have been relatively neglected compared to breast cancer, but some firms have begun to fill the void. Gillette and Grolsch beer have joined longtime supporters Safeway and Major League Baseball in the fight against prostate cancer. The American Heart Association launched a "Go Red for Women" program with a red dress symbol to heighten awareness and attract interest from corporations and others to a disease that kills roughly 12 times more women than breast cancer each year.[68]

Most firms choose causes that fit their corporate or brand image and matter to their employees and shareholders. LensCrafters' Give the Gift of Sight program—now rebranded as OneSight after the company was purchased by the Italian firm Luxottica—is a family of charitable vision-care programs providing free vision screenings, eye exams, and glasses to more than 6 million needy people marketing **Memo**

## Making a Difference: Top 10 Tips for Cause Branding

Cone, a Boston-based strategic communications agency specializing in cause branding and corporate responsibility, offers these tips for developing authentic and substantive programs:

1. *Select a focus area that aligns with your mission, goals and organization.*
2. *Evaluate your institutional "will" and resources.* If you, your employees and other allies don't believe or invest in your organization's cause, neither will your audience.
3. *Analyze your competitors' cause positioning.* There are few remaining wide, open spaces, but this may help you locate a legitimate societal need or an untapped element within a more crowded space that you can own.
4. *Choose your partners carefully.* Look for alignment in values, mission and will. Carefully outline roles and responsibilities. Set your sights on a multi-year sustainable relationship, with annual measurement of accomplishments for both partners.
5. *Don't underestimate the name of your program—it's key to the identity of your campaign.* Develop a few words that say exactly what you do and create a visual identity that is simple, yet memorable. The Avon Breast Cancer Crusade, American Heart Association's Go Red for Women and Target Take Charge of Education are good examples.
6. *To create a sustainable and effective program, start by developing a cross-functional strategy team.* Include representatives from the office of the CEO, public affairs, human resources, marketing, public and community relations, research/measurement, volunteer and program management, among others. If you're in silos, you will spend too much valuable time building bridges to other departments to get the real work done.
7. *Leverage both your assets and those of your partner(s) to bring the program to life.* Assets may include volunteers, cash and in-kind donations, special events, in store presence, partner resources and marketing/advertising support. And remember, emotion is one of your greatest assets. It can help you to connect with your audience and differentiate your organization in a crowded marketplace.
8. *Communicate through every possible channel.* Craft compelling words *and* visuals because stirring images can penetrate the heart. Then, take your messages beyond traditional media outlets and become multi-dimensional! Think special events, Web sites, workshops, PSAs, expert spokespersons and even celebrity endorsements.
9. *Go local.* National programs reach the "grass tops," but true transformation begins at the grassroots. Engage citizens/volunteers through hands-on activities at local events, cause promotions and fundraisers.
10. *Innovate.* True cause leaders constantly evolve their programs to add energy, new engagement opportunities and content to remain relevant and to build sustainability.

**Sources:** Cone, "Top 10 Tips for Cause Branding," www.coneinc.com/10-tips-cause-branding; See also, Carol L. Cone, Mark A. Feldman, and Alison T. DaSilva, "Cause and Effects," *Harvard Business Review* (July 2003): 95–101.

in North America and developing countries around the world. All stores are empowered to deliver free glasses in their communities, and two traveling Vision Vans target children in North America and make monthly two-week optical missions overseas. Luxottica pays most of the overhead, so 92 percent of all donations go directly to fund programming.[69]

Another good cause fit is Barnum's Animal Crackers, which launched a campaign to raise awareness of endangered species and help protect the Asian tiger. "Marketing Memo: Making a Difference" provides some tips from a top cause-marketing firm. Here is an example of a new firm using cause marketing to successfully build a new business.[70]

**TOMS Shoes** Although Blake Mycoskie did not win the around-the-world reality show *Amazing Race* as a contestant, his return trip to Argentina in 2006 sparked a desire to start a business to help the scores of kids he saw who suffered for one simple reason—they lacked shoes. Shoeless children incur a health risk but are also disadvantaged in that they often are not permitted to go to school. Thus was born TOMS shoes, its name chosen to convey "a better tomorrow," with a pledge to donate a pair of shoes to needy children for each pair of shoes sold. Picked up by stores like Whole Foods, Nordstrom, and Neiman Marcus and also sold online, TOMS shoes are based on the classic *alpargata* footwear of Argentina. As a result of the company's One for One program, the lightweight shoes can also be found on the feet of more than 1 million kids in developing countries such as Argentina and Ethiopia. Using money that would have been used to fund promotional efforts to instead pay for donated shoes has been good marketing too: The firm has garnered heaps of

These two Argentinean children are wearing shoes donated by TOMS as the result of customer purchases of two pairs of its classic *alpargata* footwear.

publicity—AT&T even featured Mycoskie in a commercial—and sales revenue for the first five years of the firm's existence has been estimated at $50 million.

## Social Marketing

Cause-related marketing supports a cause. **Social marketing** by nonprofit or government organizations *furthers* a cause, such as "say no to drugs" or "exercise more and eat better."[71]

Social marketing goes back many years. In the 1950s, India started family planning campaigns. In the 1970s, Sweden introduced social marketing campaigns to turn itself into a nation of nonsmokers and nondrinkers, the Australian government ran "Wear Your Seat Belt" campaigns, and the Canadian government launched campaigns to "Say No to Drugs," "Stop Smoking," and "Exercise for Health." In the 1980s, the World Bank, World Health Organization, and Centers for Disease Control and Prevention started to use the term *social marketing* and promote interest in it. Some notable global social marketing successes are:

- Oral rehydration therapy in Honduras significantly decreased deaths from diarrhea in children under five.
- Social marketers created booths in marketplaces where Ugandan midwives sold contraceptives at affordable prices.
- Population Communication Services created and promoted two extremely popular songs in Latin America, "Stop" and "When We Are Together," to help young women "say no."
- The National Heart, Lung, and Blood Institute successfully raised awareness about cholesterol and high blood pressure, which helped significantly reduce deaths.

Different types of organizations conduct social marketing in the United States. Government agencies include the Centers for Disease Control and Prevention, Departments of Health, Social, and Human Services, Department of Transportation, and the U.S. Environmental Protection Agency. The literally hundreds of nonprofit organizations that conduct social marketing include the American Red Cross, the United Way, and the American Cancer Society.

Choosing the right goal or objective for a social marketing program is critical. Should a family-planning campaign focus on abstinence or birth control? Should a campaign to fight air pollution focus on ride-sharing or mass transit? Social marketing campaigns may try to change people's cognitions, values, actions, or behaviors. The following examples illustrate the range of possible objectives.

**Cognitive campaigns**

- Explain the nutritional values of different foods.
- Demonstrate the importance of conservation.

**Action campaigns**

- Attract people for mass immunization.
- Motivate people to vote "yes" on a certain issue.
- Inspire people to donate blood.
- Motivate women to take a pap test.

**Behavioral campaigns**

- Demotivate cigarette smoking.
- Demotivate use of hard drugs.
- Demotivate excessive alcohol consumption.

**Value campaigns**

- Alter ideas about abortion.
- Change attitudes of bigoted people.

| TABLE 22.6 | The Social Marketing Planning Process |
|---|---|
| **Where Are We?**<br>• Determine program focus.<br>• Identify campaign purpose.<br>• Conduct an analysis of strengths, weaknesses, opportunities, and threats (SWOT).<br>• Review past and similar efforts. | |
| **Where Do We Want to Go?**<br>• Select target audiences.<br>• Set objectives and goals.<br>• Analyze target audiences and the competition. | |
| **How Will We Get There?**<br>• Product: Design the market offering.<br>• Price: Manage costs of behavior change.<br>• Distribution: Make the product available.<br>• Communications: Create messages and choose media. | |
| **How Will We Stay on Course?**<br>• Develop a plan for evaluation and monitoring.<br>• Establish budgets and find funding sources.<br>• Complete an implementation plan. | |

While social marketing uses a number of different tactics to achieve its goals, the planning process follows many of the same steps as for traditional products and services (see Table 22.6).[72] Some key success factors for changing behavior include:[73]

- Choose target markets that are most ready to respond.
- Promote a single, doable behavior in clear, simple terms.
- Explain the benefits in compelling terms.
- Make it easy to adopt the behavior.
- Develop attention-grabbing messages and media.
- Consider an education-entertainment approach.

One organization that has accomplished most of these goals through the application of modern marketing practices is the World Wildlife Foundation.

## World Wildlife Foundation

The World Wildlife Foundation (WWF) consists of 30 independent World Wildlife organizations around the globe that once operated separately. Its early achievements include helping to form the Forest Stewardship Council in 1993 and cofounding the Marine Stewardship Council with Unilever in 1996. In the United States, its annual budget does not allow for lavish marketing expenditures, so the WWF relies primarily on extensive, creative direct marketing campaigns to bring its message to the public and solicit contributions. One recent mailing offered recipients a chance to win one of several trips, including an African safari and an Alaskan cruise, in a sweepstakes. WWF has an award-winning Web site, and it also earns revenue through different types of corporate partnerships with top firms such as Goldman Sachs, Tiffany's, IKEA, Nike, Johnson & Johnson, Cargill, Dole, adidas, Walmart, IBM, and Tyco. Since 1985, the WWF Network has invested over $1.165 billion in more than 11,000 projects in 130 countries.


The World Wildlife Fund uses modern marketing communications and programs to actively support its cause.

Social marketing programs are complex; they take time and may require phased programs or actions. You may recall the many steps in discouraging smoking: release of cancer reports, labeling of cigarettes as harmful, bans on cigarette advertising, education about secondary smoke effects, bans on smoking in restaurants and planes, increased taxes on cigarettes to pay for antismoking campaigns, and states' suits against tobacco companies.

Social marketing organizations should evaluate program success in terms of their objectives. Criteria might include incidence of adoption, speed of adoption, continuance of adoption, low cost per unit of adoption, and absence of counterproductive consequences.

# Marketing Implementation and Control

Table 22.7 summarizes the characteristics of a great marketing company, great not for what it is but for what it does. Great marketing companies know the best marketers thoughtfully and creatively devise marketing plans and then bring them to life. Marketing implementation and control are critical to making sure marketing plans have their intended results year after year.

## Marketing Implementation

**Marketing implementation** is the process that turns marketing plans into action assignments and ensures they accomplish the plan's stated objectives.[74] A brilliant strategic marketing plan counts for little if not implemented properly. Strategy addresses the *what* and *why* of marketing activities; implementation addresses the *who, where, when,* and *how.* They are closely related: One layer of strategy implies certain tactical implementation assignments at a lower level. For example, top management's strategic decision to "harvest" a product must be translated into specific actions and assignments.

Companies today are striving to make their marketing operations more efficient and their return on marketing investment more measurable (see Chapter 4). Marketing costs can amount to as much as a quarter of a company's total operating budget. Marketers need better templates for marketing processes, better management of marketing assets, and better allocation of marketing resources.

Marketing resource management (MRM) software provides a set of Web-based applications that automate and integrate project management, campaign management, budget management, asset management, brand management, customer relationship management, and knowledge

| TABLE 22.7 Characteristics of a Great Marketing Company |
| --- |
| • The company selects target markets in which it enjoys superior advantages and exits or avoids markets where it is intrinsically weak. |
| • Virtually all the company's employees and departments are customer- and market-minded. |
| • There is a good working relationship between marketing, R&D, and manufacturing. |
| • There is a good working relationship between marketing, sales, and customer service. |
| • The company has installed incentives designed to lead to the right behaviors. |
| • The company continuously builds and tracks customer satisfaction and loyalty. |
| • The company manages a value delivery system in partnership with strong suppliers and distributors. |
| • The company is skilled in building its brand name(s) and image. |
| • The company is flexible in meeting customers' varying requirements. |

TABLE 22.8 Types of Marketing Control

| Type of Control | Prime Responsibility | Purpose of Control | Approaches |
|---|---|---|---|
| I. Annual-plan control | Top management<br>Middle management | To examine whether the planned results are being achieved | • Sales analysis<br>• Market share analysis<br>• Sales-to-expense ratios<br>• Financial analysis<br>• Market-based scorecard analysis |
| II. Profitability control | Marketing controller | To examine where the company is making and losing money | Profitability by:<br>• product<br>• territory<br>• customer<br>• segment<br>• trade channel<br>• order size |
| III. Efficiency control | Line and staff management<br>Marketing controller | To evaluate and improve the spending efficiency and impact of marketing expenditures | Efficiency of:<br>• sales force<br>• advertising<br>• sales promotion<br>• distribution |
| IV. Strategic control | Top management<br>Marketing auditor | To examine whether the company is pursuing its best opportunities with respect to markets, products, and channels | • Marketing effectiveness rating instrument<br>• Marketing audit<br>• Marketing excellence review<br>• Company ethical and social responsibility review |

management. The knowledge management component consists of process templates, how-to wizards, and best practices. Software packages can provide what some have called *desktop marketing,* giving marketers information and decision structures on computer dashboards. MRM software lets marketers improve spending and investment decisions, bring new products to market more quickly, and reduce decision time and costs.

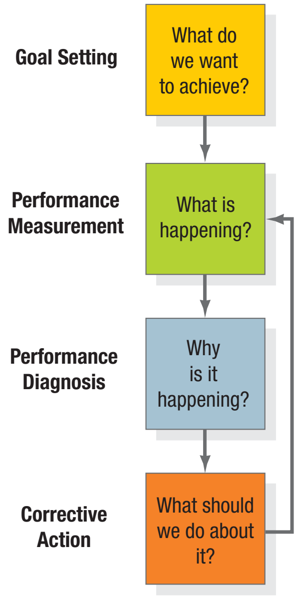
## Marketing Control

*Marketing control* is the process by which firms assess the effects of their marketing activities and programs and make necessary changes and adjustments. Table 22.8 lists four types of needed marketing control: annual-plan control, profitability control, efficiency control, and strategic control.

## Annual-Plan Control

Annual-plan control ensures the company achieves the sales, profits, and other goals established in its annual plan. At its heart is management by objectives (see Figure 22.4). First, management sets monthly or quarterly goals. Second, it monitors performance in the marketplace. Third, management determines the causes of serious performance deviations. Fourth, it takes corrective action to close gaps between goals and performance.

This control model applies to all levels of the organization. Top management sets annual sales and profit goals; each product manager, regional district manager, sales manager, and sales rep is committed to attaining specified levels of sales and costs. Each period, top management reviews and




|Fig. 22.4|

The Control Process

interprets the results. Marketers today have better marketing metrics for measuring the performance of marketing plans (see Table 22.9 for some samples).[75] Four tools for the purpose are sales analysis, market share analysis, marketing expense-to-sales analysis, and financial analysis. The chapter appendix outlines them in detail.

## Profitability Control

Companies should measure the profitability of their products, territories, customer groups, segments, trade channels, and order sizes to help determine whether to expand, reduce, or eliminate any products or marketing activities. The chapter appendix shows how to conduct and interpret a marketing profitability analysis.

## Efficiency Control

Suppose a profitability analysis reveals the company is earning poor profits in certain products, territories, or markets. Are there more efficient ways to manage the sales force, advertising, sales promotion, and distribution?

Some companies have established a *marketing controller* position to work out of the controller's office but specialize in improving marketing efficiency. General Foods, DuPont, and Johnson & Johnson perform a sophisticated financial analysis of marketing expenditures and results. Their marketing controllers examine adherence to profit plans, help prepare brand managers' budgets, measure the efficiency of promotions, analyze media production costs, evaluate customer and geographic profitability, and educate marketing staff on the financial implications of marketing decisions.[76]

**TABLE 22.9 Marketing Metrics**

**Sales Metrics**
- Sales growth
- Market share
- Sales from new products

**Customer Readiness to Buy Metrics**
- Awareness
- Preference
- Purchase intention
- Trial rate
- Repurchase rate

**Customer Metrics**
- Customer complaints
- Customer satisfaction
- Ratio of promoters to detractors
- Customer acquisition costs
- New-customer gains
- Customer losses
- Customer churn
- Retention rate
- Customer lifetime value
- Customer equity
- Customer profitability
- Return on customer

**Distribution Metrics**
- Number of outlets
- Share in shops handling
- Weighted distribution
- Distribution gains
- Average stock volume (value)
- Stock cover in days
- Out of stock frequency
- Share of shelf
- Average sales per point of sale

**Communication Metrics**
- Spontaneous (unaided) brand awareness
- Top of mind brand awareness
- Prompted (aided) brand awareness
- Spontaneous (unaided) advertising awareness
- Prompted (aided) advertising awareness
- Effective reach
- Effective frequency
- Gross rating points (GRP)
- Response rate

## Strategic Control

Each company should periodically reassess its strategic approach to the marketplace with a good marketing audit. Companies can also perform marketing excellence reviews and ethical/social responsibility reviews.


Johnson & Johnson, maker of a famous baby powder, conducts careful analysis of its marketing expenditures and results.

**THE MARKETING AUDIT** The average U.S. corporation loses half its customers in five years, half its employees in four years, and half its investors in less than one year. Clearly, this points to some weaknesses. Companies that discover weaknesses should undertake a thorough study known as a marketing audit.[77]

A **marketing audit** is a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities, with a view to determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance.

Let's examine the marketing audit's four characteristics:

1. ***Comprehensive***—The marketing audit covers all the major marketing activities of a business, not just a few trouble spots as in a functional audit. Although functional audits are useful, they sometimes mislead management. Excessive sales force turnover, for example, could be a symptom not of poor sales-force training or compensation but of weak company products and promotion. A comprehensive marketing audit usually is more effective in locating the real source of problems.
2. ***Systematic***—The marketing audit is an orderly examination of the organization's macro- and micromarketing environments, marketing objectives and strategies, marketing systems, and specific activities. It identifies the most-needed improvements and incorporates them into a corrective-action plan with short- and long-run steps.
3. ***Independent***— Self-audits, in which managers rate their own operations, lack objectivity and independence.[78] The 3M Company has made good use of a corporate auditing office, which provides marketing audit services to divisions on request.[79] Usually, however, outside consultants bring the necessary objectivity, broad experience in a number of industries, familiarity with the industry being audited, and undivided time and attention.
4. ***Periodic***—Firms typically initiate marketing audits only after failing to review their marketing operations during good times, with resulting problems. A periodic marketing audit can benefit companies in good health as well as those in trouble.

A marketing audit starts with agreement between the company officer(s) and the marketing auditor(s) on the audit's objectives and time frame, and a detailed plan of who is to be asked what questions. The cardinal rule for marketing auditors is: Don't rely solely on company managers for data and opinions. Ask customers, dealers, and other outside groups. Many companies don't really know how their customers and dealers see them, nor do they fully understand customer needs.

The marketing audit examines six major components of the company's marketing situation. Table 22.10 lists the major questions.

**THE MARKETING EXCELLENCE REVIEW** The three columns in Table 22.11 distinguish among poor, good, and excellent business and marketing practices. The profile management creates from indicating where it thinks the business stands on each line can highlight where changes could help the firm become a truly outstanding player in the marketplace.

# The Future of Marketing

Top management recognizes that marketing requires more accountability than in the past. "Marketing Memo: Major Marketing Weaknesses" summarizes companies' major deficiencies in marketing, and how to find and correct them.

To succeed in the future, marketing must be more holistic and less departmental. Marketers must achieve larger influence in the company, continuously create new ideas, and strive for customer insight by treating customers differently but appropriately. They must build their brands more through

**TABLE 22.10 Components of a Marketing Audit**

| | |
|---|---|
| **Part I. Marketing Environment Audit** | |
| **Macroenvironment** | |
| A. Demographic | What major demographic developments and trends pose opportunities or threats to this company? What actions have the company taken in response to these developments and trends? |
| B. Economic | What major developments in income, prices, savings, and credit will affect the company? What actions have the company been taking in response to these developments and trends? |
| C. Environmental | What is the outlook for the cost and availability of natural resources and energy needed by the company? What concerns have been expressed about the company's role in pollution and conservation, and what steps have the company taken? |
| D. Technological | What major changes are occurring in product and process technology? What is the company's position in these technologies? What major generic substitutes might replace this product? |
| E. Political | What changes in laws and regulations might affect marketing strategy and tactics? What is happening in the areas of pollution control, equal employment opportunity, product safety, advertising, price control, and so forth that affects marketing strategy? |
| F. Cultural | What is the public's attitude toward business and toward the company's products? What changes in customer lifestyles and values might affect the company? |
| **Task Environment** | |
| A. Markets | What is happening to market size, growth, geographical distribution, and profits? What are the major market segments? |
| B. Customers | What are the customers' needs and buying processes? How do customers and prospects rate the company and its competitors on reputation, product quality, service, sales force, and price? How do different customer segments make their buying decisions? |
| C. Competitors | Who are the major competitors? What are their objectives, strategies, strengths, weaknesses, sizes, and market shares? What trends will affect future competition and substitutes for the company's products? |
| D. Distribution and Dealers | What are the main trade channels for bringing products to customers? What are the efficiency levels and growth potentials of the different trade channels? |
| E. Suppliers | What is the outlook for the availability of key resources used in production? What trends are occurring among suppliers? |
| F. Facilitators and Marketing Firms | What is the cost and availability outlook for transportation services, warehousing facilities, and financial resources? How effective are the company's advertising agencies and marketing research firms? |
| G. Publics | Which publics represent particular opportunities or problems for the company? What steps has the company taken to deal effectively with each public? |
| **Part II. Marketing Strategy Audit** | |
| A. Business Mission | Is the business mission clearly stated in market-oriented terms? Is it feasible? |
| B. Marketing Objectives and Goals | Are the company and marketing objectives and goals stated clearly enough to guide marketing planning and performance measurement? Are the marketing objectives appropriate, given the company's competitive position, resources, and opportunities? |
| C. Strategy | Has the management articulated a clear marketing strategy for achieving its marketing objectives? Is the strategy convincing? Is the strategy appropriate to the stage of the product life cycle, competitors' strategies, and the state of the economy? Is the company using the best basis for market segmentation? Does it have clear criteria for rating the segments and choosing the best ones? Has it developed accurate profiles of each target segment? Has the company developed an effective positioning and marketing mix for each target segment? Are marketing resources allocated optimally to the major elements of the marketing mix? Are enough resources or too many resources budgeted to accomplish the marketing objectives? |
| **Part III. Marketing Organization Audit** | |
| A. Formal Structure | Does the marketing vice president or CMO have adequate authority and responsibility for company activities that affect customers' satisfaction? Are the marketing activities optimally structured along functional, product, segment, end user, and geographical lines? |

| TABLE 22.10 | (Continued) |
|---|---|
| B. Functional Efficiency | Are there good communication and working relations between marketing and sales? Is the product-management system working effectively? Are product managers able to plan profits or only sales volume? Are there any groups in marketing that need more training, motivation, supervision, or evaluation? |
| C. Interface Efficiency | Are there any problems between marketing and manufacturing, R&D, purchasing, finance, accounting, and/or legal that need attention? |
| **Part IV. Marketing Systems Audit** | |
| A. Marketing Information System | Is the marketing information system producing accurate, sufficient, and timely information about marketplace developments with respect to customers, prospects, distributors and dealers, competitors, suppliers, and various publics? Are company decision makers asking for enough marketing research, and are they using the results? Is the company employing the best methods for market measurement and sales forecasting? |
| B. Marketing Planning System | Is the marketing planning system well conceived and effectively used? Do marketers have decision support systems available? Does the planning system result in acceptable sales targets and quotas? |
| C. Marketing Control System | Are the control procedures adequate to ensure that the annual-plan objectives are being achieved? Does management periodically analyze the profitability of products, markets, territories, and channels of distribution? Are marketing costs and productivity periodically examined? |
| D. New-Product Development System | Is the company well organized to gather, generate, and screen new-product ideas? Does the company do adequate concept research and business analysis before investing in new ideas? Does the company carry out adequate product and market testing before launching new products? |
| **Part V. Marketing Proaductivity Audit** | |
| A. Profitability Analysis | What is the profitability of the company's different products, markets, territories, and channels of distribution? Should the company enter, expand, contract, or withdraw from any business segments? |
| B. Cost-Effectiveness Analysis | Do any marketing activities seem to have excessive costs? Can cost-reducing steps be taken? |
| **Part VI. Marketing Function Audits** | |
| A. Products | What are the company's product line objectives? Are they sound? Is the current product line meeting the objectives? Should the product line be stretched or contracted upward, downward, or both ways? Which products should be phased out? Which products should be added? What are the buyers' knowledge and attitudes toward the company's and competitors' product quality, features, styling, brand names, and so on? What areas of product and brand strategy need improvement? |
| B. Price | What are the company's pricing objectives, policies, strategies, and procedures? To what extent are prices set on cost, demand, and competitive criteria? Do the customers see the company's prices as being in line with the value of its offer? What does management know about the price elasticity of demand, experience-curve effects, and competitors' prices and pricing policies? To what extent are price policies compatible with the needs of distributors and dealers, suppliers, and government regulation? |
| C. Distribution | What are the company's distribution objectives and strategies? Is there adequate market coverage and service? How effective are distributors, dealers, manufacturers' representatives, brokers, agents, and others? Should the company consider changing its distribution channels? |
| D. Marketing Communications | What are the organization's advertising objectives? Are they sound? Is the right amount being spent on advertising? Are the ad themes and copy effective? What do customers and the public think about the advertising? Are the advertising media well chosen? Is the internal advertising staff adequate? Is the sales promotion budget adequate? Is there effective and sufficient use of sales promotion tools such as samples, coupons, displays, and sales contests? Is the public relations staff competent and creative? Is the company making enough use of direct, online, and database marketing? |
| E. Sales Force | What are the sales force's objectives? Is the sales force large enough to accomplish the company's objectives? Is the sales force organized along the proper principles of specialization (territory, market, product)? Are there enough (or too many) sales managers to guide the field sales representatives? Do the sales compensation level and structure provide adequate incentive and reward? Does the sales force show high morale, ability, and effort? Are the procedures adequate for setting quotas and evaluating performance? How does the company's sales force compare to competitors' sales forces? |

TABLE 22.11 The Marketing Excellence Review: Best Practices

| Poor | Good | Excellent |
|---|---|---|
| Product driven | Market driven | Market driving |
| Mass-market oriented | Segment-oriented | Niche-oriented and customer-oriented |
| Product offer | Augmented product offer | Customer solutions offer |
| Average product quality | Better than average | Legendary |
| Average service quality | Better than average | Legendary |
| End-product oriented | Core-product oriented | Core-competency oriented |
| Function oriented | Process oriented | Outcome oriented |
| Reacting to competitors | Benchmarking competitors | Leapfrogging competitors |
| Supplier exploitation | Supplier preference | Supplier partnership |
| Dealer exploitation | Dealer support | Dealer partnership |
| Price driven | Quality driven | Value driven |
| Average speed | Better than average | Legendary |
| Hierarchy | Network | Teamwork |
| Vertically integrated | Flattened organization | Strategic alliances |
| Stockholder driven | Stakeholder driven | Societally driven |

performance than promotion. They must go electronic and win through building superior information and communication systems.

The coming years will see:

- The demise of the marketing department and the rise of holistic marketing
- The demise of free-spending marketing and the rise of ROI marketing
- The demise of marketing intuition and the rise of marketing science
- The demise of manual marketing and the rise of both automated *and* creative marketing
- The demise of mass marketing and the rise of precision marketing

To accomplish these changes and become truly holistic, marketers need a new set of skills and competencies in:

- Customer relationship management (CRM)
- Partner relationship management (PRM)
- Database marketing and data mining
- Contact center management and telemarketing
- Public relations marketing (including event and sponsorship marketing)
- Brand-building and brand-asset management
- Experiential marketing
- Integrated marketing communications
- Profitability analysis by segment, customer, and channel

The benefits of successful 21st-century marketing are many, but they will come only with hard work, insight, and inspiration. New rules and practices are emerging, and it is an exciting time. The words of 19th-century U.S. author Ralph Waldo Emerson may never have been more true: “This time like all times is a good one, if we but know what to do with it.”

marketing **Memo**

## Major Marketing Weaknesses

A number of "deadly sins" signal that the marketing program is in trouble. Here are 10 deadly sins, the signs, and some solutions.

**Deadly Sin: The company is not sufficiently market focused and customer driven.**

*Signs:* There is evidence of poor identification of market segments, poor prioritization of market segments, no market segment managers, employees who think it is the job of marketing and sales to serve customers, no training program to create a customer culture, and no incentives to treat the customer especially well.
*Solutions:* Use more advanced segmentation techniques, prioritize segments, specialize the sales force, develop a clear hierarchy of company values, foster more "customer consciousness" in employees and company agents, and make it easy for customers to reach the company and respond quickly to any communication.

**Deadly Sin: The company does not fully understand its target customers.**

*Signs:* The latest study of customers is three years old; customers are not buying your product like they once did; competitors' products are selling better; and there is a high level of customer returns and complaints.
*Solutions:* Do more sophisticated consumer research, use more analytical techniques, establish customer and dealer panels, use customer relationship software, and do data mining.

**Deadly Sin: The company needs to better define and monitor its competitors.**

*Signs:* The company focuses on near competitors, misses distant competitors and disruptive technologies, and has no system for gathering and distributing competitive intelligence.
*Solutions:* Establish an office for competitive intelligence, hire competitors' people, watch for technology that might affect the company, and prepare offerings like those of competitors.

**Deadly Sin: The company does not properly manage relationships with stakeholders.**

*Signs:* Employees, dealers, and investors are not happy; and good suppliers do not come.
*Solutions:* Move from zero-sum thinking to positive-sum thinking; and do a better job of managing employees, supplier relations, distributors, dealers, and investors.

**Deadly Sin: The company is not good at finding new opportunities.**

*Signs:* The company has not identified any exciting new opportunities for years, and the new ideas the company has launched have largely failed.
*Solutions:* Set up a system for stimulating the flow of new ideas.

**Deadly Sin: The company's marketing planning process is deficient.**

*Signs:* The marketing plan format does not have the right components, there is no way to estimate the financial implications of different strategies, and there is no contingency planning.
*Solutions:* Establish a standard format including situational analysis, SWOT, major issues, objectives, strategy, tactics, budgets, and controls; ask marketers what changes they would make if they were given 20 percent more or less budget; and run an annual marketing awards program with prizes for best plans and performance.

**Deadly Sin: Product and service policies need tightening.**

*Signs:* There are too many products and many are losing money; the company is giving away too many services; and the company is poor at cross-selling products and services.
*Solutions:* Establish a system to track weak products and fix or drop them; offer and price services at different levels; and improve processes for cross-selling and up-selling.

**Deadly Sin: The company's brand-building and communications skills are weak.**

*Signs:* The target market does not know much about the company; the brand is not seen as distinctive; the company allocates its budget to the same marketing tools in about the same proportion each year; and there is little evaluation of the ROI impact of promotions.
*Solutions:* Improve brand-building strategies and measurement of results; shift money into effective marketing instruments; and require marketers to estimate the ROI impact in advance of funding requests.

**Deadly Sin: The company is not organized for effective and efficient marketing.**

*Signs:* Staff lacks 21st-century marketing skills, and there are bad vibes between marketing/sales and other departments.
*Solutions:* Appoint a strong leader and build new skills in the marketing department, and improve relationships between marketing and other departments.

**Deadly Sin: The company has not made maximum use of technology.**

*Signs:* There is evidence of minimal use of the Internet, an outdated sales automation system, no market automation, no decision-support models, and no marketing dashboards.
*Solutions:* Use the Internet more, improve the sales automation system, apply market automation to routine decisions, and develop formal marketing decision models and marketing dashboards.

**Source:** Philip Kotler, *Ten Deadly Marketing Sins: Signs and Solutions* (Hoboken, NJ: Wiley, 2004). © Philip Kotler.

# Summary

1. The modern marketing department has evolved through the years from a simple sales department to an organizational structure where marketers work mainly on cross-disciplinary teams.
2. Some companies are organized by functional specialization; others focus on geography and regionalization, product and brand management, or market-segment management. Some companies establish a matrix organization consisting of both product and market managers.
3. Effective modern marketing organizations are marked by customer focus within and strong cooperation among marketing, R&D, engineering, purchasing, manufacturing, operations, finance, accounting, and credit.
4. Companies must practice social responsibility through their legal, ethical, and social words and actions. Cause marketing can be a means for companies to productively link social responsibility to consumer marketing programs. Social marketing is done by a nonprofit or government organization to directly address a social problem or cause.
5. A brilliant strategic marketing plan counts for little unless implemented properly, including recognizing and diagnosing a problem, assessing where the problem exists, and evaluating results.
6. The marketing department must monitor and control marketing activities continuously. Marketing plan control ensures the company achieves the sales, profits, and other goals in its annual plan. The main tools are sales analysis, market share analysis, marketing expense-to-sales analysis, and financial analysis of the marketing plan. Profitability control measures and controls the profitability of products, territories, customer groups, trade channels, and order sizes. Efficiency control finds ways to increase the efficiency of the sales force, advertising, sales promotion, and distribution. Strategic control periodically reassesses the company's strategic approach to the marketplace using marketing effectiveness and marketing excellence reviews, as well as marketing audits.
7. Achieving marketing excellence in the future will require a new set of skills and competencies.

# Applications

## Marketing Debate

### Is Marketing Management an Art or a Science?

Some observers maintain that good marketing is mostly an art and does not lend itself to rigorous analysis and deliberation. Others contend it is a highly disciplined enterprise that shares much with other business disciplines.

**Take a position: Marketing management is largely an artistic exercise and therefore highly subjective *versus* Marketing management is largely a scientific exercise with well-established guidelines and criteria.**

## Marketing Discussion

### Cause Marketing

How does cause or corporate societal marketing affect your personal consumer behavior? Do you ever buy or not buy any products or services from a company because of its environmental policies or programs? Why or why not?

## Marketing Excellence

### >>Starbucks

Starbucks opened in Seattle in 1971 at a time when coffee consumption in the United States had been declining for a decade and rival brands used cheaper coffee beans to compete on price. Starbucks's founders decided to experiment with a new concept: a store that would sell only the finest imported coffee beans and coffee-brewing equipment. (The original store didn't sell coffee by the cup, only beans.)

Howard Schultz came to Starbucks in 1982. While in Milan on business, he had walked into an Italian coffee bar and had an epiphany: "There was nothing like this in America. It was an extension of people's front porch. It was an emotional experience." To bring this concept to the United States, Schultz set about creating an environment for Starbucks coffeehouses that would reflect Italian elegance melded with U.S. informality. He envisioned Starbucks as a "personal treat" for its customers, a "Third Place"—a comfortable, sociable gathering spot bridging the workplace and home.

Starbucks's expansion throughout the United States was carefully planned. All stores were company-owned and operated, ensuring complete control over an unparalleled image of quality. In a "hub" strategy, coffeehouses entered a


new market in a clustered group. Although this deliberate saturation often cannibalized 30 percent of one store's sales by introducing a store nearby, any drop in revenue was offset by efficiencies in marketing and distribution costs, and the enhanced image of convenience. A typical customer would stop by Starbucks 18 times a month. No U.S. retailer has had a higher frequency of customer visits.

Part of Starbucks's success undoubtedly lies in its products and services, and its relentless commitment to providing the richest possible sensory experiences. But another key is its enlightened sense of responsibility, manifested in a number of different ways. Schultz believed that to exceed customers' expectations it is first necessary to exceed employees'. Since 1990, Starbucks has provided comprehensive health care to all employees, including part-timers. Health insurance now costs the company more each year than coffee. A stock option plan called Bean Stock allows employees also to participate in its financial success.

Schultz also believed Starbucks's operations should run in a respectful, ethical manner, making decisions with a positive impact on communities and the planet.

*Community:* The Starbucks Foundation, created in 1997 with proceeds from the sale of Schultz's book, aims to "create hope, discovery, and opportunity in communities where Starbucks partners [employees] live and work." Its primary focus is supporting literacy programs for children and families in the United States and Canada; expanded, it has now donated millions of dollars to charities and communities worldwide.

Starbucks's employees volunteer community service hours for causes big and small—such as rebuilding New Orleans after Hurricane Katrina—and wants to have employees and customers volunteering over 1 million community service hours each year by the end of 2015. As described in the chapter, Starbucks is also a partner in PRODUCT(RED), an initiative to help fight and stop the spread of HIV in Africa, and so far has donated enough money to purchase 14 million days of medicine. It has also donated 5 cents from every sale of its Ethos bottled water to improving the quality of water in poor countries, part of a five-year, $10 million pledge.

*Ethical Sourcing:* Starbucks has partnered with Conservation International to ensure that coffee it purchases is not only of the highest quality but also "responsibly grown and ethically traded." Starbucks is the world's biggest buyer of fair-trade coffee and pays an average of 23 percent above market price for 40 million pounds a year. It works continuously with farmers on responsible methods such as planting trees along rivers and using shade-growing techniques to help preserve forests.

*The Environment:* It took Starbucks 10 years of development to create the world's first recycled beverage cup made of 10 percent postconsumer fiber, conserving 5 million pounds of paper or approximately 78,000 trees a year. Now the team is working to ensure that customers recycle. Jim Hanna, Starbucks's director of environmental impact, explained, "[Starbucks] defines a recyclable cup not by what the cup is made out of but by our customers actually having access to recycling services." Starbucks's goal: make 100 percent of its cups recycled or reused by 2015. The firm also emphasizes energy and water conservation and building green, LEED-certified buildings around the world.

Howard Schultz stepped down as CEO in 2000 but returned as CEO, president, and chairman in 2008 to help restore growth and excitement to the powerhouse chain. Today, Starbucks has over 16,700 stores worldwide, approximately 142,000 employees, $9.8 billion in revenue, and plans to expand worldwide. To achieve its international growth goals, Schultz believes Starbucks must retain a passion for coffee and a sense of humanity, to remain small even as it gets big, and to be a responsible company.

### Questions

1. Starbucks has worked hard to act ethically and responsibly. Has it done a good job communicating its efforts to consumers? Do consumers believe Starbucks is a responsible company? Why or why not?
2. Where does a company like Starbucks draw the line on supporting socially responsible programs? For example, how much of its annual budget should go toward these programs? How much time should employees focus on them? Which programs should it support?
3. How do you measure the results of Starbucks's socially responsible programs?

**Sources:** Howard Schultz, "Dare to Be a Social Entrepreneur," *Business 2.0*, December 2006, p. 87; Edward Iwata, "Owner of Small Coffee Shop Takes on Java Titan Starbucks," *USA Today*, December 20, 2006; "Staying Pure: Howard Schultz's Formula for Starbucks," *Economist*, February 25, 2006, p. 72; Diane Anderson, "Evolution of the Eco Cup," *Business 2.0*, June 2006, p. 50; Bruce Horovitz, "Starbucks Nation," *USA Today*, May 19, 2006; Theresa Howard, "Starbucks Takes Up Cause for Safe Drinking Water," *USA Today*, August 2, 2005; Howard Schultz and Dori Jones Yang, *Pour Your Heart into It: How Starbucks Built a Company One Cup at a Time* (New York: Hyperion, 1997); "At MIT-Starbucks Symposium, Focus on Holistic Approach to Recycling," *MIT*, www.mit.edu, May 12, 2010; Starbucks.

## Marketing Excellence

### >>Virgin Group


Virgin roared onto the British stage in the 1970s with the innovative Virgin Records, brainchild of Richard Branson, who signed unknown artists and began a marathon of publicity that continues to this day. The flamboyant Branson sold Virgin Records (to Thorn-EMI for nearly $1 billion in 1992) but went on to create over 200 companies worldwide whose combined revenues exceeded €11.5 billion (about $16.2 billion) in 2009.

The Virgin name—the third most respected brand in Britain—and the Branson personality help to sell such diverse products and services as planes, trains, finance, soft drinks, music, mobile phones, cars, wine, publishing, and even bridal wear. Branson can create interest in almost any business he wants by simply attaching the "Virgin" name to it. He supplies the brand and a small initial investment and takes a majority control, and big-name partners come up with the cash.

The Virgin Group looks for new opportunities in markets with underserved, overcharged customers and complacent competition. Branson explained, "Wherever we find them, there is a clear opportunity area for Virgin to do a much better job than the competition. We introduce trust, innovation, and customer friendliness where they don't exist."

Some marketing and financial critics point out that Branson is diluting the brand, that it covers too many businesses. There have been some fumbles: Virgin Cola, Virgin Cosmetics, and Virgin Vodka have all but disappeared. But despite the diversity, all the lines connote value for money, quality, innovation, fun, and a sense of competitive challenge. And then Virgin's vaunted marketing expertise kicks in.

A master of the strategic publicity stunt, Branson knew photographers have a job to do and they'd turn up at his events if he gave them a good reason. He took on stodgy, overpriced British Airways by wearing World War I–era flying gear to announce the formation of Virgin Atlantic in 1984. The first Virgin flight took off laden with celebrities and media and equipped with a brass band, waiters from Maxim's in white tie and tails, and free-flowing champagne. The airborne party enjoyed international press coverage and millions of dollars' worth of free publicity.

When Branson launched Virgin Cola in the United States in 1998, he steered an army tank down Fifth Avenue in New York, garnering interviews on each of the network morning TV shows. In 2002, he plunged into Times Square from a crane to announce his mobile phone business. In 2004, introducing a line of hip techie gadgets called Virgin Pulse, Branson again took center stage, appearing at a New York City nightclub wearing a pair of flesh-colored tights and a strategically placed portable CD player.

Although he eschews traditional market research for a "screw it, let's do it" attitude, Branson stays in touch through constant customer contact. When he first set up Virgin Atlantic, he called 50 customers every month to chat and get their feedback. He appeared in airports to rub elbows with customers, and if a plane was delayed, he handed out gift certificates to a Virgin Megastore or discounts on future travel.

A nonprofit foundation called Virgin Unite has started to tackle global, social, and environmental problems with an entrepreneurial approach. A team of scientists, entrepreneurs, and environmental enthusiasts consult with Virgin about what it needs to do on a grassroots and global level. The goal is to change the way "businesses and the social sector work together—driving business as a force for good."

Clearly, Branson cares about Virgin's customers and the impact his companies have on people and the planet. That's why he recently made corporate responsibility and sustainable development (CR/SD) a key priority for every one of his companies. Each must act socially responsible and lower its carbon footprint. Branson stated, "I believe that in the future, we will be able to enjoy healthy and fulfilling lifestyles whilst minimizing the negative impact we have on the world."

Virgin categorizes its businesses into eight socially responsible and sustainable groups: Flying high, We're all going on a summer holiday, Staying in touch, Watching the pennies, Getting from A to B, My body is a temple, Out of this world, and Just get out and relax. Each is to do exceptionally good things in its industry as well as help to alleviate the bad things that come with the category. Virgin Wines strives to purchase only from small farms and pay fair prices while promoting responsible drinking. Virgin

Games, an online gambling Web site, promotes responsible gambling and helps identify and alleviate gambling addiction. Virgin Money focuses on fair lending, and the list goes on.

Virgin Aviation is perhaps the toughest challenge; it represents 7 million of the 8 million tons of $CO_2$ Virgin emits each year. Branson, however, has turned the problem into an opportunity. In 2006, he announced that all dividends from Virgin's rail and airline businesses "will be invested into renewable energy initiatives . . . to tackle emissions related to global warming." That effort has evolved into the Virgin Green Fund, which invests in renewable energy opportunities from solar energy to water purification and is estimated to reach $3 billion in value by 2016.

But Branson hasn't stopped there. In 2007, he established the Earth Challenge to award $25 million to any person or group who develops a safe, long-term, commercially viable way to remove greenhouse gases from the atmosphere. Submitted inventions are now being reviewed by a team of scientists, professors, and environment professionals.

Once known as the "hippie capitalist" and now knighted by the Queen of England, Sir Richard never does anything small and quiet. Whether looking for a new business, generating publicity in his characteristic style, or encouraging research to help the planet, Branson does it with a bang.

## Questions

1. How is Virgin unique in its quest to be a socially responsible and sustainable company?
2. Discuss the pros and cons of Virgin's "green" message. How do you feel about the company's having such a negative environmental impact on the world (via air and rail) and the message it communicates through efforts like the Earth Challenge?
3. If you were Richard Branson, what would you do with Virgin's holistic marketing strategy?

**Sources:** Peter Elkind, "Branson Gets Grounded," *Fortune*, February 5, 2007, pp. 13–14; Alan Deutschman, "The Enlightenment of Richard Branson," *Fast Company*, September 2006, p. 49; Andy Serwer, "Do Branson's Profits Equal His *Joie de Vivre*?" *Fortune*, October 17, 2005, p. 57; Kerry Capell with Wendy Zellner, "Richard Branson's Next Big Adventure," *BusinessWeek,* March 8, 2004, pp. 44–45; Melanie Wells, "Red Baron," *Forbes,* July 3, 2000, pp. 151–60; Sam Hill and Glenn Rifkin, *Radical Marketing* (New York: HarperBusiness, 1999); "Branson Pledges Three Billion Dollars to Develop Cleaner Energy," *Terra Daily,* September 21, 2006; Virgin, www.virgin.com.

APPENDIX

# Tools for Marketing Control

In this appendix, we provided detailed guidelines and insights about how to best conduct several marketing control procedures.

## Annual Plan Control

Four sets of analyses can be useful for annual plan control.

### Sales Analysis

**Sales analysis** measures and evaluates actual sales in relationship to goals. Two specific tools make it work.

**Sales-variance analysis** measures the relative contribution of different factors to a gap in sales performance. Suppose the annual plan called for selling 4,000 widgets in the first quarter at $1 per widget, for total revenue of $4,000. At quarter's end, only 3,000 widgets were sold at $.80 per widget, for total revenue of $2,400. How much of the sales performance gap is due to the price decline, and how much to the volume decline? This calculation answers the question:

| | | |
|---|---|---|
| Variance due to price decline: ($1.00–$.80) (3,000) = | $ 600 | 37.5% |
| Variance due to volume decline: ($1.00) (4,000–3,000) = | $1,000 | 62.5% |
| | $1,600 | 100.0% |

Almost two-thirds of the variance is due to failure to achieve the volume target. The company should look closely at why it failed to achieve expected sales volume.

**Microsales analysis** looks at specific products, territories, and so forth that failed to produce expected sales. Suppose the company sells in three territories, and expected sales were 1,500 units, 500 units, and 2,000 units, respectively. Actual volumes were 1,400 units, 525 units, and 1,075 units, respectively. Thus territory 1 showed a 7 percent shortfall in terms of expected sales; territory 2, a 5 percent improvement over expectations; and territory 3, a 46 percent shortfall! Territory 3 is causing most of the trouble. Maybe the sales rep in territory 3 is underperforming, a major competitor has entered this territory, or business is in a recession there.

### Market Share Analysis

Company sales don't reveal how well the company is performing relative to competitors. For this, management needs to track its market share in one of three ways.

**Overall market share** expresses the company's sales as a percentage of total market sales. **Served market share** is sales as a percentage of the total sales to the market. The **served market** is all the buyers able and willing to buy the product, and served market share is always larger than overall market share. A company could capture 100 percent of its served market and yet have a relatively small share of the total market. **Relative market share** is market share in relationship to the largest competitor. A relative market share of exactly 100 percent means the company is tied for the lead; over 100 percent indicates a market leader. A rise in relative market share means a company is gaining on its leading competitor.

Conclusions from market share analysis, however, are subject to qualifications:

- ***The assumption that outside forces affect all companies in the same way is often not true.*** The U.S. Surgeon General's report on the harmful consequences of smoking depressed total cigarette sales, but not equally for all companies.
- ***The assumption that a company's performance should be judged against the average performance of all companies is not always valid.*** A company's performance is best judged against that of its closest competitors.
- ***If a new firm enters the industry, every existing firm's market share might fall.*** A decline in market share might not mean the company is performing any worse than other companies. Share loss depends on the degree to which the new firm hits the company's specific markets.
- ***Sometimes a market share decline is deliberately engineered to improve profits.*** For example, management might drop unprofitable customers or products.

- ***Market share can fluctuate for many minor reasons.*** For example, it can be affected by whether a large sale occurs on the last day of the month or at the beginning of the next month. Not all shifts in market share have marketing significance.[80]

A useful way to analyze market share movements is in terms of four components:

$$\textit{Overall market share} = \textit{Customer penetration} \times \textit{Customer loyalty} \times \textit{Customer selectivity} \times \textit{Price selectivity}$$

where:

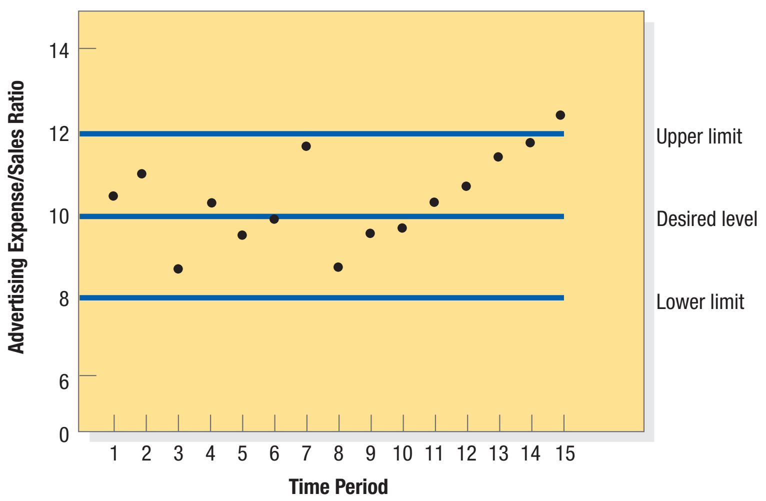
| | |
|---|---|
| *Customer penetration* | Percentage of all customers who buy from the company |
| *Customer loyalty* | Purchases from the company by its customers as a percentage of their total purchases from all suppliers of the same products |
| *Customer selectivity* | Size of the average customer purchase from the company as a percentage of the size of the average customer purchase from an average company |
| *Price selectivity* | Average price charged by the company as a percentage of the average price charged by all companies |

Now suppose the company's dollar market share falls during the period. The overall market share equation provides four possible explanations: The company lost some customers (lower customer penetration); existing customers are buying less from the company (lower customer loyalty); the company's remaining customers are smaller in size (lower customer selectivity); or the company's price has slipped relative to competition (lower price selectivity).

**Marketing Expense-to-Sales Analysis** Annual-plan control requires making sure the company isn't overspending to achieve sales goals. The key ratio to watch is *marketing expense-to-sales.* In one company, this ratio was 30 percent and consisted of five component expense-to-sales ratios: sales force-to-sales (15 percent), advertising-to-sales (5 percent), sales promotion-to-sales (6 percent), marketing research-to-sales (1 percent), and sales administration-to-sales (3 percent).

Fluctuations outside the normal range are cause for concern. Management needs to monitor period-to-period fluctuations in each ratio on a *control chart* (see Figure 22.5). This chart shows the advertising expense-to-sales ratio normally fluctuates between 8 percent and 12 percent, say 99 of 100 times. In the 15th period, however, the ratio exceeded the upper control limit. Either (1) the company still has good expense control and this situation represents a rare chance event, or (2) the company has lost control over this expense and should find the cause. If there is no investigation, the risk is that some real change might have occurred, and the company will fall behind.

Managers should make successive observations even within the upper and lower control limits. Note in Figure 22.5 that the level of the expense-to-sales ratio rose steadily from the 8th period onward. The probability of encountering six successive increases in what should be independent events is only 1 in 64.[81] This unusual pattern should have led to an investigation sometime before the 15th observation.

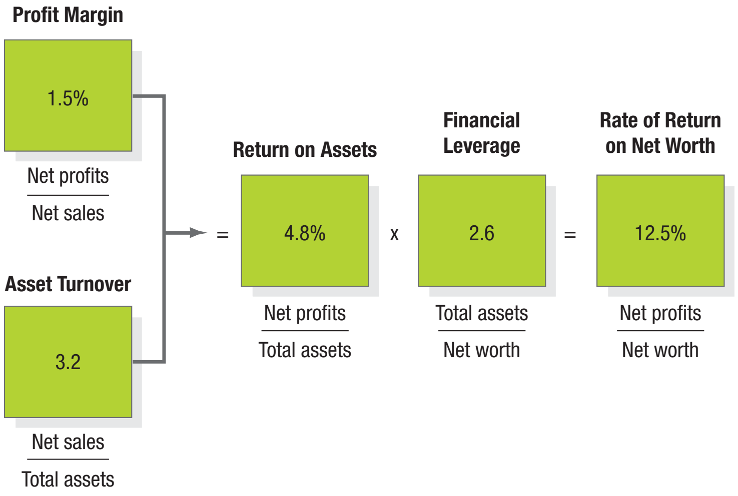



|Fig. 22.5|

The Control-Chart Model

|Fig. 22.6|

Financial Model of Return on Net Worth




**Financial Analysis** Marketers should analyze the expense-to-sales ratios in an overall financial framework to determine how and where the company is making its money. They can, and are increasingly, using financial analysis to find profitable strategies beyond building sales.

Management uses financial analysis to identify factors that affect the company's *rate of return on net worth.*[82] The main factors are shown in Figure 22.6, along with illustrative numbers for a large chain-store retailer. The retailer is earning a 12.5 percent return on net worth. The return on net worth is the product of two ratios, the company's *return on assets* and its *financial leverage.* To improve its return on net worth, the company must increase its ratio of net profits to assets, or increase the ratio of assets to net worth. The company should analyze the composition of its assets (cash, accounts receivable, inventory, and plant and equipment) and see whether it can improve its asset management.

The return on assets is the product of two ratios, the *profit margin* and the *asset turnover.* The profit margin in Figure 22.6 seems low, whereas the asset turnover is more normal for retailing. The marketing executive can seek to improve performance in two ways: (1) Increase the profit margin by increasing sales or cutting costs, and (2) increase the asset turnover by increasing sales or reducing assets (inventory, receivables) held against a given level of sales.[83]

## Profitability Control

**Marketing Profitability Analysis** We will illustrate the steps in marketing profitability analysis with the following example: The marketing vice president of a lawn mower company wants to determine the profitability of selling through three types of retail channels: hardware stores, garden supply shops, and department stores. The company's profit-and-loss statement is shown in Table 22.12.

TABLE 22.12 A Simplified Profit-and-Loss Statement

| | | |
|---|---|---|
| Sales | | $60,000 |
| Cost of goods sold | | 39,000 |
| Gross margin | | $21,000 |
| Expenses | | |
| Salaries | $9,300 | |
| Rent | 3,000 | |
| Supplies | 3,500 | |
| | | 15,800 |
| Net profit | | $ 5,200 |

***Step 1: Identifying Functional Expenses*** Assume the expenses listed in Table 22.12 are incurred to sell the product, advertise it, pack and deliver it, and bill and collect for it. The first task is to measure how much of each expense was incurred in each activity.

Suppose most of the salary expense went to sales representatives and the rest to an advertising manager, packing and delivery help, and an office accountant. Let the breakdown of the $9,300 be $5,100, $1,200, $1,400, and $1,600, respectively. Table 22.13 shows the allocation of the salary expense to these four activities.

TABLE 22.13 Mapping Natural Expenses into Functional Expenses

| Natural Accounts | Total | Selling | Advertising | Packing and Delivery | Billing and Collecting |
|---|---|---|---|---|---|
| Salaries | $ 9,300 | $5,100 | $1,200 | $1,400 | $1,600 |
| Rent | 3,000 | — | 400 | 2,000 | 600 |
| Supplies | 3,500 | 400 | 1,500 | 1,400 | 200 |
| | $15,800 | $5,500 | $3,100 | $4,800 | $2,400 |

Table 22.13 also shows the rent account of $3,000 allocated to the four activities. Because the sales reps work away from the office, none of the building's rent expense is assigned to selling. Most of the expenses for floor space and rented equipment are for packing and delivery. The supplies account covers promotional materials, packing materials, fuel purchases for delivery, and home office stationery. The $3,500 in this account is reassigned to functional uses of the supplies.

***Step 2: Assigning Functional Expenses to Marketing Entities*** The next task is to measure how much functional expense was associated with selling through each type of channel. Consider the selling effort, indicated by the number of sales in each channel. This number is in the selling column of Table 22.14. Altogether, 275 sales calls were made during the period. Because the total selling expense amounted to $5,500 (see Table 22.14), the selling expense averaged $20 per call.

TABLE 22.14 Bases for Allocating Functional Expenses to Channels

| Channel Type | Selling | Advertising | Packing and Delivery | Billing and Collecting |
|---|---|---|---|---|
| Hardware | 200 | 50 | 50 | 50 |
| Garden supply | 65 | 20 | 21 | 21 |
| Department stores | 10 | 30 | 9 | 9 |
| | **275** | **100** | **80** | **80** |
| Functional expense ÷ No. of Units | $5,500 | $3,100 | $4,800 | $2,400 |
| | 275 | 100 | 80 | 80 |
| Equals | **$ 20** | **$ 31** | **$ 60** | **$ 30** |

We can allocate advertising expense according to the number of ads addressed to different channels. Because there were 100 ads altogether, the average ad cost $31.

The packing and delivery expense is allocated according to the number of orders placed by each type of channel. This same basis was used for allocating billing and collection expense.

***Step 3: Preparing a Profit-and-Loss Statement for Each Marketing Entity*** We can now prepare a profit-and-loss statement for each type of channel (see Table 22.15). Because hardware stores accounted for half of total sales ($30,000 out of $60,000), charge this channel

TABLE 22.15 Profit-and-Loss Statements for Channels

| | Hardware | Garden Supply | Dept. Stores | Whole Company |
|---|---|---|---|---|
| Sales | $30,000 | $10,000 | $20,000 | $60,000 |
| Cost of goods sold | 19,500 | 6,500 | 13,000 | 39,000 |
| Gross margin | $10,500 | $ 3,500 | $ 7,000 | $21,000 |
| Expenses | | | | |
| Selling ($20 per call) | $ 4,000 | $ 1,300 | $ 200 | $ 5,500 |
| Advertising ($31 per advertisement) | 1,550 | 620 | 930 | 3,100 |
| Packing and delivery ($60 per order) | 3,000 | 1,260 | 540 | 4,800 |
| Billing ($30 per order) | 1,500 | 630 | 270 | 2,400 |
| Total expenses | $10,050 | $ 3,810 | $ 1,940 | $15,800 |
| Net profit or loss | $ 450 | $ (310) | $ 5,060 | $ 5,200 |

with half the cost of goods sold ($19,500 out of $39,000). This leaves a gross margin from hardware stores of $10,500. From this we deduct the proportions of functional expenses hardware stores consumed.

According to Table 22.14, hardware stores received 200 of 275 total sales calls. At an imputed value of $20 a call, hardware stores must bear a $4,000 selling expense. Table 22.14 also shows hardware stores were the target of 50 ads. At $31 an ad, the hardware stores are charged with $1,550 of advertising. The same reasoning applies in computing the share of the other functional expenses. The result is that hardware stores gave rise to $10,050 of the total expenses. Subtracting this from gross margin, we find the profit of selling through hardware stores is only $450.

Repeat this analysis for the other channels. The company is losing money in selling through garden supply shops and makes virtually all its profits through department stores. Notice that gross sales is not a reliable indicator of the net profits for each channel.

**Determining Corrective Action** It would be naive to conclude the company should drop garden supply and hardware stores to concentrate on department stores. We need to answer the following questions first:

- To what extent do buyers buy on the basis of type of retail outlet versus brand?
- What trends affect the relative importance of these three channels?
- How good are the company's marketing strategies for the three channels?

Using the answers, marketing management can evaluate five alternatives:

1. Establish a special charge for handling smaller orders.
2. Give more promotional aid to garden supply shops and hardware stores.
3. Reduce sales calls and advertising to garden supply shops and hardware stores.
4. Ignore the weakest retail units in each channel.
5. Do nothing.

Marketing profitability analysis indicates the relative profitability of different channels, products, territories, or other marketing entities. It does not prove the best course of action is to drop unprofitable marketing entities or capture the likely profit improvement of doing so.

**Direct versus Full Costing** Like all information tools, marketing profitability analysis can lead or mislead, depending on how well marketers understand its methods and limitations. The lawn mower company chose bases somewhat arbitrarily for allocating the functional expenses to its marketing entities. It used "number of sales calls" to allocate selling expenses, generating less record keeping and computation, when in principle "number of sales working hours" is a more accurate indicator of cost.

A far more serious decision is whether to allocate full costs or only direct and traceable costs in evaluating a marketing entity's performance. The lawn mower company sidestepped this problem by assuming only simple costs that fit with marketing activities, but we cannot avoid the question in real-world analyses of profitability. We distinguish three types of costs:

1. ***Direct costs***—We can assign direct costs directly to the proper marketing entities. Sales commissions are a direct cost in a profitability analysis of sales territories, sales representatives, or customers. Advertising expenditures are a direct cost in a profitability analysis of products to the extent that each advertisement promotes only one product. Other direct costs for specific purposes are sales force salaries and traveling expenses.
2. ***Traceable common costs***—We can assign traceable common costs only indirectly, but on a plausible basis, to the marketing entities. In the example, we analyzed rent this way.
3. ***Nontraceable common costs***—Common costs whose allocation to the marketing entities is highly arbitrary are nontraceable common costs. To allocate "corporate image" expenditures equally to all products would be arbitrary, because all products don't benefit equally. To allocate them proportionately to the sales of the various products would be arbitrary, because relative product sales reflect many factors besides corporate image making. Other examples are top management salaries, taxes, interest, and other overhead.

No one disputes the inclusion of direct costs in marketing cost analysis. There is some controversy about including traceable common costs, which lump together costs that would and would not change with the scale of marketing activity. If the lawn mower company drops garden supply shops, it would probably continue to pay the same rent. Its profits would not rise immediately by the amount of the present loss in selling to garden supply shops ($310).

The major controversy is about whether to allocate the nontraceable common costs to the marketing entities. Such allocation is called the *full-cost approach*, and its advocates argue that all costs must ultimately be imputed in order to determine true profitability. However, this argument confuses the use of accounting for financial reporting with its use for managerial decision making. Full costing has three major weaknesses:

1. The relative profitability of different marketing entities can shift radically when we replace one arbitrary way to allocate nontraceable common costs by another.
2. The arbitrariness demoralizes managers, who feel their performance is judged adversely.
3. The inclusion of nontraceable common costs could weaken efforts at real cost control.

Operating management is most effective in controlling direct costs and traceable common costs. Arbitrary assignments of nontraceable common costs can lead managers to spend their time fighting cost allocations instead of managing controllable costs well.

Companies show growing interest in using marketing profitability analysis, or its broader version, activity-based cost accounting (ABC), to quantify the true profitability of different activities.[84] Managers can then reduce the resources required to perform various activities, make the resources more productive, acquire them at lower cost, or raise prices on products that consume heavy amounts of support resources. The contribution of ABC is to refocus management's attention away from using only labor or material standard costs to allocate full cost, and toward capturing the actual costs of supporting individual products, customers, and other entities.

*This page intentionally left blank*

# Appendix

## SONIC MARKETING PLAN AND EXERCISES

# The Marketing Plan: An Introduction

As a marketer, you'll need a good marketing plan to provide direction and focus for your brand, product, or company. With a detailed plan, any business will be better prepared to launch an innovative new product or increase sales to current customers. Nonprofit organizations also use marketing plans to guide their fund-raising and outreach efforts. Even government agencies put together marketing plans for initiatives such as building public awareness of proper nutrition and stimulating area tourism.

## The Purpose and Content of a Marketing Plan

A marketing plan has a more limited scope than a business plan, which offers a broad overview of the entire organization's mission, objectives, strategy, and resource allocation. The marketing plan documents how the organization's strategic objectives will be achieved through specific marketing strategies and tactics, with the customer as the starting point. It is also linked to the plans of other organizational departments. Suppose a marketing plan calls for selling 200,000 units annually. The production department must gear up to make that many units, finance must arrange funding to cover the expenses, human resources must be ready to hire and train staff, and so on. Without the appropriate level of organizational support and resources, no marketing plan can succeed.

Although the exact length and layout varies from company to company, a marketing plan usually contains the sections described in Chapter 2. Smaller businesses may create shorter or less formal marketing plans, whereas corporations generally require highly structured marketing plans. To guide implementation effectively, every part of the plan must be described in considerable detail. Sometimes a company will post its marketing plan on an internal Web site so managers and employees in different locations can consult specific sections and collaborate on additions or changes.

## The Role of Research

To develop innovative products, successful strategies, and action programs, marketers need up-to-date information about the environment, the competition, and the selected market segments. Often, analysis of internal data is the starting point for assessing the current marketing situation, supplemented by marketing intelligence and research investigating the overall market, the competition, key issues, threats, and opportunities. As the plan is put into effect, marketers use research to measure progress toward objectives and to identify areas for improvement if results fall short of projections.

Finally, marketing research helps marketers learn more about their customers' requirements, expectations, perceptions, satisfaction, and loyalty. This deeper understanding provides a foundation for building competitive advantage through well-informed segmenting, targeting, and positioning decisions. Thus, the marketing plan should outline what marketing research will be conducted and when, as well as how, the findings will be applied.

## The Role of Relationships

Although the marketing plan shows how the company will establish and maintain profitable customer relationships, it also affects both internal and external relationships. First, it influences how marketing personnel work with each other and with other departments to deliver value and satisfy customers. Second, it affects how the company works with suppliers, distributors, and partners to achieve the plan's objectives. Third, it influences the company's dealings with other stakeholders, including government regulators, the media, and the community at large. All these relationships are important to the organization's success and must be considered when developing a marketing plan.

## From Marketing Plan to Marketing Action

Most companies create yearly marketing plans, although some plans cover a longer period. Marketers start planning well in advance of the implementation date to allow time for marketing research, analysis, management review, and coordination between departments. Then, after each action program begins, marketers monitor ongoing results, investigate any deviation from the projected outcome, and take corrective steps as needed. Some marketers also prepare contingency plans for implementation if certain conditions emerge. Because of inevitable and sometimes unpredictable environmental changes, marketers must be ready to update and adapt marketing plans at any time.

For effective implementation and control, the marketing plan should define how progress toward objectives will be measured. Managers typically use budgets, schedules, and marketing metrics for monitoring and evaluating results. With budgets, they can compare planned expenditures with actual expenditures for a given period. Schedules allow management to see when tasks were supposed to be completed and when they were actually completed. Marketing metrics track the actual outcomes of marketing programs to see whether the company is moving forward toward its objectives.

# Sample Marketing Plan for Sonic

This section takes you inside the sample marketing plan for Sonic, a hypothetical start-up company. The company's first product is the Sonic 1000, a state-of-the-art, fully loaded multimedia smart phone. Sonic will be competing with Apple, BlackBerry, Motorola, Nokia, Samsung, and other well-established rivals in a crowded, fast-changing marketplace where smart phones have many communication and entertainment capabilities. The annotations explain more about what each section of the plan should contain.

**This section summarizes market opportunities, marketing strategy, and marketing and financial objectives for senior managers who will read and approve the marketing plan.**

## 1.0 Executive Summary

Sonic is preparing to launch a major new state-of-the-art multimedia smart phone, the Sonic 1000, in a mature market. We can effectively compete with many types of smart phones because our product offers a unique combination of advanced features and functionality at a very competitive value-added price. We are targeting specific segments in the consumer and business markets, taking advantage of the growing interest in a single powerful but affordable device with extensive communication, organization, and entertainment benefits.

The primary marketing objective is to achieve first-year U.S. market share of 1 percent with unit sales of 800,000. The primary financial objectives are to achieve first-year sales revenues of $200 million, keep first-year losses to less than $40 million, and break even early in the second year.

**The situation analysis describes the market, the company's capability to serve targeted segments, and the competition.**

## 2.0 Situation Analysis

Sonic, founded 18 months ago by two well-known entrepreneurs with telecommunications experience, is about to enter the highly competitive smart phone market. Multifunction cell phones are increasingly popular for both personal and professional use, with more than 320 million smart phones sold worldwide in 2010. Competition is increasingly intense even as technology evolves, industry consolidation continues, and pricing pressures squeeze profitability. Palm, a PDA pioneer, is one of several key players having difficulty adapting to the smart phone challenge. To gain market share in this dynamic environment, Sonic must carefully target specific segments with valued features and plan for a next-generation product to keep brand momentum going.

**Market summary includes size, needs, growth, and trends. Describing the targeted segments in detail provides context for marketing strategies and programs discussed later in the plan.**

**2.1 Market Summary** Sonic's market consists of consumers and business users who prefer to use a powerful but affordable single device for fully functional communication, information storage and exchange, organization, and entertainment on the go. Specific segments being targeted during the first year include professionals, corporations, students, entrepreneurs, and medical users. Exhibit A.1 shows how the Sonic 1000 addresses some of the most basic needs of targeted consumer and business segments in a cost-effective manner. The additional communication and entertainment benefits of the product just enhance its appeal to those segments.

Smart phone purchasers can choose between models based on several different operating systems. The biggest selling smart phone operating system is Symbian OS. Symbian's smaller rivals

| Targeted Segment | Customer Need | Corresponding Feature/Benefit |
|---|---|---|
| Professionals (consumer market) | ■ Stay in touch while on the go | ■ Wireless e-mail to conveniently send and receive messages from anywhere; cell phone capability for voice communication from anywhere |
| | ■ Record information while on the go | ■ Voice recognition for no-hands recording |
| Students (consumer market) | ■ Perform many functions without carrying multiple gadgets | ■ Compatible with numerous applications and peripherals for convenient, cost-effective functionality |
| | ■ Express style and individuality | ■ Case wardrobe of different colors and patterns allows users to make a fashion statement |
| Corporate users (business market) | ■ Input and access critical data on the go | ■ Compatible with widely available software |
| | ■ Use for proprietary tasks | ■ Customizable to fit diverse corporate tasks and networks |
| Entrepreneurs (business market) | ■ Organize and access contacts, schedule details | ■ No-hands, wireless access to calendar and address book to easily check appointments and connect with contacts |
| Medical users (business market) | ■ Update, access, and exchange medical records | ■ No-hands, wireless recording and exchange of information to reduce paperwork and increase productivity |

|Exh. A.1|

Needs and Corresponding Features/Benefits of Sonic Smart Phone

include Android, BlackBerry OS, iOS, and the Windows Phone OS. Several mobile operating systems including Android and iOS are based on Linux and Unix. Sonic licenses a Linux-based system because it is somewhat less vulnerable to attack by hackers and viruses. Storage capacity (hard drive or flash drive) is an expected feature, so Sonic is equipping its first product with an ultra-fast 64-gigabyte drive that can be supplemented by extra storage. Technology costs are decreasing even as capabilities are increasing, which makes value-priced models more appealing to consumers and to business users with older smart phones who want to trade up to new, high-end multifunction units.

**2.2 Strengths, Weaknesses, Opportunities, and Threat Analysis** Sonic has several powerful strengths on which to build, but our major weakness is lack of brand awareness and image. The major opportunity is demand for multifunction communication, organization, and entertainment devices that deliver a number of valued benefits at a lower cost. We also face the threat of ever-higher competition and downward pricing pressure.

***Strengths*** Sonic can build on three important strengths:

**Strengths are internal capabilities that can help the company reach its objectives.**

1. *Innovative product*—The Sonic 1000 offers a combination of features that are hard to find in single devices, with extensive telecommunications capabilities and highest quality digital video/music/TV program storage/playback.
2. *Security*—Our smart phone uses a Linux-based operating system that is less vulnerable to hackers and other security threats that can result in stolen or corrupted data.
3. *Pricing*—Our product is priced lower than competing smart phones—none of which offer the same bundle of features—which gives us an edge with price-conscious customers.

***Weaknesses*** By waiting to enter the smart phone market until considerable consolidation of competitors has occurred, Sonic has learned from the successes and mistakes of others. Nonetheless, we have two main weaknesses:

**Weaknesses are internal elements that may interfere with the company's ability to achieve its objectives.**

1. *Lack of brand awareness*—Sonic has no established brand or image, whereas Samsung, Apple, Motorola, and others have strong brand recognition. We will address this issue with aggressive promotion.
2. *Heavier and thicker unit*—The Sonic 1000 is slightly heavier and thicker than most competing models because it incorporates so many telecommunication and multimedia features. To counteract this weakness, we will emphasize our product's benefits and value-added pricing, two compelling competitive strengths.

Opportunities are areas of buyer need or potential interest in which the company might perform profitably.

***Opportunities*** Sonic can take advantage of two major market opportunities:

1. *Increasing demand for state-of-the-art multimedia devices with a full array of communication functions*—The market for cutting-edge multimedia, multifunction devices is growing much rapidly. Smart phones are already commonplace in public, work, and educational settings; in fact, users who bought entry-level models are now trading up.
2. *Lower technology costs*—Better technology is now available at a lower cost than ever before. Thus, Sonic can incorporate advanced features at a value-added price that allows for reasonable profits.

Threats are challenges posed by an unfavorable trend or development that could lead to lower sales and profits.

***Threats*** We face three main threats at the introduction of the Sonic 1000:

1. *Increased competition*—More companies are offering devices with some but not all of the features and benefits provided by the Sonic 1000. Therefore, Sonic's marketing communications must stress our clear differentiation and value-added pricing.
2. *Downward pressure on pricing*—Increased competition and market share strategies are pushing smart phone prices down. Still, our objective of breaking even with second-year sales of the original model is realistic, given the lower margins in the smart phone market.
3. *Compressed product life cycle*—Smart phones are reaching the maturity stage of their life cycle more quickly than earlier technology products. Because of this compressed life cycle, we plan to introduce an even greater enhanced media-oriented second product during the year following the Sonic 1000's launch.

This section identifies key competitors, describes their market positions, and provides an overview of their strategies.

**2.3 Competition** The emergence of well-designed multifunction smart phones, including the Apple iPhone, has increased competitive pressure. Competitors are continually adding features and sharpening price points. Key competitors:

- *Motorola.* Motorola has a long tradition of successful cell phones—it sold millions and millions of its RAZR clamshell phones worldwide. It has struggled in recent years, however, to keep up with competition.
- *Apple.* The initial iPhone, a smart phone with a 3.5-inch color screen, was designed with entertainment enthusiasts in mind. It's well equipped for music, video, and Web access, plus calendar and contact management functions. Apple initially partnered only with the AT&T network and cut the product's price to $399 two months after introduction to speed market penetration.
- *RIM.* Research In Motion makes the lightweight BlackBerry wireless phone/PDA products that are popular among corporate users. RIM's continuous innovation and solid customer service support strengthen its competitive standing as it introduces more smart phones and PDAs.
- *Samsung.* Value, style, function: Samsung is a powerful competitor, offering a variety of smart phones and Ultra-Mobile PCs for consumer and business segments. Some of its smart phones are available for specific telecommunications carriers and some are "unlocked," ready for any compatible telecommunications network.
- *Nokia.* With a presence in virtually every possible cell phone market, Nokia is always an experienced, formidable opponent. Having launched one of the early smart phones, it will be expected to aggressively compete in the smart phone market.

Despite strong competition, Sonic can carve out a definite image and gain recognition among targeted segments. Our appealing combination of state-of-the-art features and low price is a critical point of differentiation for competitive advantage. Our second product will be even more media-oriented to appeal to segments where we will have strong brand recognition. Exhibit A.2 shows a sample of competitive products and prices.

This section summarizes the main features of the company's various products.

**2.4 Product Offerings** The Sonic 1000 offers the following standard features:

- Voice recognition for hands-free operation
- Full array of apps
- Complete organization functions, including linked calendar, address book, synchronization
- Digital music/video/television recording, wireless downloading, and instant playback
- Wireless Web and e-mail, text messaging, instant messaging
- Four-inch high-quality color touch screen

| | Samsung Galaxy S – Captivate | Apple iPhone 4 | Motorola Droid Pro | Nokia N900 | BlackBerry Storm 2 9550 |
|---|---|---|---|---|---|
| Storage | 32 GB memory card | 32 GB flash drive | Supports up to 32 GB micro SD | Up to 32 GB Internal<br>16 GB mirco SD (sold separately) | 2GB eMMC<br>16MB media card included |
| Display | WVGA 4" touch screen | Retina display 3.5" (diagonal) widescreen multi-touch screen | HGVA<br>3.1" touch screen | WVGA<br>3.5" touch screen | 3.25" touch screen |
| Camera | Auto focus<br>5.0 MP<br>4× digital zoom<br>Video MPEG4, AAC, AAC+<br>H.263 H.264<br>Video streaming | Tap to focus<br>5.0 MP<br>VGA quality photos<br>LED flash<br>Video recording<br>Geotagging | Auto focus<br>5 MP<br>Digital zoom<br>LED flash<br>Image editing tools | Auto focus with two-stage capture key<br>5 MP<br>Dual LED flash<br>Image editing tools<br>Geotagging | Auto focus<br>3.2 MP<br>2x digital zoom<br>Flash<br>Auto focus<br>Image stabilization<br>Video recording |
| Price | $449-$599 | $723<br>$199 16 GB<br>$299 32 GB | $449–$489 | $349 | $349 |

|Exh. A.2|

Selected Smart Phone Products and Pricing

- Ultra-fast 64-gigabyte drive and expansion slots
- Integrated 12 megapixel camera with flash and photo editing/sharing tools

First-year sales revenues are projected to be $200 million, based on sales of 800,000 of the Sonic 1000 model at a wholesale price of $250 each. Our second-year product will be the Sonic All Media 2000, stressing enhanced multimedia communication, networking, and entertainment functions. The Sonic All Media 2000 will include Sonic 1000 features plus additional features such as:

- Built-in media beaming to share music, video, and television files with other devices
- Webcam for instant video capture and uploading to popular video Web sites
- Voice-command access to popular social networking Web sites

**2.5 Distribution** Sonic-branded products will be distributed through a network of retailers in the top 50 U.S. markets. Among the most important channel partners being contacted are:

**Distribution explains each channel for the company's products and mentions new developments and trends.**

- *Office supply superstores.* Office Max, Office Depot, and Staples will all carry Sonic products in stores, in catalogs, and online.
- *Computer stores.* CompUSA and independent computer retailers will carry Sonic products.
- *Electronics specialty stores.* Best Buy will feature Sonic smart phones in its stores, online, and in its media advertising.
- *Online retailers.* Amazon.com will carry Sonic smart phones and, for a promotional fee, will give Sonic prominent placement on its homepage during the introduction.

Distribution will initially be restricted to the United States, with appropriate sales promotion support. Later, we plan to expand into Canada and beyond.

# 3.0 Marketing Strategy

**3.1 Objectives** We have set aggressive but achievable objectives for the first and second years of market entry.

**Objectives should be defined in specific terms so management can measure progress and take corrective action to stay on track.**

- *First-Year Objectives.* We are aiming for a 1 percent share of the U.S. smart phone market through unit sales volume of 800,000.
- *Second-Year Objectives.* Our second-year objective is to achieve break-even on the Sonic 1000 and launch our second model.

All marketing strategies start with segmentation, targeting, and positioning.

**3.2 Target Markets** Sonic's strategy is based on a positioning of product differentiation. Our primary consumer target for the Sonic 1000 is middle- to upper-income professionals who need one fully loaded device to coordinate their busy schedules, stay in touch with family and colleagues, and be entertained on the go. Our secondary consumer target is high school, college, and graduate students who want a multimedia, dual-mode device. This segment can be described demographically by age (16–30) and education status. Our Sonic All Media 2000 will be aimed at teens and twentysomethings who want a device with features to support social networking and heavier, more extensive entertainment media consumption.

The primary business target for the Sonic 1000 is mid- to large-sized corporations that want to help their managers and employees stay in touch and input or access critical data when out of the office. This segment consists of companies with more than $25 million in annual sales and more than 100 employees. A secondary target is entrepreneurs and small business owners. Also we will target medical users who want to update or access patients' medical records.

Each of the marketing-mix strategies conveys Sonic's differentiation to these target market segments.

Positioning identifies the brand, benefits, points of difference, and parity for the product or line.

**3.3 Positioning** Using product differentiation, we are positioning the Sonic smart phone as the most versatile, convenient, value-added model for personal and professional use. Our marketing will focus on the value-priced multiple communication, entertainment, and information capabilities differentiating the Sonic 1000.

### 3.4 Strategies

Product strategy includes decisions about product mix and lines, brands, packaging and labeling, and warranties.

***Product*** The Sonic 1000, including all the features described in the earlier Product Review section and more, will be sold with a one-year warranty. We will introduce the Sonic All Media 2000 during the following year, after we have established our Sonic brand. The brand and logo (Sonic's distinctive yellow thunderbolt) will be displayed on our products and packaging as well as in all marketing campaigns.

Pricing strategy covers decisions about setting initial prices and adapting prices in response to opportunities and competitive challenges.

***Pricing*** The Sonic 1000 will be introduced at a $250 wholesale price and a $300 estimated retail price per unit. We expect to lower the price of this model when we expand the product line by launching the Sonic All Media 2000, to be priced at $350 wholesale per unit. These prices reflect a strategy of (1) attracting desirable channel partners and (2) taking share from established competitors.

Distribution strategy includes selection and management of channel relationships to deliver value to customers.

***Distribution*** Our channel strategy is to use selective distribution, marketing Sonic smart phones through well-known stores and online retailers. During the first year, we will add channel partners until we have coverage in all major U.S. markets and the product is included in the major electronics catalogs and Web sites. We will also investigate distribution through cell-phone outlets maintained by major carriers such as Verizon Wireless. In support of channel partners, we will provide demonstration products, detailed specification handouts, and full-color photos and displays featuring the product. Finally, we plan to arrange special payment terms for retailers that place volume orders.

Marketing communications strategy covers all efforts to communicate to target audiences and channel members.

***Marketing Communications*** By integrating all messages in all media, we will reinforce the brand name and the main points of product differentiation. Research about media consumption patterns will help our advertising agency choose appropriate media and timing to reach prospects before and during product introduction. Thereafter, advertising will appear on a pulsing basis to maintain brand awareness and communicate various differentiation messages. The agency will also coordinate public relations efforts to build the Sonic brand and support the differentiation message. To generate buzz, we will host a user-generated video contest on our Web site. To attract, retain, and motivate channel partners for a push strategy, we will use trade sales promotions and personal selling. Until the Sonic brand has been established, our communications will encourage purchases through channel partners rather than from our Web site.

The marketing mix includes tactics and programs that support product, pricing, distribution, and marketing communications strategy.

**3.5 Marketing Mix** The Sonic 1000 will be introduced in February. Here are summaries of action programs we will use during the first six months to achieve our stated objectives.

- *January.* We will launch a $200,000 trade sales promotion campaign and participate in major industry trade shows to educate dealers and generate channel support for the product launch in February. Also, we will create buzz by providing samples to selected product reviewers, opinion leaders, influential bloggers, and celebrities. Our training staff will work with retail sales personnel at major chains to explain the Sonic 1000's features, benefits, and advantages.

- *February.* We will start an integrated print/radio/Internet campaign targeting professionals and consumers. The campaign will show how many functions the Sonic smart phone can perform and emphasize the convenience of a single, powerful handheld device. This multimedia campaign will be supported by point-of-sale signage as well as online-only ads and video tours.
- *March.* As the multimedia advertising campaign continues, we will add consumer sales promotions such as a contest in which consumers post videos to our Web site, showing how they use the Sonic in creative and unusual ways. We will also distribute new point-of-purchase displays to support our retailers.
- *April.* We will hold a trade sales contest offering prizes for the salesperson and retail organization that sells the most Sonic smart phones during the four-week period.
- *May.* We plan to roll out a new national advertising campaign this month. The radio ads will feature celebrity voices telling their Sonic smart phones to perform functions such as initiating a phone call, sending an e-mail, playing a song or video, and so on. The stylized print and online ads will feature avatars of these celebrities holding their Sonic smart phones. We plan to repeat this theme for next year's product launch.
- *June.* Our radio campaign will add a new voice-over tagline promoting the Sonic 1000 as a graduation gift. We will exhibit at the semiannual electronics trade show and provide retailers with new competitive comparison handouts as a sales aid. In addition, we will analyze the results of customer satisfaction research for use in future campaigns and product development efforts.

**Programs should coordinate with the resources and activities of other departments that contribute to customer value for each product.**

**3.6 Marketing Research** Using research, we will identify specific features and benefits our target market segments value. Feedback from market tests, surveys, and focus groups will help us develop and fine-tune the Sonic All Media 2000. We are also measuring and analyzing customers' attitudes toward competing brands and products. Brand awareness research will help us determine the effectiveness and efficiency of our messages and media. Finally, we will use customer satisfaction studies to gauge market reaction.

**This section shows how marketing research will support the development, implementation, and evaluation of marketing strategies and programs.**

# 4.0 Financials

**Financials include budgets and forecasts to plan for marketing expenditures, scheduling, and operations.**

Total first-year sales revenue for the Sonic 1000 is projected at $200 million, with an average wholesale price of $250 per unit and variable cost per unit of $150 for unit sales volume of 800,000. We anticipate a first-year loss of up to $40 million. Break-even calculations indicate that the Sonic 1000 will become profitable after the sales volume exceeds 267,500 during the product's second year. Our break-even analysis assumes per-unit wholesale revenue of $250 per unit, variable cost of $150 per unit, and estimated first-year fixed costs of $26,750,000. With these assumptions, the break-even calculation is:

$$\frac{26{,}750{,}000}{\$250 - \$150} = 267{,}500 \text{ units}$$

# 5.0 Controls

**Controls help management measure results and identify any problems or performance variations that need corrective action.**

Controls are being established to cover implementation and the organization of our marketing activities.

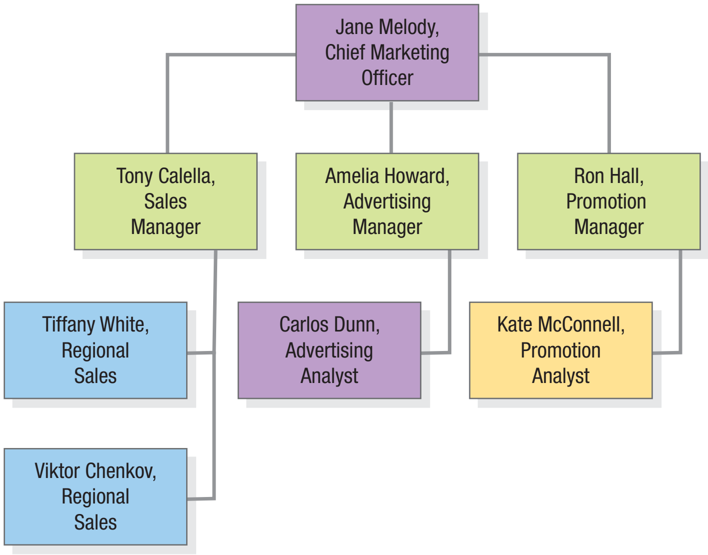
**5.1 Implementation** We are planning tight control measures to closely monitor quality and customer service satisfaction. This will enable us to react very quickly in correcting any problems that may occur. Other early warning signals that will be monitored for signs of deviation from the plan include monthly sales (by segment and channel) and monthly expenses.

**The marketing department may be organized by function, as in this sample, or by geography, product, customer, or some combination of these.**

**5.2 Marketing Organization** Sonic's chief marketing officer, Jane Melody, holds overall responsibility for all of the company's marketing activities. Exhibit A.3 shows the structure

|Exh. A.3|

Sonic's Marketing Organization




of the eight-person marketing organization. Sonic has hired Worldwide Marketing to handle national sales campaigns, trade and consumer sales promotions, and public relations efforts.

# Sonic Marketing Plan Chapter Assignments[1]

## Chapter 2

As an assistant to Jane Melody, Sonic's chief marketing officer, you've been assigned to draft a mission statement for top management's review. This should cover the competitive spheres within which the firm will operate and your recommendation of an appropriate generic competitive strategy. Using your knowledge of marketing, the information you have about Sonic, and library or Internet resources, answer the following questions.

- What should Sonic's mission be?
- In what competitive spheres (industry, products and applications, competence, market-segment, vertical, and geographic) should Sonic operate?
- Which of Porter's generic competitive strategies would you recommend Sonic follow in formulating overall strategy?

As your instructor directs, enter your answers and supporting information in a written marketing plan or use *Marketing Plan Pro* software to document your ideas.

## Chapter 3

Jane Melody asks you to scan Sonic's external environment for early warning signals of new opportunities and emerging threats that could affect the success of the Sonic 1000 smart phone. Using Internet or library sources (or both), locate information to answer three questions about key areas of the macroenvironment.

- What demographic changes are likely to affect Sonic's targeted segments?
- What economic trends might influence buyer behavior in Sonic's targeted segments?
- How might the rapid pace of technological change/alter Sonic's competitive situation?

Enter your answers about Sonic's environment in the appropriate sections of a written marketing plan or use the *Marketing Plan Pro* software to record your comments.

## Chapter 4

Your next task is to consider how marketing research can help Sonic support its marketing strategy. Jane Melody also asks you how Sonic can measure results after the marketing plan is implemented. She wants you to answer the following three questions.

- What surveys, focus groups, observation, behavioral data, or experiments will Sonic need to support its marketing strategy? Be specific about the questions or issues that Sonic needs to resolve using marketing research.
- Where can you find suitable secondary data about total demand for smart phones over the next two years? Identify at least two sources (online or offline), describe what you plan to draw from each source, and indicate how the data would be useful for Sonic's marketing planning.
- Recommend three specific marketing metrics for Sonic to apply in determining marketing effectiveness and efficiency.

Enter this information in the marketing plan you've been writing or use the *Marketing Plan Pro* software to document your responses.

## Chapter 5

Sonic has decided to focus on total customer satisfaction as a way of encouraging brand loyalty in a highly competitive marketplace. With this in mind, you've been assigned to analyze three specific issues as you continue working on Sonic's marketing plan.

- How (and how often) should Sonic monitor customer satisfaction?
- Would you recommend that Sonic use the Net Promoter method? Explain your reasoning.
- Which customer touch points should Sonic pay particularly close attention to, and why?

Consider your answers in the context of Sonic's current situation and the objectives it has set. Then enter your latest decisions in the written marketing plan or using *Marketing Plan Pro* software.

## Chapter 6

You're responsible for researching and analyzing the consumer market for Sonic's smart phone product. Look again at the data you've already entered about the company's current situation and macroenvironment, especially the market being targeted. Now answer these questions about the market and buyer behavior.

- What cultural, social, and personal factors are likely to most influence consumer purchasing of smart phones? What research tools would help you better understand the effect on buyer attitudes and behavior?
- Which aspects of consumer behavior should Sonic's marketing plan emphasize and why?
- What marketing activities should Sonic plan to coincide with each stage of the consumer buying process?

After you've analyzed these aspects of consumer behavior, consider the implications for Sonic's marketing efforts to support the launch of its smart phone. Finally, document your findings and conclusions in a written marketing plan or with *Marketing Plan Pro*.

## Chapter 7

You've been learning more about the business market for Sonic's smart phone. Jane Melody has defined this market as mid- to large-sized corporations that want their employees to stay in touch and be able to input or access data from any location. Respond to the following three questions based on your knowledge of Sonic's current situation and business-to-business marketing.

- What types of businesses appear to fit Melody's market definition? How can you research the number of employees and find other data about these types of businesses?
- What type of purchase would a Sonic smart phone represent for these businesses? Who would participate in and influence this type of purchase?
- Would demand for smart phones among corporate buyers tend to be inelastic? What are the implications for Sonic's marketing plan?

Your answers to these questions will affect how Sonic plans marketing activities for the business segments to be targeted. Take a few minutes to note your ideas in a written marketing plan or using *Marketing Plan Pro*.

## Chapter 8

Identifying suitable market segments and selecting targets are critical to the success of any marketing plan. As Jane Melody's assistant, you're responsible for market segmentation and targeting. Look back at the market information, buyer behavior data, and competitive details you previously gathered as you answer the following questions.

- Which variables should Sonic use to segment its consumer and business markets?
- How can Sonic evaluate the attractiveness of each identified segment? Should Sonic market to one consumer segment and one business segment or target more than one in each market? Why?
- Should Sonic pursue full market coverage, market specialization, product specialization, selective specialization, or single-segment concentration? Why?

Next, consider how your decisions about segmentation and targeting will affect Sonic's marketing efforts. Depending on your instructor's directions, summarize your conclusions in a written marketing plan or use *Marketing Plan Pro*.

## Chapter 9

Sonic is a new brand with no prior brand associations, which presents a number of marketing opportunities and challenges. Jane Melody has given you responsibility for making recommendations about three brand equity issues that are important to Sonic's marketing plan.

- What brand elements would be most useful for differentiating the Sonic brand from competing brands?
- How can Sonic sum up its brand promise for the new smart phone?
- Should Sonic add a brand for its second product or retain the Sonic name?

Be sure your brand ideas are appropriate in light of what you've learned about your targeted segments and the competition. Then add this information to your written marketing plan or the plan you've been developing with *Marketing Plan Pro* software.

## Chapter 10

As before, you're working with Jane Melody on Sonic's marketing plan for launching a new smart phone. Now you're focusing on Sonic's positioning and product life-cycle strategies by answering three specific questions.

- In a sentence or two, what is an appropriate positioning for the Sonic 1000 smart phone?
- Knowing the stage of Sonic's smart phone in the product life cycle, what are the implications for pricing, promotion, and distribution?
- In which stage of its evolution does the smart phone market appear to be? What does this mean for Sonic's marketing plans?

Document your ideas in a written marketing plan or in *Marketing Plan Pro*. Note any additional research you may need to determine how to proceed after the Sonic 1000 has been launched.

## Chapter 11

Sonic is a new entrant in an established industry characterized by competitors with relatively high brand identity and strong market positions. Use research and your knowledge of how to deal with competitors to consider three issues that will affect the company's ability to successfully introduce its first product:

- What factors will you use to determine Sonic's strategic group?
- Should Sonic select a class of competitor to attack on the basis of strength versus weakness, closeness versus distance, or good versus bad? Why is this appropriate in the smart phone market?

- As a start-up company, what competitive strategy would be most effective as Sonic introduces its first product?

Take time to analyze how Sonic's competitive strategy will affect its marketing strategy and tactics. Now summarize your ideas in a written marketing plan or using *Marketing Plan Pro* software.

## Chapter 12

Introducing a new product entails a variety of decisions about product strategy, including differentiation, ingredient branding, packaging, labeling, warranty, and guarantee. Your next task is to answer the following questions about Sonic's product strategy.

- Which aspect of product differentiation would be most valuable in setting Sonic apart from its competitors, and why?
- Should Sonic use ingredient branding to tout the Linux-based operating system that it says makes its smart phone more secure than smart phones based on some other operating systems?
- How can Sonic use packaging and labeling to support its brand image and help its channel partners sell the smart phone product more effectively?

Once you've answered these questions, incorporate your ideas into the marketing plan you've been writing or document them using the *Marketing Plan Pro* software.

## Chapter 13

You're planning customer support services for Sonic's new smart phone product. Review what you know about your target market and its needs; also think about what Sonic's competitors are offering. Then respond to these three questions about designing and managing services.

- What support services are buyers of smart phone products likely to want and need?
- How can Sonic manage gaps between perceived service and expected service to satisfy customers?
- What postsale service arrangements must Sonic make and how would you expect these to affect customer satisfaction?

Consider how your service strategy will support Sonic's overall marketing efforts. Summarize your recommendations in a written marketing plan or use *Marketing Plan Pro* to document your ideas.

## Chapter 14

You're in charge of pricing Sonic's product for its launch early next year. Review the SWOT analysis you previously prepared as well as Sonic's competitive environment, targeting strategy, and product positioning. Now continue working on your marketing plan by responding to the following questions.

- What should Sonic's primary pricing objective be? Explain your reasoning.
- Are smart phone customers likely to be price sensitive? What are the implications for your pricing decisions?
- What price adaptations (such as discounts, allowances, and promotional pricing) should Sonic include in its marketing plan?

Make notes about your answers to these questions and then document the information in a written marketing plan or use *Marketing Plan Pro* software, depending on your instructor's directions.

## Chapter 15

At Sonic, you have been asked to develop a marketing channel system for the new Sonic 1000 smart phone. Based on what you know about designing and managing integrated marketing channels, answer the three questions that follow.

- Do you agree with Jane Melody's decision to use a push strategy for the new product? Explain your reasoning.
- How many channel levels are appropriate for Sonic's targeted consumer and business segments?
- In determining the number of channel members, should you use exclusive, selective, or intensive distribution? Why?

Be sure your marketing channel ideas support the product positioning and are consistent with the goals that have been set. Record your recommendations in a written marketing plan or use *Marketing Plan Pro*.

## Chapter 16

At this point, you need to make more specific decisions about managing the marketing intermediaries for Sonic's first product. Formulate your ideas by answering the following questions.

- What types of retailers would be most appropriate for distributing Sonic's smart phone? What are the advantages and disadvantages of selling through these types of retailers?
- What role should wholesalers play in Sonic's distribution strategy? Why?
- What market-logistics issues must Sonic consider for the launch of its first smart phone?

Summarize your decisions about retailing, wholesaling, and logistics in the marketing plan you've been writing or in the *Marketing Plan Pro* software.

## Chapter 17

Jane Melody has assigned you to plan integrated marketing communications for Sonic's new product introduction. Review the data, decisions, and strategies you previously documented in your marketing plan before you answer the next three questions.

- What communications objectives are appropriate for Sonic's initial campaign?
- How can Sonic use personal communications channels to influence its target audience?
- Which communication tools would you recommend using after Sonic's initial product has been in the market for six months? Why?

Confirm that your marketing communications plans make sense in light of Sonic's overall marketing efforts. Now, as your instructor directs, summarize your thoughts in a written marketing plan or in the *Marketing Plan Pro* software.

## Chapter 18

Mass communications will play a key role in Sonic's product introduction. After reviewing your earlier decisions and thinking about the current situation (especially your competitive circumstances), respond to the following questions to continue planning Sonic's marketing communications strategy.

- Once Sonic begins to use consumer advertising, what goals would be appropriate?
- Should Sonic continue consumer and trade sales promotion after the new product has been in the market for six months? Explain your reasoning.
- Jane Melody wants you to recommend an event sponsorship possibility that would be appropriate for the new product campaign. What type of event would you suggest and what objectives would you set for the sponsorship?

Record your ideas about mass communications in the marketing plan you've been writing or use *Marketing Plan Pro.*

## Chapter 19

Sonic needs a strategy for managing personal communications during its new product launch. This is the time to look at interactive marketing, word of mouth, and personal selling. Answer these three questions as you consider Sonic's personal communications strategy.

- Which forms of interactive marketing are appropriate for Sonic, given its objectives, mass communications arrangements, and channel decisions?
- How should Sonic use word of mouth to generate brand awareness and encourage potential buyers to visit retailers to see the new smart phone in person?
- Does Sonic need a direct sales force or can it sell through agents and other outside representatives?

Look back at earlier decisions and ideas before you document your comments about personal communications in your written marketing plan or using *Marketing Plan Pro* software.

## Chapter 20

Knowing that the smart phone market is likely to remain highly competitive, Jane Melody wants you to look ahead at how Sonic can develop new products outside the smart phone market. Review the competitive situation and the market situation before you continue working on the Sonic marketing plan.

- List three new-product ideas that build on Sonic's strengths and the needs of its various target segments. What criteria should Sonic use to screen these ideas?
- Develop the most promising idea into a product concept and explain how Sonic can test this concept. What particular dimensions must be tested?
- Assume that the most promising idea tests well. Now develop a marketing strategy for introducing it, including a description of the target market; the product positioning; the estimated sales, profit, and market share goals for the first year; your channel strategy; and the marketing budget you will recommend for this new product introduction. If possible, estimate Sonic's costs and conduct a break-even analysis.

Document all the details of your new-product development ideas in the written marketing plan or use *Marketing Plan Pro* software.

## Chapter 21

As Jane Melody's assistant, you're researching how to market the Sonic 1000 smart phone product outside the United States within a year. You've been asked to answer the following questions about Sonic's use of global marketing.

- As a start-up company, should Sonic use indirect or direct exporting, licensing, joint ventures, or direct investment to enter the Canadian market next year? To enter other markets? Explain your answers.
- If Sonic starts marketing its smart phone in other countries, which of the international product strategies is most appropriate? Why?
- Although some components are made in Asia, Sonic's smart phones will be assembled in Mexico through a contractual arrangement with a local factory. How are country-of-origin perceptions likely to affect your marketing recommendations?

Think about how these global marketing issues fit into Sonic's overall marketing strategy. Now document your ideas in the marketing plan you've been writing or using *Marketing Plan Pro*.

## Chapter 22

With the rest of the marketing plan in place, you're ready to make recommendations about how to manage Sonic's marketing activities. Here are some specific questions Jane Melody wants you to consider.

- How can Sonic drive customer-focused marketing and strategic innovation throughout the organization?
- What role should social responsibility play in Sonic's marketing?
- How can Sonic evaluate its marketing? Suggest several specific steps the company should take.

To complete your marketing plan, enter your answers to these questions in the written marketing plan or in *Marketing Plan Pro* software. Finally, draft the executive summary of the plan's highlights.

*This page intentionally left blank*

# Endnotes

## Chapter 1


1. Michael Learmonth, "Social Media Paves Way to White House," *Advertising Age*, March 30, 2009, p. 16; Noreen O'Leary, "GMBB," *AdweekMedia*, June 15, 2009, p. 2; John Quelch, "The Marketing of a President," *Harvard Business School Working Knowledge*, November 12, 2008.
2. Philip Kotler, "Marketing: The Underappreciated Workhorse," *Market Leader* Quarter 2 (2009), pp. 8–10.
3. Peter C. Verhoef and Peter S. H. Leeflang, "Understanding the Marketing Department's Influence within the Firm," *Journal of Marketing* 73 (March 2009), pp. 14–37.
4. Eric Newman, "To Boost the Bottom Line, Strengthen the Front Line," *Brandweek*, June 9, 2008, p. 10.
5. Stephanie Clifford, "A Video Prank at Domino's Taints Brand," *New York Times*, April 15, 2009; Thom Forbes, "Domino's Takes Cautious Approach to 'Prank' Video," *Ad Age*, April 15, 2009.
6. Jon Fine, "Marketing's Drift Away From Media," *BusinessWeek*, August 17, 2009, p. 64.
7. American Marketing Association, "Definition of Marketing," www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx, 2007; Lisa Keefe, "Marketing Defined," *Marketing News*, January 15, 2008, pp. 28–29.
8. Peter Drucker, *Management: Tasks, Responsibilities, Practices* (New York: Harper and Row, 1973), pp. 64–65.
9. B. Joseph Pine II and James Gilmore, *The Experience Economy* (Boston: Harvard Business School Press, 1999); Bernd Schmitt, *Experience Marketing* (New York: Free Press, 1999); Philip Kotler, "Dream Vacations: The Booming Market for Designed Experiences," *The Futurist,* October 1984, pp. 7–13.
10. Irving J. Rein, Philip Kotler, Michael Hamlin, and Martin Stoller, *High Visibility*, 3rd ed. (New York: McGraw-Hill, 2006).
11. Philip Kotler, Christer Asplund, Irving Rein, and Donald H. Haider, *Marketing Places in Europe: Attracting Investments, Industries, Residents, and Visitors to European Cities, Communities, Regions, and Nations* (London: Financial Times Prentice Hall, 1999); Philip Kotler, Irving J. Rein, and Donald Haider, *Marketing Places: Attracting Investment, Industry, and Tourism to Cities, States, and Nations* (New York: Free Press, 1993).
12. Michael McCarthy, "Vegas Goes Back to Naughty Roots," *USA Today*, April 11, 2005; Julie Dunn, "Vegas Hopes for Payoff with Denverites," *Denver Post*, June 16, 2005; John M. Broder, "The Pied Piper of Las Vegas Seems to Have Perfect Pitch," *New York Times*, June 4, 2004; Chris Jones, "Las Vegas Tourism: Fewer Visitors, Don't Blame Fuel," *Las Vegas Review-Journal*, July 15, 2006; Richard Velotta, "Report: Las Vegas Tourism Tumbles 11.9 percent in January," *Las Vegas Sun*, March 10, 2009.
13. Carl Shapiro and Hal R. Varian, "Versioning: The Smart Way to Sell Information," *Harvard Business Review,* November–December 1998, pp. 106–14.
14. John R. Brandt, "Dare to Be Different," *Chief Executive*, May 2003, pp. 34–38.
15. Jena McGregor, Matthew Boyle, and Peter Burrows, "Your New Customer: The State," *BusinessWeek*, March 23 and 30, 2009, p. 66.
16. Jeffrey Rayport and John Sviokla, "Exploring the Virtual Value Chain," *Harvard Business Review,* November– December 1995, pp. 75–85; Jeffrey Rayport and John Sviokla, "Managing in the Marketspace," *Harvard Business Review,* November–December 1994, pp. 141–150.
17. Mohan Sawhney, *Seven Steps to Nirvana* (New York: McGraw-Hill, 2001).
18. Nikolaus Franke, Peter Keinz, and Christoph J. Steger, "Testing the Value of Customization: When Do Customers Really Prefer Products Tailored to Their Preferences?" *Journal of Marketing* 73 (September 2009), pp. 103–21.
19. Tom Szaky, "Revolution in a Bottle," *Portfolio Trade*, 2009; Linda M. Castellito, "TerraCycle Founder's Journey Started with Worm Poop," *USA Today*, September 25, 2009, p. 5B.
20. "Food Site Finds Recipe For Mixing in Sponsors, On the Hot Seat," *Boston Globe*, September 6, 2009, p. G3; "Allrecipes.com Stirs Up Success," press release, www.allrecipes.com, July 21, 2009; Eric Engelman, "Questions for Lisa Sharples, President of Allrecipes.com," *Puget Sound Business Journal*, October 10, 2008.
21. Adam Lashinsky, "Shoutout in Gadget Land," *Fortune*, November 10, 2003, pp. 77–86; "Computer Industry Trends: Top 100 Companies," www.netvalley.com; Tim Conneally, "Gartner: Acer Gains Big Worldwide, Apple Gains in US," *Betanews*, October 15, 2008.
22. "Dick's Sporting Goods, Inc. (DKS.N) (New York Stock Exchange)," *Reuters,* www.reuters.com.
23. Anya Kamenetz, "The Network Unbound," *Fast Company*, June 2006, pp. 69–73.
24. David Kiley, "Advertisers, Start Your Engines," *BusinessWeek*, March 6, 2006, p. 26; Cameron Wykes, "Making Sense Out of Social Nets," *AdweekMedia*, July 6, 2009, p. 2.
25. "2005 Marketing Receptivity Survey," *Yankelovich Partners Inc*., April 18, 2005.
26. Kate Brumbeck, "Alabama Flea Market Owner Turns Into YouTube Phenomenon," *Associated Press*, June 30, 2007.
27. Martin Bosworth, "Loyalty Cards: Rewards or Threats?" *ConsumerAffairs.com*, July 11, 2005.

28. Antonio Gonsalves, "Dell Makes $3 Million from Twitter-Related Sales," *InformationWeek*, June 12, 2009.
29. Linda Tischler, "What's The Buzz?" *Fast Company*, May 2004, p. 76.
30. Valerie Alderson, "Measuring the Value of a Managed WOM Program in Test & Control Markets," *BzzAgent Inc.,* 2007.
31. Suzanne Vranica, "Marketers Aim New Ads at Video iPod Users," *Wall Street Journal*, January 31, 2006; Kevin Redmond, "GPS + Mobile Marketing = Goodness," *Barbarian Blog*, February 21, 2009.
32. Bruce Horovitz, "In Trend Toward Vanity Food, It's Getting Personal," *USA Today*, August 9, 2006.
33. Josh Catone, "15 Companies That Really Get Corporate Blogging," www.sitepoint.com.
34. "Intranet Case Study: GM's mySocrates," www.communitelligence.com.
35. Gail McGovern and John A. Quelch, "The Fall and Rise of the CMO," *Strategy + Business*, Winter 2004.
36. Richard Rawlinson, "Beyond Brand Management," *Strategy + Business*, Summer 2006.
37. Jennifer Rooney, "As If You Didn't Know by Now, It's About the Bottom Line for CMOs," *Advertising Age*, May 5, 2008, pp. 3–57.
38. Elisabeth Sullivan, "Solving the CMO Puzzle," *Marketing News*, March 30, 2009, p. 12.
39. Constantine von Hoffman, "Armed with Intelligence," *Brandweek*, May 29, 2006, pp. 17–20.
40. "China's Second Biggest PC Maker to Push Windows," www.digitalworldtokyo.com, April 15, 2006.
41. Robert J. Keith, "The Marketing Revolution," *Journal of Marketing* 24 (January 1960), pp. 35–38; John B. McKitterick, "What Is the Marketing Management Concept?" Frank M. Bass, ed., *The Frontiers of Marketing Thought and Action* (Chicago: American Marketing Association, 1957), pp. 71–82; Fred J. Borch, "The Marketing Philosophy as a Way of Business Life," *The Marketing Concept: Its Meaning to Management* (Marketing series, no. 99; New York: American Management Association, 1957), pp. 3–5.
42. Theodore Levitt, "Marketing Myopia," *Harvard Business Review,* July–August 1960, p. 50.
43. Rohit Deshpande and John U. Farley, "Measuring Market Orientation: Generalization and Synthesis," *Journal of Market-Focused Management* 2 (1998), pp. 213–32; Ajay K. Kohli and Bernard J. Jaworski, "Market Orientation: The Construct, Research Propositions, and Managerial Implications," *Journal of Marketing* 54 (April 1990), pp. 1–18; John C. Narver and Stanley F. Slater, "The Effect of a Market Orientation on Business Profitability," *Journal of Marketing* 54 (October 1990), pp. 20–35.
44. Evert Gummesson, *Total Relationship Marketing* (Boston: Butterworth-Heinemann, 1999); Regis McKenna, *Relationship Marketing* (Reading, MA: Addison-Wesley, 1991); Martin Christopher, Adrian Payne, and David Ballantyne, *Relationship Marketing: Bringing Quality, Customer Service, and Marketing Together* (Oxford, UK: Butterworth-Heinemann, 1991).
45. James C. Anderson, Hakan Hakansson, and Jan Johanson, "Dyadic Business Relationships within a Business Network Context," *Journal of Marketing* 58 (October 15, 1994), pp. 1–15.
46. Larry Selden and Yoko S. Selden, "Profitable Customer: The Key to Great Brands," *Advertising Age,* July 10, 2006, p. S7; Larry Selden and Geoffrey Colvin, *Angel Customers and Demon Customers* (New York, NY: Portfolio, 2003).
47. Allison Fass, "Theirspace.com," *Forbes*, May 8, 2006, pp. 122–24.
48. Paula Andruss, "Employee Ambassadors, *Marketing News*, December 15, 2008, pp. 26–27; www.snowshoemtn.com.
49. Christian Homburg, John P. Workman Jr., and Harley Krohmen, "Marketing's Influence within the Firm," *Journal of Marketing* 63 (January 1999), pp. 1–15.
50. Robert Shaw and David Merrick, *Marketing Payback: Is Your Marketing Profitable?* (London, UK: Pearson Education, 2005).
51. Rajendra Sisodia, David Wolfe, and Jagdish Sheth, *Firms of Endearment: How World-Class Companies Profit from Passion* (Upper Saddle River, NJ: Wharton School Publishing, 2007).
52. If choosing to develop a strategic corporate social responsibility program, see Michael E. Porter and Mark R. Kramer, "Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review,* December 2006, pp. 78–92.
53. Jeffrey Hollender and Stephen Fenichell, *What Matters Most* (New York: Basic Books, 2004), p. 168.
54. Tara Weiss, "Special Report: Going Green," *Forbes.com*, July 3, 2007; Matthew Grimm, "Progressive Business," *Brandweek*, November 28, 2005, pp. 16–26.
55. E. Jerome McCarthy and William D. Perreault, *Basic Marketing: A Global-Managerial Approach,* 14th ed. (Homewood, IL: McGraw-Hill/Irwin, 2002).
56. Joann Muller, "Ford: Why It's Worse Than You Think," *BusinessWeek*, June 25, 2001; Ford 1999 Annual Report; Greg Keenan, "Six Degrees of Perfection," *Globe and Mail*, December 20, 2000.


## Chapter 2


1. Catherine Holahan, "Yahoo!'s Bid to Think Small," *BusinessWeek*, February 26, 2007, p. 94; Ben Elgin, "Yahoo!'s Boulevard of Broken Dreams," *BusinessWeek*, March 13, 2006, pp. 76–77; Justin Hibbard, "How Yahoo! Gave Itself a Face-Lift," *BusinessWeek*, October 9, 2006, pp. 74–77; Kevin J. Delaney, "As Yahoo! Falters, Executive's Memo Calls for Overhaul," *Wall Street Journal*, November 18, 2006; "Yahoo!'s Personality Crisis," *Economist*, August 13, 2005, pp. 49–50; Fred Vogelstein, "Yahoo!'s Brilliant Solution," *Fortune*, August 8, 2005, pp. 42–55.
2. Nirmalya Kumar, *Marketing as Strategy: The CEO's Agenda for Driving Growth and Innovation* (Boston:

Harvard Business School Press, 2004); Frederick E. Webster Jr., "The Future Role of Marketing in the Organization," Donald R. Lehmann and Katherine Jocz, eds., *Reflections on the Futures of Marketing* (Cambridge, MA: Marketing Science Institute, 1997), pp. 39–66.

3. Michael E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance* (New York: Free Press, 1985).
4. For an academic treatment of benchmarking, see Douglas W. Vorhies and Neil A. Morgan, "Benchmarking Marketing Capabilities for Sustained Competitive Advantage," *Journal of Marketing* 69 (January 2005), pp. 80–94.
5. Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (New York: Harper Business, 1993).
6. Ibid.; Jon R. Katzenbach and Douglas K. Smith, *The Wisdom of Teams: Creating the High-Performance Organization* (Boston: Harvard Business School Press, 1993).
7. Sachi Izumi, "Sony to Halve Suppliers," *Reuters*, May 21, 2009.
8. C. K. Prahalad and Gary Hamel, "The Core Competence of the Corporation," *Harvard Business Review,* May–June 1990, pp. 79–91.
9. George S. Day, "The Capabilities of Market-Driven Organizations," *Journal of Marketing* 58 (October 1994), p. 38.
10. George S. Day and Paul J. H. Schoemaker, *Peripheral Vision: Detecting the Weak Signals That Will Make or Break Your Company* (Cambridge, MA: Harvard Business School Press, 2006); Paul J. H. Schoemaker and George S. Day, "How to Make Sense of Weak Signals," *MIT Sloan Management Review* (Spring 2009), pp. 81–89.
11. "Kodak Plans to Cut Up to 5,000 More Jobs," *Bloomberg News,* February 8, 2007; Leon Lazaroff, "Kodak's Big Picture Focusing on Image Change," *Chicago Tribune*, January 29, 2006.
12. *Pew Internet and American Life Project Survey,* November–December 2000.
13. Peter Drucker, *Management: Tasks, Responsibilities and Practices* (New York: Harper and Row, 1973), chapter 7.
14. Kawasaki also humorously suggests checking out comic strip character Dilbert's mission statement generator first if one has to be developed by the organization: *Dilbert.com.*
15. *The Economist: Business Miscellany* (London: Profile Books Ltd, 2005), pp. 32–33.
16. Peter Freedman, "The Age of the Hollow Company," *TimesOnline*, April 25, 2004; *Pew Internet and American Life Project Survey,* November–December 2000.
17. Jeffrey F. Rayport and Bernard J. Jaworski, *e-commerce* (New York: McGraw-Hill, 2001), p. 116.
18. Tilman Kemmler, Monika Kubicová, Robert Musslewhite, and Rodney Prezeau, "E-Performance II—The Good, the Bad, and the Merely Average," an exclusive to *mckinseyquarterly.com,* 2001.
19. Bruce Horovitz, "Campbell's 10-Year Goal to Clean Up a Soupy Mess," *USA Today*, January 26, 2009, p. 1B.
20. Dorothy Pomerantz, "Leading Man," *Forbes*, May 19, 2008, p. 82–97; Shira Ovide, "Ad Slump, Web Charges Hurt News Corp.," *Wall Street Journal*, August 6, 2009, p. B4.
21. This section is based on Robert M. Grant, *Contemporary Strategy Analysis*, 7th ed. (New York: John Wiley & Sons, 2009), chapter 17.
22. Tom Lowry, "ESPN's Cell Phone Fumble," *BusinessWeek,* October 30, 2006, p. 26.
23. Jesse Eisinger, "The Marriage from Hell," *Condé Nast Portfolio*, February 2008, pp. 84–88, 132.
24. Tim Goodman, "NBC Everywhere?" *San Francisco Chronicle,* September 4, 2003.
25. Jon Fortt, "Mark Hurd, Superstar," *Fortune*, June 9, 2008, pp. 35–40.
26. Jena McGregor, "The World's Most Innovative Companies," *BusinessWeek*, April 24, 2006, pp. 63–74.
27. E. Jerome McCarthy, *Basic Marketing: A Managerial Approach,* 12th ed. (Homewood, IL: Irwin, 1996).
28. Paul J. H. Shoemaker, "Scenario Planning: A Tool for Strategic Thinking," *Sloan Management Review* (Winter 1995), pp. 25–40.
29. Ronald Grover, "Hollywood Ponders a Post-DVD Future, *BusinessWeek*, March 2, 2009, p. 56; Brooks Barnes, "Movie Studios See a Threat in Growth of Redbox," *New York Times*, September 7, 2009.
30. Philip Kotler, *Kotler on Marketing* (New York: Free Press, 1999).
31. Ibid.
32. Phaedra Hise, "Was It Time to Go Downmarket?" *Inc*., September 2006, p. 47; Patrick J. Sauer, "Returning to Its Roots," *Inc*., November 2007; www.loanbright.com.
33. Dominic Dodd and Ken Favaro, "Managing the Right Tension," *Harvard Business Review,* December 2006, pp. 62–74.
34. Michael E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: Free Press, 1980), chapter 2.
35. Michael E. Porter, "What Is Strategy?" *Harvard Business Review,* November–December 1996, pp. 61–78.
36. For some readings on strategic alliances, see John R. Harbison and Peter Pekar, *Smart Alliances: A Practical Guide to Repeatable Success* (San Francisco, CA: Jossey-Bass, 1998); Peter Lorange and Johan Roos, *Strategic Alliances: Formation, Implementation and Evolution* (Cambridge, MA: Blackwell, 1992); Jordan D. Lewis, *Partnerships for Profit: Structuring and Managing Strategic Alliances* (New York: Free Press, 1990).
37. Bharat Book Bureau, *Strategic Alliances in World Pharma and Biotech Markets*, May 2008.
38. Kerry Capell, "Vodafone: Embracing Open Source with Open Arms," *BusinessWeek*, April 20, 2009,

pp. 52–53; "Call the Carabiniere," *The Economist*, May 16, 2009, p. 75.

39. Robin Cooper and Robert S. Kalpan, "Profit Priorities from Activity-Based Costing," *Harvard Business Review,* May–June 1991, pp. 130–135.
40. See Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Press, 1996) as a tool for monitoring stakeholder satisfaction.
41. Thomas J. Peters and Robert H. Waterman Jr., *In Search of Excellence: Lessons from America's Best-Run Companies* (New York: Harper and Row, 1982), pp. 9–12.
42. John P. Kotter and James L. Heskett, *Corporate Culture and Performance* (New York: Free Press, 1992); Stanley M. Davis, *Managing Corporate Culture* (Cambridge, MA: Ballinger, 1984); Terrence E. Deal and Allan A. Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life* (Reading, MA: Addison-Wesley, 1982); "Corporate Culture," *BusinessWeek,* October 27, 1980, pp. 148–160.
43. Marian Burk Wood, *The Marketing Plan: A Handbook* (Upper Saddle River, NJ: Prentice Hall, 2003).
44. Donald R. Lehmann and Russell S. Winer, *Product Management,* 3rd ed. (Boston: McGraw-Hill/Irwin, 2001).
45. David B. Hertz, "Risk Analysis in Capital Investment," *Harvard Business Review,* January–February 1964, pp. 96–106.

## Chapter 3

1. Susan Warren, "Pillow Talk: Stackers Outnumber Plumpers; Don't Mention Drool," *Wall Street Journal,* January 8, 1998.
2. Ronald D. Michman, Edward M. Mazze, and Alan J. Greco, *Lifestyle Marketing: Reaching the New American Consumer* (Westport: Praeger, 2008).
3. "Insights," *Nielsen*, www.claritas.com/target-marketing/resources/case-study/michigan-economic-development-corp.jsp.
4. "Mobile Access to Inventory Data Reduces Back Orders by 80 Percent," www.microsoft.com/casestudies; "Smarter Supply Chain Utilization for the Retailer," www.microsoft.com/casestudies; "Ten Ways to Reduce Inventory While Maintaining or Improving Service," www.microsoft.com/casestudies.
5. "Vendor-Managed Inventory in Consumer Electronics and Durables," *The Supply Chain Company*, www.i2.com/industries/consumer_industries/vmi/vmi_case_study.cfm.
6. William Holstein, "The Dot Com within Ford," *BusinessWeek*, January 30, 2000.
7. Mara Der Hovanesian, "Wells Fargo," *BusinessWeek,* November 24, 2004, p. 96.
8. Jeff Zabin, "The Importance of Being Analytical," *Brandweek*, July 24, 2006, p. 21; Stephen Baker, "Math Will Rock Your World," *BusinessWeek*, January 23, 2006, pp. 54–62; Michelle Kessler and Byron Acohido, "Data Miners Dig a Little Deeper," *USA Today*, July 11, 2006.
9. Leonard M. Fuld, "Staying a Step Ahead of the Rest," *Chief Executive* 218 (June 2006), p. 32.
10. "Spies, Lies & KPMG," *BusinessWeek*, February 26, 2007.
11. Jennifer Esty, "Those Wacky Customers!" *Fast Company,* January 2004, p. 40.
12. Helen Coster, "Shopping Cart Psychology," *Forbes*, September 7, 2009, pp. 64–65.
13. Sara Steindorf, "Shoppers Spy on Those Who Serve," *Christian Science Monitor,* May 28, 2002; Edward F. McQuarrie, *Customer Visits: Building a Better Market Focus,* 2nd ed. (Newbury Park, CA: Sage Press, 1998).
14. Shirely S. Wang, "Heath Care Taps 'Mystery Shoppers,'" *Wall Street Journal,* August 10, 2006.
15. Heather Green, "It Takes a Web Village," *Business Week,* September 4, 2006, p. 66.
16. Amy Merrick, "Counting on the Census," *Wall Street Journal,* February 14, 2001.
17. Kim Girard, "Strategies to Turn Stealth into Wealth," *Business 2.0,* May 2003, p. 66.
18. "The Blogs in the Corporate Machine," *The Economist*, February 11, 2006, pp. 55–56; also adapted from Robin T. Peterson and Zhilin Yang, "Web Product Reviews Help Strategy," *Marketing News,* April 7, 2004, p. 18.
19. American Productivity & Quality Center, "User-Driven Competitive Intelligence: Crafting the Value Proposition," December 3–4, 2002.
20. Alex Wright, "Mining the Web for Feelings, Not Facts," *New York Times*, August 24, 2009; Sarah E. Needleman, "For Companies, a Tweet in Time Can Avert PR Mess, *Wall Street Journal*, August 3, 2009, p. B6.
21. See *BadFads Museum*, www.badfads.com, for examples of fads and collectibles through the years.
22. Katy McLaunghlin, "Macaroni Grill's Order: Cut Calories, Keep Customers," *Wall Street Journal*, September 16, 2009, p. B6.
23. John Naisbitt and Patricia Aburdene, *Megatrends 2000* (New York: Avon Books, 1990).
24. Indata, *IN* (June 2006), p. 27.
25. World POPClock, U.S. Census Bureau, www.census.gov, 2009.
26. See Donella H. Meadows, Dennis L. Meadows, and Jorgen Randers, *Beyond Limits* (White River Junction, VT: Chelsea Green, 1993) for some commentary; http://geography.about.com/od/obtainpopulationdata/a/worldvillage.htm.
27. "World Development Indicators Database," *World Bank*, http://site resources.worldbank.org/DATASTATISTICS/Resources/POP.pdf, September 15, 2009; "World Population Growth," www.worldbank. org/depweb/english/beyond/beyondco/beg_03.pdf.
28. Andrew Zolli, "Demographics: The Population Hourglass," *Fast Company,* www.fastcompany.com/magazine/103/open_essay-demographics.html, December 19, 2007.
29. Brian Grow, "Hispanic Nation," *BusinessWeek,* March 15, 2004, pp. 58–70.

**30.** Queena Sook Kim, "Fisher-Price Reaches for Hispanics," *Wall Street Journal,* November 1, 2004.

**31.** For descriptions on the buying habits and marketing approaches to African Americans and Hispanics, see M. Isabel Valdes, *Marketing to American Latinos: A Guide to the In-Culture Approach, Part II* (Ithaca, NY: Paramount Market Publishing, 2002); Alfred L. Schreiber, *Multicultural Marketing* (Lincolnwood, IL: NTC Business Books, 2001).

**32.** Jacquelyn Lynn, "Tapping the Riches of Bilingual Markets," *Management Review,* March 1995, pp. 56–61; Mark R. Forehand and Rohit Deshpandé, "What We See Makes Us Who We Are: Priming Ethnic Self-Awareness and Advertising Response," *Journal of Marketing Research* 38 (August 2001), pp. 336–48.

**33.** Tennille M. Robinson, "Tapping into Black Buying Power," *Black Enterprise* 36 (January 2006), p. 64.

**34.** *The Central Intelligence Agency's World Factbook*, www.cia.gov/library/publications/the-world-factbook, December 9, 2010.

**35.** "Projections of the Number of Households and Families in the United States: 1995–2010, P25–1129," *U.S. Department of Commerce, Bureau of the Census,* www.census.gov/prod/1/pop/p25-1129.pdf, December 9, 2010.

**36.** Michelle Conlin, "Unmarried America," *BusinessWeek,* October 20, 2003, pp. 106–116; James Morrow, "A Place for One," *American Demographics,* November 2003, pp. 25–30.

**37.** Rebecca Gardyn, "A Market Kept in the Closet," *American Demographics,* November 2001, pp. 37–43.

**38.** Nanette Byrnes, "Secrets of the Male Shopper," *BusinessWeek,* September 4, 2006, p. 44.

**39.** Elisabeth Sullivan, "The Age of Prudence," *Marketing News*, April 15, 2009, pp. 8–11; Steve Hamm, "The New Age of Frugality," *BusinessWeek*, October 20, 2008, pp. 55–60; Jessica Deckler, "Never Pay Retail Again," *CNNMoney.com,* May 30, 2008.

**40.** David Welch, "The Incredible Shrinking Boomer Economy," *BusinessWeek*, August 3, 2009, pp. 27–30.

**41.** Julie Schlosser, "Infosys U.," *Fortune,* March 20, 2006, pp. 41–42.

**42.** Pamela Paul, "Corporate Responsibility," *American Demographics,* May 2002, pp. 24–25.

**43.** Stephen Baker, "Wiser about the Web," *BusinessWeek,* March 27, 2006, pp. 53–57.

**44.** "Clearing House Suit Chronology," *Associated Press,* January 26, 2001; Paul Wenske, "You Too Could Lose $19,000!" *Kansas City Star,* October 31, 1999.

**45.** Laura Zinn, "Teens: Here Comes the Biggest Wave Yet," *BusinessWeek,* April 11, 2004, pp. 76–86.

**46.** Chris Taylor (ed.), "Go Green. Get Rich." *Business 2.0*, January/February 2007, pp. 68–79.

**47.** Subhabrata Bobby Banerjee, Easwar S. Iyer, and Rajiv K Kashyap, "Corporate Enviromentalism: Antecedents and Influence of Industry Type," *Journal of Marketing* 67 (April 2003), pp. 106–22.

**48.** Chris Taylor, ed., "Go Green. Get Rich." *Business 2.0*, January/February 2007, pp. 68–79.

**49.** See Dorothy Cohen, *Legal Issues on Marketing Decision Making* (Cincinnati: South-Western, 1995).

**50.** Rebecca Gardyn, "Swap Meet," *American Demographics,* July 2001, pp. 51–55.

**51.** Pamela Paul, "Mixed Signals," *American Demographics,* July 2001, pp. 45–49.

**52.** Conference Summary, "Excelling in Today's Multimedia World," Economist Conferences' Fourth Annual Marketing Roundtable, Landor, March 2006.

**53.** For a good discussion and illustration, see Roger J. Best, *Market-Based Management,* 4th ed. (Upper Saddle River, NJ: Prentice Hall, 2005).

**54.** For further discussion, see Gary L. Lilien, Philip Kotler, and K. Sridhar Moorthy, *Marketing Models* (Upper Saddle River, NJ: Prentice Hall, 1992).

**55.** www.naics.com; www.census.gov/epcd/naics02, December 9, 2010.

**56.** Stanley F. Slater and Eric M. Olson, "Mix and Match," *Marketing Management,* July–August 2006, pp. 32–37; Brian Sternthal and Alice M. Tybout, "Segmentation and Targeting," Dawn Iacobucci, ed., *Kellogg on Marketing* (New York: John Wiley & Sons, 2001), pp. 3–30.

**57.** Stephanie Clifford, "Measuring the Results of an Ad Right Down to the City Block," *New York Times*, August 5, 2009.

**58.** For an excellent overview of market forecasting, see Scott Armstrong, ed., *Principles of Forecasting: A Handbook for Researchers and Practitioners* (Norwell, MA: Kluwer Academic Publishers, 2001) and his Web site: www.forecastingprinciples.com; Also see Roger J. Best, "An Experiment in Delphi Estimation in Marketing Decision Making," *Journal of Marketing Research* 11 (November 1974), pp. 447–52; Norman Dalkey and Olaf Helmer, "An Experimental Application of the Delphi Method to the Use of Experts," *Management Science*, April 1963, pp. 458–67.

## Chapter 4

**1.** Jia Lynn Yang, "The Bottom Line," *Fortune*, September 1, 2008, pp. 107–12 Jack Neff, "From Mucus to Maxi Pads: Marketing's Dirtiest Jobs," *Advertising Age*, February 16, 2009, p. 9.

**2.** See Robert Schieffer, *Ten Key Customer Insights: Unlocking the Mind of the Market* (Mason, OH: Thomson, 2005) for a comprehensive, in-depth discussion of how to generate customer insights to drive business results.

**3.** Jenn Abelson, "Gillette Sharpens Its Focus on Women," *Boston Globe*, January 4, 2009; A.G. Lafley, interview, "It Was a No-Brainer," *Fortune*, February 21, 2005, p. 96; Naomi Aoki, "Gillette Hopes to Create a Buzz with Vibrating Women's Razor," *Boston Globe*, December 17, 2004; Chris Reidy, "The Unveiling of a New Venus," *Boston Globe*, November 3, 2000.

**4.** Natalie Zmuda, "Tropicana Line's Sales Plunge 20% Post-Rebranding," *Advertising Age*, April 2, 2009.

**5.** "2009 Global Market Research Report," *Esomar,* www.esomar.org.

6. Melanie Haiken, "Tuning In to Crowdcasting," *Business 2.0,* November 2006, pp. 66–68.
7. Michael Fielding, "Special Delivery: UPS Conducts Surveys to Help Customers Export to China," *Marketing News*, February 1, 2007, pp. 13–14.
8. "Would You Fly in Chattering Class?" *The Economist,* September 9, 2006, p. 63.
9. For some background information on in-flight Internet service, see "Boeing In-Flight Internet Plan Goes Airborne," *Associated Press,* April 18, 2004; John Blau, "In-Flight Internet Service Ready for Takeoff," *IDG News Service,* June 14, 2002; "In-Flight Dogfight," *Business2.com,* January 9, 2001, pp. 84–91.
10. For a discussion of the decision-theory approach to the value of research, see Donald R. Lehmann, Sunil Gupta, and Joel Steckel, *Market Research* (Reading, MA: Addison-Wesley, 1997).
11. Gregory Solman, "Finding Car Buyers at Their Home (sites)," *Adweek,* August 21–28, 2006, p. 8.
12. Linda Tischler, "Every Move You Make," *Fast Company*, April 2004, pp. 73–75; Allison Stein Wellner, "Look Who's Watching," *Continental*, April 2003, pp. 39–41.
13. For a detailed review of some relevant academic work, see Eric J. Arnould and Amber Epp, "Deep Engagement with Consumer Experience," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006); For a range of academic discussion, see the following special issue, "Can Ethnography Uncover Richer Consumer Insights?" *Journal of Advertising Research* 46 (September 2006); For some practical tips, see Richard Durante and Michael Feehan, "Leverage Ethnography to Improve Strategic Decision Making," *Marketing Research* (Winter 2005).
14. Eric J. Arnould and Linda L. Price, "Market-Oriented Ethnography Revisited," *Journal of Advertising Research* 46 (September 2006), pp. 251–62; Eric J. Arnould and Melanie Wallendorf, "Market-Oriented Ethnography: Interpretation Building and Marketing Strategy Formulation," *Journal of Marketing Research* 31 (November 1994), pp. 484–504.
15. "Case Study: Bank of America," Inside Innovation, *BusinessWeek,* June 19, 2006; Spencer E. Ante, "Inprogress," *IN*, June 2006, pp. 28–29; *Bank of America*, www.bankofamerica.com.
16. Helen Coster, "Shopping Cart Psychology," *Forbes*, September 7, 2009, pp. 64–65.
17. Andrew Kaplan, "Mass Appeal," *Beverage World*, February 2007, pp. 48–49.
18. Michael Fielding, "Shift the Focus," *Marketing News,* September 1, 2006, pp. 18–20.
19. Piet Levy, "In with the Old, in Spite of the New," *Marketing News*, May 30, 2009, p. 19.
20. Eric Schellhorn, "A Tsunami of Surveys Washes over Consumers," *Christian Science Monitor,* October 2, 2006, p. 13.
21. Catherine Marshall and Gretchen B. Rossman, *Designing Qualitative Research*, 4th ed. (Thousand Oaks, CA: Sage Publications, 2006); Bruce L. Berg, *Qualitative Research Methods for the Social Sciences*, 6th ed. (Boston: Allyn & Bacon, 2006); Norman K. Denzin and Yvonna S. Lincoln, eds., *The Sage Handbook of Qualitative Research*, 3rd ed. (Thousand Oaks, CA: Sage Publications, 2005); Linda Tischler, "Every Move You Make," *Fast Company*, April 2004, pp. 73–75.
22. Paula Andruss, "Keeping Both Eyes on Quality," *Marketing News*, September 15, 2008, pp. 22–23.
23. Louise Witt, "Inside Intent," *American Demographics,* March 2004, pp. 34–39; Andy Raskin, "A Face Any Business Can Trust," *Business 2.0,* December 2003, pp. 58–60; Gerald Zaltman, "Rethinking Market Research: Putting People Back In," *Journal of Marketing Research* 34 (November 1997), pp. 424–37; Wally Wood, "The Race to Replace Memory," *Marketing and Media Decisions*, July 1986, pp. 166–67; Roger D. Blackwell, James S. Hensel, Michael B. Phillips, and Brian Sternthal, *Laboratory Equipment for Marketing Research* (Dubuque, IA: Kendall/Hunt, 1970); Laurie Burkitt, "Battle for the Brain," *Forbes*, November 16, 2009, pp. 76–77.
24. Stephen Baker, "Wiser about the Web," *BusinessWeek,* March 27, 2006, pp. 54–62.
25. Michael Fielding, "Shift the Focus," *Marketing News,* September 1, 2006, pp. 18–20; Aaron Ukodie, "Worldwide Mobile Phones Reach Four Billion 2008," *allAfrica.com,* http://allafrica.com/stories/200810070774.html, October 6, 2008.
26. Kelly K. Spors, "The Customer Knows Best," *Wall Street Journal*, July 13, 2009, p. R5; Susan Kristoff, "Local Motors Breaking Design Rules in Engineering," www.suite.com, October 22, 2009; Emily Sweeney, "Machine Dream," *Boston Globe*, February 1, 2009.
27. Bradley Johnson, "Forget Phone and Mail: Online's the Best Place to Administer Surveys," *Advertising Age,* July 17, 2006, p. 23.
28. Emily Steel, "The New Focus Groups: Online Networks Proprietary Panels Help Consumer Companies Shape Products, Ads," *Wall Street Journal*, January 14, 2008.
29. Elisabeth A. Sullivan, "Delve Deeper," *Marketing News*, April 15, 2008, p. 24.
30. Kate Maddox, "The ROI of Research," *BtoB,* pp. 25, 28.
31. Bradley Johnson, "Online Methods Upend Consumer Survey Business," Advertising Age, July 17, 2006.
32. "Survey: Internet Should Remain Open to All," *ConsumerAffairs*.com, www.consumeraffairs.com/news04/2006/01/internet_survey.html, January 25, 2006; "Highlights from the National Consumers League's Survey on Consumers and Communications Technologies: Current and Future Use," www.nclnet.org/research/utilities/telecom_highlights.htm, July 21, 2005; Catherine Arnold, "Not Done Net; New Opportunities Still Exist in Online Research," *Marketing News,* April 1, 2004, p. 17; Louella Miles, "Online, on Tap," *Marketing,* June 16, 2004, pp. 39–40; Suzy Bashford, "The Opinion Formers," *Revolution,* May 2004, pp. 42–46; Nima M. Ray and Sharon W.

Tabor, “Contributing Factors; Several Issues Affect e-Research Validity,” *Marketing News,* September 15, 2003, p. 50; Bob Lamons, “Eureka! Future of B-to-B Research Is Online,” *Marketing News,* September 24, 2001, pp. 9–10; Burt Helm, “Online Polls: How Good Are They?” *BusinessWeek,* June 16, 2008, pp. 86–87.

**33.** *The Nielsen Company,* www.nielsen.com.

**34.** Elisabeth Sullivan, “Qual Research by the Numb3rs,” *Marketing News*, September 1, 2008.

**35.** Deborah L. Vence, “In an Instant: More Researchers Use IM for Fast, Reliable Results,” *Marketing News,* March 1, 2006, pp. 53–55.

**36.** Catherine Arnold, “Global Perspective: Synovate Exec Discusses Future of International Research,” *Marketing News,* May 15, 2004, p. 43; Michael Erard, “For Technology, No Small World after All,” *New York Times,* May 6, 2004; Deborah L. Vence, “Global Consistency: Leave It to the Experts,” *Marketing News,* April 28, 2003, p. 37.

**37.** Jim Stachura and Meg Murphy, “Multicultural Marketing: Why One Size Doesn’t Fit All,” *MarketingProfs.com*, October 25, 2005.

**38.** Michael Fielding, “Global Insights: Synovate’s Chedore Discusses MR Trends,” *Marketing News,* May 15, 2006, pp. 41–42.

**39.** Kevin J. Clancy and Peter C. Krieg, *Counterintuitive Marketing: How Great Results Come from Uncommon Sense* (New York: Free Press, 2000).

**40.** See “Special Issue on Managerial Decision Making,” *Marketing Science* 18 (1999) for some contemporary perspectives; See also John D. C. Little, “Decision Support Systems for Marketing Managers,” *Journal of Marketing* 43 (Summer 1979), p. 11.

**41.** *Marketing News* can be found at www.marketingpower.com.

**42.** Rajiv Grover and Marco Vriens, “Trusted Advisor: How It Helps Lay the Foundation for Insight,” *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 3–17; Christine Moorman, Gerald Zaltman, and Rohit Deshpandé, “Relationships between Providers and Users of Market Research: The Dynamics of Trust within and between Organizations,” *Journal of Marketing Research* 29 (August 1992), pp. 314–28.

**43.** *The Advertising Research Foundation*, www.thearf.org/assets/ogilvy-09.

**44.** Adapted from Arthur Shapiro, “Let’s Redefine Market Research,” *Brandweek,* June 21, 2004, p. 20; Kevin Ohannessian, “Star Wars: Thirty Years of Success,” *Fast Company*, May 29, 2007.

**45.** Karen V. Beaman, Gregory R. Guy, and Donald E. Sexton, “Managing and Measuring Return on Marketing Investment,” The Conference Board Research Report R-1435-08-RR, 2008.

**46.** “Report: Marketers Place Priority on Nurturing Existing Customers,” http://directmag.com/roi/0301-customer-satisfaction-retention.

**47.** Factor TG, www.factortg.com/ideas/CMO_MPM_Audit__cmo.pdf.

**48.** Paul Farris, Neil T. Bendle, Phillip E. Pfeifer, and David J. Reibstein, *Marketing Metrics: 50+ Metrics Every Executive Should Master* (Upper Saddle River, NJ: Pearson Education, 2006); John Davis, *Magic Numbers for Consumer Marketing: Key Measures to Evaluate Marketing Success* (Singapore: John Wiley & Sons, 2005).

**49.** Elisabeth Sullivan, “Measure Up,” *Marketing News*, May 30, 2009, pp. 8–11.

**50.** Michael Krauss, “Which Metrics Matter Most?” *Marketing News*, February 28, 2009, p. 20.

**51.** Tim Ambler, *Marketing and the Bottom Line: The New Methods of Corporate Wealth,* 2nd ed. (London: Pearson Education, 2003).

**52.** Kusum L. Ailawadi, Donald R. Lehmann, and Scott A. Neslin, “Revenue Premium as an Outcome Measure of Brand Equity,” *Journal of Marketing* 67 (October 2003), pp. 1–17.

**53.** Tim Ambler, *Marketing and the Bottom Line: The New Methods of Corporate Wealth,* 2nd ed. (London: Pearson Education, 2003).

**54.** Josh Bernoff, “Measure What Matters,” *Marketing News*, December 15, 2008, p. 22; and information from Servus Credit Union, May 2010.

**55.** Gerard J. Tellis, “Modeling Marketing Mix,” Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006).

**56.** Jack Neff, “P&G, Clorox Rediscover Modeling,” *Advertising Age,* March 29, 2004, p. 10.

**57.** Laura Q. Hughes, “Econometrics Take Root,” *Advertising Age,* August 5, 2002, p. S-4.

**58.** David J. Reibstein, “Connect the Dots,” *CMO Magazine*, May 2005.

**59.** Jeff Zabin, “Marketing Dashboards: The Visual Display of Marketing Data,” *Chief Marketer*, June 26, 2006.

**60.** Robert S. Kaplan and David P. Norton, *The Balanced Scorecard* (Boston: Harvard Business School Press, 1996).

**61.** Spencer Ante, “Giving the Boss the Big Picture,” *BusinessWeek,* February 13, 2006, pp. 48–50.

## Chapter 5

**1.** Louis Columbus, “Lessons Learned in Las Vegas: Loyalty Programs Pay,” *CRM Buyer,* July 29, 2005; Oskar Garcia, “Harrah’s Broadens Customer Loyalty Program; Monitors Customer Behavior,” *Associated Press*, September 27, 2008; Dan Butcher, “Harrah’s Casino Chain Runs Mobile Coupon Pilot,” *Mobile Marketer*, November 19, 2008; Michael Bush, “Why Harrah’s Loyalty Effort Is Industry’s Gold Standard,” *Advertising Age*, October 5, 2009, p. 8.

**2.** Robert Schieffer, *Ten Key Consumer Insights* (Mason, OH: Thomson, 2005).

**3.** Don Peppers and Martha Rogers, “Customers Don’t Grow on Trees,” *Fast Company,* July 2005, pp. 25–26.

**4.** For discussion of some of the issues involved, see Glen Urban, *Don't Just Relate—Advocate* (Upper Saddle River, NJ: Pearson Education Wharton School Publishing, 2005).

**5.** See Glen L. Urban and John R. Hauser, "'Listening In' to Find and Explore New Combinations of Customer Needs," *Journal of Marketing* 68 (April 2004), pp. 72–87.

**6.** "Customer reviews drive 196% increase in paid search revenue for Office Depot," *Bazaarvoice,* www.bazaarvoice.com/cs_rr_adresults_ officedepot.html, 2008.

**7.** Glen L. Urban, "The Emerging Era of Customer Advocacy," *Sloan Management Review* 45 (2004), pp. 77–82.

**8.** Steven Burke, "Dell's vs. HP's Value," *CRN,* May 15, 2006, p. 46; David Kirkpatrick, "Dell in the Penalty Box," *Fortune*, September 18, 2006, p. 70.

**9.** Michael Bush, "Consumers Rate Brands that Give Best Bang for Buck," *Advertising Age*, November 3, 2008, p. 8.

**10.** Irwin P. Levin and Richard D. Johnson, "Estimating Price–Quality Tradeoffs Using Comparative Judgments," *Journal of Consumer Research* 11 (June 1984), pp. 593–600. Customer-perceived value can be measured as a difference or as a ratio. If total customer value is $20,000 and total customer cost is $16,000, then the customer-perceived value is $4,000 (measured as a difference) or 1.25 (measured as a ratio). Ratios that are used to compare offers are often called *value–price ratios.*

**11.** Alex Taylor, "Caterpillar: Big Trucks, Big Sales, Big Attitude," *Fortune*, August 20, 2007, pp. 48–53; Tim Kelly, "Squash the Caterpillar," *Forbes*, April 21, 2008, pp. 136–41; Jeff Borden, "Eat My Dust," *Marketing News*, February 1, 2008, pp. 20–22.

**12.** For more on customer-perceived value, see David C. Swaddling and Charles Miller, *Customer Power* (Dublin, OH: Wellington Press, 2001).

**13.** Gary Hamel, "Strategy as Revolution," *Harvard Business Review,* July–August 1996, pp. 69–82.

**14.** "2010 Brand Keys Customer Loyalty Engagement Index," *Brand Keys, Inc.*

**15.** Michael J. Lanning, *Delivering Profitable Value* (Oxford, UK: Capstone, 1998).

**16.** Vikas Mittal, Eugene W. Anderson, Akin Sayrak, and Pandu Tadilamalla, "Dual Emphasis and the Long-Term Financial Impact of Customer Satisfaction," *Marketing Science* 24 (Fall 2005), pp. 544–55.

**17.** Michael Tsiros, Vikas Mittal, and William T. Ross Jr., "The Role of Attributions in Customer Satisfaction: A Reexamination," *Journal of Consumer Research* 31 (September 2004), pp. 476–83; for a succinct review, see Richard L. Oliver, "Customer Satisfaction Research," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 569–87.

**18.** For some provocative analysis and discussion, see Praveen K. Kopalle and Donald R. Lehmann, "Setting Quality Expectations when Entering a Market: What Should the Promise Be?" *Marketing Science* 25 (January–February 2006), pp. 8–24; Susan Fournier and David Glenmick, "Rediscovering Satisfaction," *Journal of Marketing* 63 (October 1999), pp. 5–23.

**19.** Jennifer Aaker, Susan Fournier, and S. Adam Brasel, "When Good Brands Do Bad," *Journal of Consumer Research* 31 (June 2004), pp. 1–16; Pankaj Aggrawal, "The Effects of Brand Relationship Norms on Consumer Attitudes and Behavior," *Journal of Consumer Research* 31 (June 2004), pp. 87–101.

**20.** For in-depth discussion, see Michael D. Johnson and Anders Gustafsson, *Improving Customer Satisfaction, Loyalty, and Profit* (San Francisco: Jossey-Bass, 2000).

**21.** For an interesting analysis of the effects of different types of expectations, see William Boulding, Ajay Kalra, and Richard Staelin, "The Quality Double Whammy," *Marketing Science* 18 (April 1999), pp. 463–84.

**22.** Neil A. Morgan, Eugene W. Anderson, and Vikas Mittal, "Understanding Firms' Customer Satisfaction Information Usage," *Journal of Marketing* 69 (July 2005), pp. 131–51.

**23.** Although for moderating factors, see Kathleen Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, "Do Satisfied Customers Buy More? Examining Moderating Influences in a Retailing Context," *Journal of Marketing* 69 (October 2005), pp. 26–43.

**24.** See, for example, Christian Homburg, Nicole Koschate, and Wayne D. Hoyer, "Do Satisfied Customers Really Pay More? A Study of the Relationship between Customer Satisfaction and Willingness to Pay," *Journal of Marketing* 69 (April 2005), pp. 84–96.

**25.** Claes Fornell, Sunil Mithas, Forrest V. Morgeson III, and M. S. Krishnan, "Customer Satisfaction and Stock Prices: High Returns, Low Risk," *Journal of Marketing* 70 (January 2006), pp. 3–14. See also, Thomas S. Gruca and Lopo L. Rego, "Customer Satisfaction, Cash Flow, and Shareholder Value," *Journal of Marketing* 69 (July 2005), pp. 115–30; Eugene W. Anderson, Claes Fornell, and Sanal K. Mazvancheryl, "Customer Satisfaction and Shareholder Value," *Journal of Marketing* 68 (October 2004), pp. 172–85.

**26.** Thomas O. Jones and W. Earl Sasser Jr., "Why Satisfied Customers Defect," *Harvard Business Review,* November–December 1995, pp. 88–99.

**27.** Companies should also note that managers and salespeople can manipulate customer satisfaction ratings. They can be especially nice to customers just before the survey. They can also try to exclude unhappy customers. Another danger is that if customers know the company will go out of its way to please them, some may express high dissatisfaction in order to receive more concessions.

**28.** Jennifer Rooney, "Winning Hearts and Minds," *Advertising Age,* July 10, 2006, pp. S10–13.

**29.** For an empirical comparison of different methods to measure customer satisfaction, see Neil A. Morgan and Lopo Leotto Rego, "The Value of Different Customer Satisfaction and Loyalty Metrics in Predicting Business Performance," *Marketing Science* 25 (September–October 2006), pp. 426–39.

**30.** Frederick K. Reichheld, "The One Number You Need to Grow," *Harvard Business Review,* December 2003, pp. 46–54.

**31.** James C. Ward and Amy L. Ostrom, "Complaining to the Masses: The Role of Protest Framing in Customer-Created Complaint Sites," *Journal of Consumer Research* 33 (September 2006), pp. 220–30; Kim Hart, "Angry Customers Use Web to Shame Firms," *Washington Post,* July 5, 2006.

**32.** Eugene W. Anderson and Claes Fornell, "Foundations of the American Customer Satisfaction Index," *Total Quality Management* 11 (September 2000), pp. S869–82; Claes Fornell, Michael D. Johnson, Eugene W. Anderson, Jaaesung Cha, and Barbara Everitt Bryant, "The American Customer Satisfaction Index: Nature, Purpose, and Findings," *Journal of Marketing* 60 (October 1996), pp. 7–18.

**33.** Technical Assistance Research Programs (Tarp), *U.S. Office of Consumer Affairs Study on Complaint Handling in America,* 1986.

**34.** Stephen S. Tax and Stephen W. Brown, "Recovering and Learning from Service Failure," *Sloan Management Review* 40 (Fall 1998), pp. 75–88; Ruth Bolton and Tina M. Bronkhorst, "The Relationship between Customer Complaints to the Firm and Subsequent Exit Behavior," *Advances in Consumer Research,* vol. 22 (Provo, UT: Association for Consumer Research, 1995), pp. 94–100; Roland T. Rust, Bala Subramanian, and Mark Wells, "Making Complaints a Management Tool," *Marketing Management* 1 (March 1992), pp. 40–45; Karl Albrecht and Ron Zemke, *Service America!* (Homewood, IL: Dow Jones–Irwin, 1985), pp. 6–7.

**35.** Christian Homburg and Andreas Fürst, "How Organizational Complaint Handling Drives Customer Loyalty: An Analysis of the Mechanistic and the Organic Approach," *Journal of Marketing* 69 (July 2005), pp. 95–114.

**36.** Philip Kotler, *Kotler on Marketing* (New York: Free Press, 1999), pp. 21–22.

**37.** "Basic Concepts," *ASQ*, www.asq.org/glossary/q.html, January 16, 2010.

**38.** Robert D. Buzzell and Bradley T. Gale, "Quality Is King," *The PIMS Principles: Linking Strategy to Performance* (New York: Free Press, 1987), pp. 103–34. (PIMS stands for Profit Impact of Market Strategy.)

**39.** Brian Hindo, "Satisfaction Not Guaranteed," *BusinessWeek,* June 19, 2006, pp. 32–36.

**40.** Jena McGregor, "Putting Home Depot's House in Order," *BusinessWeek*, May 14, 2009; "Home Depot CEO," Sorry We Let You Down," *MSN Money*, www.moneycentral.msn.com, March 13, 2007.

**41.** Lerzan Aksoy, Timothy L. Keiningham, and Terry G. Vavra, "Nearly Everything You Know about Loyalty Is Wrong," *Marketing News,* October 1, 2005, pp. 20–21; Timothy L. Keiningham, Terry G. Vavra, Lerzan Aksoy, and Henri Wallard, *Loyalty Myths* (Hoboken, NJ: John Wiley & Sons, 2005).

**42.** Werner J. Reinartz and V. Kumar, "The Impact of Customer Relationship Characteristics on Profitable Lifetime Duration," *Journal of Marketing* 67 (January 2003), pp. 77–99; Werner J. Reinartz and V. Kumar, "On the Profitability of Long-Life Customers in a Noncontractual Setting: An Empirical Investigation and Implications for Marketing," *Journal of Marketing* 64 (October 2000), pp. 17–35.

**43.** Rakesh Niraj, Mahendra Gupta, and Chakravarthi Narasimhan, "Customer Profitability in a Supply Chain," *Journal of Marketing* 65 (July 2001), pp. 1–16.

**44.** Thomas M. Petro, "Profitability: The Fifth 'P' of Marketing," *Bank Marketing,* September 1990, pp. 48–52; "Who Are Your Best Customers?" *Bank Marketing,* October 1990, pp. 48–52.

**45.** "Easier Than ABC," *Economist,* October 25, 2003, p. 56; Robert S. Kaplan and Steven R. Anderson, *Time-Driven Activity Based Costing* (Boston MA: Harvard Business School Press, 2007); "Activity-Based Accounting" *Economist*, June 29, 2009.

**46.** V. Kumar, "Customer Lifetime Value," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 602–27; Sunil Gupta, Donald R. Lehmann, and Jennifer Ames Stuart, "Valuing Customers," *Journal of Marketing Research* 61 (February 2004), pp. 7–18; Rajkumar Venkatesan and V. Kumar, "A Customer Lifetime Value Framework for Customer Selection and Resource Allocation Strategy," *Journal of Marketing* 68 (October 2004), pp. 106–25.

**47.** V. Kumar, "Profitable Relationships," *Marketing Research* 18 (Fall 2006), pp. 41–46.

**48.** For some recent analysis and discussion, see Michael Haenlein, Andreas M. Kaplan, and Detlef Schoder, "Valuing the Real Option of Abandoning Unprofitable Customers when Calculating Customer Lifetime Value," *Journal of Marketing* 70 (July 2006), pp. 5–20; Teck-Hua Ho, Young-Hoon Park, and Yong-Pin Zhou, "Incorporating Satisfaction into Customer Value Analysis: Optimal Investment in Lifetime Value," *Marketing Science* 25 (May–June 2006), pp. 260–77; and Peter S. Fader, Bruce G. S. Hardie, and Ka Lok Lee, "RFM and CLV: Using Iso-Value Curves for Customer Base Analysis," *Journal of Marketing Research* 62 (November 2005), pp. 415–30; V. Kumar, Rajkumar Venkatesan, Tim Bohling, and Denise Beckmann, "The Power of CLV: Managing Customer Lifetime Value at IBM," *Marketing Science* 27 (2008), pp. 585–99.

**49.** Nicole E. Coviello, Roderick J. Brodie, Peter J. Danaher, and Wesley J. Johnston, "How Firms Relate to Their Markets: An Empirical Examination of Contemporary Marketing Practices," *Journal of*

*Marketing* 66 (July 2002), pp. 33–46. For a comprehensive set of articles from a variety of perspectives on brand relationships, see Deborah J. MacInnis, C. Whan Park, and Joseph R. Preister, eds., *Handbook of Brand Relationships* (Armonk, NY: M. E. Sharpe, 2009).

**50.** For an up-to-date view of academic perspectives, see the articles contained in the Special Section on Customer Relationship Management, *Journal of Marketing* 69 (October 2005). For a study of the processes involved, see Werner Reinartz, Manfred Kraft, and Wayne D. Hoyer, "The Customer Relationship Management Process: Its Measurement and Impact on Performance," *Journal of Marketing Research* 61 (August 2004), pp. 293–305.

**51.** Nora A. Aufreiter, David Elzinga, and Jonathan W. Gordon, "Better Branding," *The McKinsey Quarterly* 4 (2003), pp. 29–39.

**52.** Michael J. Lanning, *Delivering Profitable Value* (New York: Basic Books, 1998).

**53.** Kenneth Hein, "Satisfying a Publicity Jones with Hemp, Love Potions," *Brandweek,* March 13, 2006, p. 14; Corporate Design Foundation, "Keep Up with the Jones, Dude!" *BusinessWeek,* October 26, 2005; Ryan Underwood, "Jones Soda Secret," *Fast Company,* March 2005, p. 74; Maggie Overfelt, "Cult Brand Jones Soda Fights for Survival," *CNNMoney.com*, October 10, 2008.

**54.** Susan Stellin, "For Many Online Companies, Customer Service Is Hardly a Priority," *New York Times,* February 19, 2001; Michelle Johnson, "Getting Ready for the Onslaught," *Boston Globe,* November 4, 1999.

**55.** Julie Jargon, "Domino's IT Staff Delivers Slick Site, Ordering System," *Wall Street Journal*, November 24, 2009; Bruce Horovitz, "Where's Your Domino's Pizza? Track It Online," *USA Today*, January 30, 2008; Domino's Pizza, www.dominosbiz.com, January 16, 2010.

**56.** James H. Donnelly Jr., Leonard L. Berry, and Thomas W. Thompson, *Marketing Financial Services—A Strategic Vision* (Homewood, IL: Dow Jones–Irwin, 1985), p. 113.

**57.** Seth Godin, *Permission Marketing: Turning Strangers into Friends, and Friends into Customers* (New York: Simon & Schuster, 1999). See also Susan Fournier, Susan Dobscha, and David Mick, "Preventing the Premature Death of Relationship Marketing," *Harvard Business Review,* January–February 1998, pp. 42–51.

**58.** Don Peppers and Martha Rogers, *One-to-One B2B: Customer Development Strategies for the Business-to-Business World* (New York: Doubleday, 2001); Peppers and Rogers, *The One-to-One Future: Building Relationships One Customer at a Time* (London: Piatkus Books, 1996); Don Peppers and Martha Rogers, *The One-to-One Manager: Real-World Lessons in Customer Relationship Management* (New York: Doubleday, 1999); Don Peppers, Martha Rogers, and Bob Dorf, *The One-to-One Fieldbook: The Complete Toolkit for Implementing a One-to-One Marketing Program* (New York: Bantam, 1999); Don Peppers and Martha Rogers, *Enterprise One to One: Tools for Competing in the Interactive Age* (New York: Currency, 1997).

**59.** Mark Rechtin, "Aston Martin Woos Customers One by One," *Automotive News*, March 28, 2005.

**60.** Stuart Elliott, "Letting Consumers Control Marketing: Priceless," *New York Times*, October 9, 2006; Todd Wasserman and Jim Edwards, "Marketers' New World Order," *Brandweek*, October 9, 2006, pp. 4–6; Heather Green and Robert D. Hof, "Your Attention Please," *BusinessWeek*, July 24, 2006, pp. 48–53; Brian Sternberg, "The Marketing Maze," *Wall Street Journal*, July 10, 2006.

**61.** Rob Walker, "Amateur Hour, Web Style," *Fast Company*, October 2007, p. 87.

**62.** Ben McConnell and Jackie Huba, "Learning to Leverage the Lunatic Fringe," *Point,* July–August 2006, pp. 14–15; Michael Krauss, "Work to Convert Customers into Evangelists," *Marketing News*, December 15, 2006, p. 6; Ben McConnell and Jackie Huba, *Creating Customer Evangelists: How Loyal Customers Become a Loyal Sales Force* (New York: Kaplan Business, 2003).

**63.** Jonah Bloom, "The New Realities of a Low Trust Marketing World," *Advertising Age*, February 13, 2006.

**64.** Mylene Mangalindan, "New Marketing Style: Clicks and Mortar," *Wall Street Journal*, December 21, 2007, p. B5.

**65.** Nick Wingfield, "High Scores Matter to Game Makers, Too," *Wall Street Journal*, September 20, 2007, p. B1.

**66.** Candice Choi, "Bloggers Serve Up Opinions," *Associated Press*, March 23, 2008.

**67.** Elisabeth Sullivan, "Consider Your Source," *Marketing News*, February 15, 2008, pp. 16–19; Mylene Mangalindan, "Web Stores Tap Product Reviews," *Wall Street Journal*, September 11, 2007.

**68.** Erick Schonfeld, "Rethinking the Recommendation Engine," *Business 2.0*, July 2007, pp. 40–43.

**69.** Michael Lewis, "Customer Acquisition Promotions and Customer Asset Value," *Journal of Marketing Research* 63 (May 2006), pp. 195–203.

**70.** Hamish Pringle and Peter Field, "Why Customer Loyalty Isn't as Valuable as You Think," *Advertising Age*, March 23, 2009, p. 22.

**71.** Werner Reinartz, Jacquelyn S. Thomas, and V. Kumar, "Balancing Acquisition and Retention Resources to Maximize Customer Profitability," *Journal of Marketing* 69 (January 2005), pp. 63–79.

**72.** "Service Invention to Increase Retention," *CMO Council*, August 3, 2009, www.cmocouncil.org.

**73.** Frederick F. Reichheld, "Learning from Customer Defections," *Harvard Business Review,* March–April 1996, pp. 56–69.

**74.** Frederick F. Reichheld, *Loyalty Rules* (Boston: Harvard Business School Press, 2001); Frederick F. Reichheld, *The Loyalty Effect* (Boston: Harvard Business School Press, 1996).

**75.** Michael D. Johnson, and Fred Selnes, "Diversifying Your Customer Portfolio," *MIT Sloan Management Review* 46 (Spring 2005), pp. 11–14.

**76.** Tom Ostenon, *Customer Share Marketing* (Upper Saddle River, NJ: Prentice Hall, 2002); Alan W. H. Grant and Leonard A. Schlesinger, "Realize Your Customer's Full Profit Potential," *Harvard Business Review*, September–October 1995, pp. 59–72.

**77.** Gail McGovern and Youngme Moon, "Companies and the Customers Who Hate Them," *Harvard Business Review*, June 2007, pp. 78–84.

**78.** Elisabeth A. Sullivan, "Just Say No," *Marketing News*, April 15, 2008, p. 17.

**79.** Sunil Gupta and Carl F. Mela, "What Is a Free Customer Worth," *Harvard Business Review*, November 2008, pp. 102–9.

**80.** Leonard L. Berry and A. Parasuraman, *Marketing Services: Computing through Quality* (New York: Free Press, 1991), pp. 136–42. For an academic examination in a business-to-business context, see Robert W. Palmatier, Srinath Gopalakrishna, and Mark B. Houston, "Returns on Business-to-Business Relationship Marketing Investments: Strategies for Leveraging Profits," *Marketing Science* 25 (September–October 2006), pp. 477–93.

**81.** Frederick F. Reichheld, "Learning from Customer Defections," *Harvard Business Review,* March 3, 2009, pp. 56–69.

**82.** Mike White and Teresa Siles, email message, July 14, 2008.

**83.** Ben McConnell and Jackie Huba, "Learning to Leverage the Lunatic Fringe," *Point,* July–August 2006, pp. 14–15; Michael Krauss, "Work to Convert Customers into Evangelists," *Marketing News*, December 15, 2006, p. 6; Ben McConnell and Jackie Huba, *Creating Customer Evangelists: How Loyal Customers Become a Loyal Sales Force* (New York: Kaplan Business, 2003).

**84.** Utpal M. Dholakia, "How Consumer Self-Determination Influences Relational Marketing Outcomes: Evidence from Longitudinal Field Studies," *Journal of Marketing Research* 43 (February 2006), pp.109–20.

**85.** Allison Enright, "Serve Them Right," *Marketing News,* May 1, 2006, pp. 21–22.

**86.** For a review, see Grahame R. Dowling and Mark Uncles, "Do Customer Loyalty Programs Really Work?" *Sloan Management Review* 38 (Summer 1997), pp. 71–82.

**87.** Thomas Lee, "Retailers Look for a Hook," *St. Louis Post-Dispatch,* December 4, 2004.

**88.** Joseph C. Nunes and Xavier Drèze, "Feeling Superior: The Impact of Loyalty Program Structure on Consumers' Perception of Status," *Journal of Consumer Research* 35 (April 2009), pp. 890–905; Joseph C. Nunes and Xavier Drèze, "Your Loyalty Program Is Betraying You," *Harvard Business Review*, April 2006, pp. 124–31.

**89.** Adam Lashinsky, "The Decade of Steve Jobs," *Fortune*, November 23, 2009, pp. 93–100; *Apple,* www.apple.com, January 16, 2010; Peter Burrows, "Apple vs. Google," *BusinessWeek*, January 25, 2010, pp. 28–34.

**90.** Jacquelyn S. Thomas, Robert C. Blattberg, and Edward J. Fox, "Recapturing Lost Customers," *Journal of Marketing Research* 61 (February 2004), pp. 31–45.

**91.** Werner Reinartz and V. Kumar, "The Impact of Customer Relationship Characteristics on Profitable Lifetime Duration," *Journal of Marketing* 67 (January 2003), pp. 77–99; Werner Reinartz and V. Kumar, "The Mismanagement of Customer Loyalty," *Harvard Business Review,* July 2002, pp. 86–97.

**92.** V. Kumar, Rajkumar Venkatesan, and Werner Reinartz, "Knowing What to Sell, When, and to Whom," *Harvard Business Review,* March 2006, pp. 131–37.

**93.** Jeff Zabin, "The Importance of Being Analytical," *Brandweek*, July 24, 2006, p. 21. Stephen Baker, "Math Will Rock Your World," *BusinessWeek*, January 23, 2006, pp. 54–62. Michelle Kessler and Byron Acohido, "Data Miners Dig a Little Deeper," *USA Today*, July 11, 2006.

**94.** Burt Heim, "Getting Inside the Customer's Mind," *BusinessWeek*, September 22, 2008, p. 88; Mike Duff, "Dunnhumby Complicates Outlook for Tesco, Kroger, Wal-Mart," *bnet.com*, January 13, 2009; Sarah Mahoney, "Macy's Readies New Marketing Strategy, Hires Dunnhumby," *Marketing Daily*, August 14, 2008.

**95.** Christopher R. Stephens and R. Sukumar, "An Introduction to Data Mining," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 455–86; Pang-Ning Tan, Michael Steinbach, and Vipin Kumar, *Introduction to Data Mining* (Upper Saddle River, NJ: Addison Wesley, 2005); Michael J. A. Berry and Gordon S. Linoff, *Data Mining Techniques: For Marketing, Sales, and Customer Relationship Management,* 2nd ed. (Hoboken, NJ: Wiley Computer, 2004); James Lattin, Doug Carroll, and Paul Green, *Analyzing Multivariate Data* (Florence, KY: Thomson Brooks/Cole, 2003).

**96.** George S. Day, "Creating a Superior Customer-Relating Capability," *Sloan Management Review* 44 (Spring 2003), pp. 77–82.

**97.** Ibid; George S. Day, "Creating a Superior Customer-Relating Capability," *MSI Report No. 03–101* (Cambridge, MA: Marketing Science Institute, 2003); "Why Some Companies Succeed at CRM (and Many Fail)," *Knowledge at Wharton,* http://knowledge.wharton.upenn. edu, January 15, 2003.

**98.** Werner Reinartz and V. Kumar, "The Mismanagement of Customer Loyalty," *Harvard Business Review*, July 2002, pp. 86–94; Susan M. Fournier, Susan Dobscha, and David Glen Mick, "Preventing the Premature Death of Relationship Marketing," *Harvard Business Review,* January–February 1998, pp. 42–51.

**99.** Jon Swartz, "Ebay Faithful Expect Loyalty in Return," *USA Today,* July 1, 2002.

## Chapter 6


1. "Lego's Turnaround: Picking Up the Pieces," *The Economist,* October 28, 2006, p. 76; Paul Grimaldi, "Consumers Design Products Their Way," *Knight Ridder Tribune Business News,* November 25, 2006; Michael A. Prospero, *Fast Company*, September 2005, p. 35; David Robertson and Per Hjuler, "Innovating a Turnaround at LEGO," *Harvard Business Review*, September 2009, pp. 20–21; Kim Hjelmgaard, "Lego, Refocusing on Bricks, Builds on Image," *Wall Street Journal*, December 24, 2009.
2. Michael R. Solomon, *Consumer Behavior: Buying, Having, and Being,* 9th ed. (Upper Saddle River, NJ: Prentice Hall, 2011).
3. Leon G. Schiffman and Leslie Lazar Kanuk, *Consumer Behavior,* 10th ed. (Upper Saddle River, NJ: Prentice Hall, 2010).
4. For some classic perspectives, see Richard P. Coleman, "The Continuing Significance of Social Class to Marketing," *Journal of Consumer Research* 10 (December 1983), pp. 265–80; Richard P. Coleman and Lee P. Rainwater, *Social Standing in America: New Dimension of Class* (New York: Basic Books, 1978).
5. Leon G. Schiffman and Leslie Lazar Kanuk, *Consumer Behavior,* 10th ed. (Upper Saddle River, NJ: Prentice Hall, 2010).
6. Kimberly L. Allers, "Retail's Rebel Yell," *Fortune,* November 10, 2003, p. 137; Kate Rockwood, "Rock Solid," *Fast Company*, September 2009, pp. 44–48.
7. Elizabeth S. Moore, William L. Wilkie, and Richard J. Lutz, "Passing the Torch: Intergenerational Influences as a Source of Brand Equity," *Journal of Marketing* 66 (April 2002), pp. 17–37; Robert Boutilier, "Pulling the Family's Strings," *American Demographics,* August 1993, pp. 44–48; David J. Burns, "Husband-Wife Innovative Consumer Decision Making: Exploring the Effect of Family Power," *Psychology & Marketing* (May–June 1992), pp. 175–89; Rosann L. Spiro, "Persuasion in Family Decision Making," *Journal of Consumer Research* 9 (March 1983), pp. 393–402. For cross-cultural comparisons of husband–wife buying roles, see John B. Ford, Michael S. LaTour, and Tony L. Henthorne, "Perception of Marital Roles in Purchase-Decision Processes: A Cross-Cultural Study," *Journal of the Academy of Marketing Science* 23 (Spring 1995), pp. 120–31.
8. Kay M. Palan and Robert E. Wilkes, "Adolescent-Parent Interaction in Family Decision Making," *Journal of Consumer Research* 24 (March 1997), pp. 159–69; Sharon E. Beatty and Salil Talpade, "Adolescent Influence in Family Decision Making: A Replication with Extension," *Journal of Consumer Research* 21 (September 1994), pp. 332–41.
9. Chenting Su, Edward F. Fern, and Keying Ye, "A Temporal Dynamic Model of Spousal Family Purchase-Decision Behavior," *Journal of Marketing Research* 40 (August 2003), pp. 268–81.
10. Hillary Chura, "Failing to Connect: Marketing Messages for Women Fall Short," *Advertising Age,* September 23, 2002, pp. 13–14.
11. Valentyna Melnyk, Stijn M. J. van Osselaer, and Tammo H. A. Bijmolt, "Are Women More Loyal Customers Than Men? Gender Differences in Loyalty to Firms and Individual Service Providers," *Journal of Marketing* 73 (July 2009), pp. 82–96.
12. Michele Miller, *The Soccer Mom Myth* (Austin, TX: Wizard Academy Press, 2008).
13. "YouthPulse: The Definitive Study of Today's Youth Generation," *Harris Interactive*, www.harrisinteractive.com, January 29, 2010.
14. Dana Markow, "Today's Youth: Understanding Their Importance and Influence," *Trends & Tudes* 7, no. 1, www.harrisinteractive.com, February 2008.
15. Deborah Roedder John, "Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research," *Journal of Consumer Research* 26 (December 1999), pp. 183–213; Lan Nguyen Chaplin and Deborah Roedder John, "The Development of Self-Brand Connections in Children and Adolescents," *Journal of Consumer Research* 32 (June 2005), pp. 119–29; Lan Nguyen Chaplin and Deborah Roedder John, "Growing Up in a Material World: Age Differences in Materialism in Children and Adolescents," *Journal of Consumer Research* 34 (December 2007), pp. 480–93.
16. "Families and Living Arrangements," *U.S. Census Bureau*, www.census.gov/population/www/socdemo/hh-fam.html, January 29, 2010.
17. Rex Y. Du and Wagner A. Kamakura, "Household Life Cycles and Lifestyles in the United States," *Journal of Marketing Research* 48 (February 2006), pp. 121–32; Lawrence Lepisto, "A Life Span Perspective of Consumer Behavior," Elizabeth Hirshman and Morris Holbrook, eds., *Advances in Consumer Research,* vol. 12 (Provo, UT: Association for Consumer Research, 1985), p. 47; Also see Gail Sheehy, *New Passages: Mapping Your Life across Time* (New York: Random House, 1995).
18. Brooks Barnes and Monica M. Clark, "Tapping into the Wedding Industry to Sell Broadway Seats," *Wall Street Journal,* July 3, 2006; "Columbus, Ga.–Based Bank Targets Newlyweds for Online Banking," *Knight Ridder/Tribune Business News*, March 2, 2000.
19. Nicole Perlroth, "Survival of the Fittest," *Forbes*, January 12, 2009, pp. 54–55; "Snap Fitness Opens 1000th Club," *Club Solutions*, December 17, 2009; Becky Ebenkamp, "Snap Fitness Offers Leaner Gym Experience," *Brandweek*, January 24, 2009; Aim Jefferson, "A Snap of a Grand Opening: Snap Fitness, West Milford, *NorthJersey.com*, www.northjersey.com, January 8, 2010.
20. Harold H. Kassarjian and Mary Jane Sheffet, "Personality and Consumer Behavior: An Update," Harold H. Kassarjian and Thomas S. Robertson, eds.,

*Perspectives in Consumer Behavior* (Glenview, IL: Scott Foresman, 1981), pp. 160–80.

**21.** Jennifer Aaker, "Dimensions of Measuring Brand Personality," *Journal of Marketing Research* 34 (August 1997), pp. 347–56.

**22.** Jennifer L. Aaker, Veronica Benet-Martinez, and Jordi Garolera, "Consumption Symbols as Carriers of Culture: A Study of Japanese and Spanish Brand Personality Constructs," *Journal of Personality and Social Psychology* 81 (March 2001), pp. 492–508.

**23.** Yongjun Sung and Spencer F. Tinkham, "Brand Personality Structures in the United States and Korea: Common and Culture-Specific Factors," *Journal of Consumer Psychology* 15 (December 2005), pp. 334–50.

**24.** M. Joseph Sirgy, "Self Concept in Consumer Behavior: A Critical Review," *Journal of Consumer Research* 9 (December 1982), pp. 287–300.

**25.** Timothy R. Graeff, "Consumption Situations and the Effects of Brand Image on Consumers' Brand Evaluations," *Psychology & Marketing* 14 (January 1997), pp. 49–70; Timothy R. Graeff, "Image Congruence Effects on Product Evaluations: The Role of Self-Monitoring and Public/Private Consumption," *Psychology & Marketing* 13 (August 1996), pp. 481–99.

**26.** Jennifer L. Aaker, "The Malleable Self: The Role of Self-Expression in Persuasion," *Journal of Marketing Research* 36 (February 1999), pp. 45–57.

**27.** Neal Templin, "Boutique-Hotel Group Thrives on Quirks," *Wall Street Journal,* March 18, 1999; Chip Conley, *The Rebel Rules* (New York: Fireside, 2001); Tom Osborne, "What Is Your Band Personality," *Viget Inspire,* www.viget.com, February 2, 2009; Alice Z. Cuneo, "Magazines as Muses: Hotelier Finds Inspiration in Titles such as *Wired*," *Advertising Age,* November 6, 2006, p. 10.

**28.** "LOHAS Forum Attracts Fortune 500 Companies," *Environmental Leader*, June 22, 2009.

**29.** Toby Weber, "All Three? Gee," *Wireless Review,* May 2003, pp. 12–14.

**30.** Noel C. Paul, "Meal Kits in Home," *Christian Science Monitor,* June 9, 2003, p. 13; Anne D'Innocenzio, "Frugal Times: Hamburger Helper, Kool-Aid in Advertising Limelight," *Associated Press, Seattle Times*, April 29, 2009.

**31.** For a review of academic research on consumer behavior, see Barbara Loken, "Consumer Psychology: Categorization, Inferences, Affect, and Persuasion," *Annual Review of Psychology* 57 (2006), pp. 453–95. To learn more about how consumer behavior theory can be applied to policy decisions, see "Special Issue on Helping Consumers Help Themselves: Improving the Quality of Judgments and Choices," *Journal of Public Policy & Marketing* 25 (Spring 2006).

**32.** Thomas J. Reynolds and Jonathan Gutman, "Laddering Theory, Method, Analysis, and Interpretation," *Journal of Advertising Research* (February–March 1988), pp. 11–34; Thomas J. Reynolds and Jerry C. Olson, *Understanding Consumer Decision-Making: The Means-Ends Approach to Marketing and Advertising* (Mahwah, NJ: Lawrence Erlbaum, 2001); Brian Wansink, "Using Laddering to Understand and Leverage a Brand's Equity," *Qualitative Market Research* 6 (2003).

**33.** Ernest Dichter, *Handbook of Consumer Motivations* (New York: McGraw-Hill, 1964).

**34.** Jan Callebaut et al., *The Naked Consumer: The Secret of Motivational Research in Global Marketing* (Antwerp, Belgium: Censydiam Institute, 1994).

**35.** Melanie Wells, "Mind Games," *Forbes,* September 1, 2003, p. 70.

**36.** Clotaire Rapaille, "Marketing to the Reptilian Brain," *Forbes,* July 3, 2006; Clotaire Rapaille, *The Culture Code* (New York: Broadway Books, 2007).

**37.** Abraham Maslow, *Motivation and Personality* (New York: Harper & Row, 1954), pp. 80–106. For an interesting business application, see Chip Conley, *Peak: How Great Companies Get Their Mojo from Maslow* (San Francisco: Jossey Bass 2007).

**38.** See Frederick Herzberg, *Work and the Nature of Man* (Cleveland: William Collins, 1966); Thierry and Koopman-Iwema, "Motivation and Satisfaction," P. J. D. Drenth, H. Thierry, P. J. Willems, and C. J. de Wolff, eds., *A Handbook of Work and Organizational Psychology* (East Sussex, UK: Psychology Press, 1984), pp. 141–42.

**39.** Bernard Berelson and Gary A. Steiner, *Human Behavior: An Inventory of Scientific Findings* (New York: Harcourt Brace Jovanovich, 1964), p. 88.

**40.** J. Edward Russo, Margaret G. Meloy, and Victoria Husted Medvec, "The Distortion of Product Information during Brand Choice," *Journal of Marketing Research* 35 (November 1998), pp. 438–52.

**41.** Leslie de Chernatony and Simon Knox, "How an Appreciation of Consumer Behavior Can Help in Product Testing," *Journal of Market Research Society* (July 1990), p. 333. See also, Chris Janiszewski and Stiju M. J. Osselar, "A Connectionist Model of Brand–Quality Association," *Journal of Marketing Research* 37 (August 2000), pp. 331–51.

**42.** Florida's Chris Janiszewski has conducted fascinating research looking at preconscious processing effects. See Chris Janiszewski, "Preattentive Mere Exposure Effects," *Journal of Consumer Research* 20 (December 1993), pp. 376–92, as well as some of his earlier and subsequent research. For more perspectives, see also John A. Bargh and Tanya L. Chartrand, "The Unbearable Automaticity of Being," *American Psychologist* 54 (1999), pp. 462–79 and the research programs of both authors. For lively academic debate, see the "Research Dialogue" section of the July 2005 issue of the *Journal of Consumer Psychology.*

**43.** See Timothy E. Moore, "Subliminal Advertising: What You See Is What You Get," *Journal of Marketing* 46 (Spring 1982), pp. 38–47 for an early classic discussion; and Andrew B. Aylesworth, Ronald C. Goodstein, and Ajay Kalra, “Effect of Archetypal Embeds on Feelings: An Indirect Route to Affecting Attitudes?” *Journal of Advertising* 28 (Fall 1999), pp. 73–81 for additional discussion.

**44.** Patricia Winters Lauro, “An Emotional Connection between Sleeper and Mattress,” *New York Times*, July 5, 2007.

**45.** Ellen Byron, “Tide, Woolite Tout Their Fashion Sense,” *Wall Street Journal*, March 11, 2009.

**46.** Robert S. Wyer Jr. and Thomas K. Srull, “Person Memory and Judgment,” *Psychological Review* 96 (January 1989), pp. 58–83; John R. Anderson, *The Architecture of Cognition* (Cambridge, MA: Harvard University Press, 1983).

**47.** For additional discussion, see John G. Lynch Jr. and Thomas K. Srull, “Memory and Attentional Factors in Consumer Choice: Concepts and Research Methods,” *Journal of Consumer Research* 9 (June 1982), pp. 18–36; and Joseph W. Alba, J. Wesley Hutchinson, and John G. Lynch Jr., “Memory and Decision Making,” Harold H. Kassarjian and Thomas S. Robertson, eds., *Handbook of Consumer Theory and Research* (Englewood Cliffs, NJ: Prentice Hall, 1992), pp. 1–49.

**48.** Robert S. Lockhart, Fergus I. M. Craik, and Larry Jacoby, “Depth of Processing, Recognition, and Recall,” John Brown, ed., *Recall and Recognition* (New York: John Wiley & Sons, 1976); Fergus I. M. Craik and Endel Tulving, “Depth of Processing and the Retention of Words in Episodic Memory,” *Journal of Experimental Psychology* 104 (September 1975), pp. 268–94; Fergus I. M. Craik and Robert S. Lockhart, “Levels of Processing: A Framework for Memory Research,” *Journal of Verbal Learning and Verbal Behavior* 11 (1972), pp. 671–84.

**49.** Leonard M. Lodish, Magid Abraham, Stuart Kalmenson, Jeanne Livelsberger, Beth Lubetkin, Bruce Richardson, and Mary Ellen Stevens, “How T.V. Advertising Works: A Meta-Analysis of 389 Real World Split Cable T.V. Advertising Experiments,” *Journal of Marketing Research* 32 (May 1995), pp. 125–39.

**50.** Elizabeth F. Loftus and Gregory R. Loftus, “On the Permanence of Stored Information in the Human Brain,” *American Psychologist* 35 (May 1980), pp. 409–20.

**51.** For a comprehensive review of the academic literature on decision making, see J. Edward Russo and Kurt A. Carlson, “Individual Decision Making,” Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage Publications, 2002), pp. 372–408.

**52.** Benson Shapiro, V. Kasturi Rangan, and John Sviokla, “Staple Yourself to an Order,” *Harvard Business Review,* July–August 1992, pp. 113–22. See also, Carrie M. Heilman, Douglas Bowman, and Gordon P. Wright, “The Evolution of Brand Preferences and Choice Behaviors of Consumers New to a Market,” *Journal of Marketing Research* 37 (May 2000), pp. 139–55.

**53.** Marketing scholars have developed several models of the consumer buying process through the years. See Mary Frances Luce, James R. Bettman, and John W. Payne, *Emotional Decisions: Tradeoff Difficulty and Coping in Consumer Choice* (Chicago: University of Chicago Press, 2001); James F. Engel, Roger D. Blackwell, and Paul W. Miniard, *Consumer Behavior,* 8th ed. (Fort Worth, TX: Dryden, 1994); John A. Howard and Jagdish N. Sheth, *The Theory of Buyer Behavior* (New York: John Wiley & Sons, 1969).

**54.** William P. Putsis Jr. and Narasimhan Srinivasan, “Buying or Just Browsing? The Duration of Purchase Deliberation,” *Journal of Marketing Research* 31 (August 1994), pp. 393–402.

**55.** Chem L. Narayana and Rom J. Markin, “Consumer Behavior and Product Performance: An Alternative Conceptualization,” *Journal of Marketing* 39 (October 1975), pp. 1–6. See also, Lee G. Cooper and Akihiro Inoue, “Building Market Structures from Consumer Preferences,” *Journal of Marketing Research* 33 (August 1996), pp. 293–306; Wayne S. DeSarbo and Kamel Jedidi, “The Spatial Representation of Heterogeneous Consideration Sets,” *Marketing Science* 14 (Summer 1995), pp. 326–42.

**56.** For a market-structure study of the hierarchy of attributes in the coffee market, see Dipak Jain, Frank M. Bass, and Yu-Min Chen, “Estimation of Latent Class Models with Heterogeneous Choice Probabilities: An Application to Market Structuring,” *Journal of Marketing Research* 27 (February 1990), pp. 94–101. For an application of means-end chain analysis to global markets, see Frenkel Ter Hofstede, Jan-Benedict E. M. Steenkamp, and Michel Wedel, “International Market Segmentation Based on Consumer–Product Relations,” *Journal of Marketing Research* 36 (February 1999), pp. 1–17.

**57.** Virginia Postrel, “The Lessons of the Grocery Shelf Also Have Something to Say about Affirmative Action,” *New York Times,* January 30, 2003.

**58.** David Krech, Richard S. Crutchfield, and Egerton L. Ballachey, *Individual in Society* (New York: McGraw-Hill, 1962), chapter 2.

**59.** Seth Stevenson, “Like Cardboard,” *Slate*, January 11, 2010; Ashley M. Heher, “Domino’s Comes Clean with New Pizza Ads,” *Associated Press*, January 11, 2010; Bob Garfield, “Domino’s Does Itself a Disservice by Coming Clean about Its Pizza,” *Advertising Age*, January 11, 2010; *Domino’s Pizza,* www.pizzaturnaround.com.

**60.** See Leigh McAlister, “Choosing Multiple Items from a Product Class,” *Journal of Consumer Research* 6 (December 1979), pp. 213–24; Paul E. Green and Yoram Wind, *Multiattribute Decisions in Marketing: A Measurement Approach* (Hinsdale, IL: Dryden, 1973), chapter 2; Richard J. Lutz, “The Role of Attitude Theory in Marketing,” H. Kassarjian and T. Robertson, eds., *Perspectives in Consumer Behavior* (Lebanon, IN: Scott Foresman, 1981), pp. 317–39.

**61.** This expectancy-value model was originally developed by Martin Fishbein, “Attitudes and Prediction of Behavior,” Martin Fishbein, ed., *Readings in Attitude*

*Theory and Measurement* (New York: John Wiley & Sons, 1967), pp. 477–92; For a critical review, see Paul W. Miniard and Joel B. Cohen, "An Examination of the Fishbein-Ajzen Behavioral-Intentions Model's Concepts and Measures," *Journal of Experimental Social Psychology* (May 1981), pp. 309–39.

**62.** Michael R. Solomon, *Consumer Behavior: Buying, Having, and Being,* 9th ed. (Upper Saddle River, NJ: Prentice Hall, 2011).

**63.** James R. Bettman, Eric J. Johnson, and John W. Payne, "Consumer Decision Making," Kassarjian and Robertson, eds., *Handbook of Consumer Theory and Research* (Upper Saddle River, NJ: Pearson Prentice Hall, 1991), pp. 50–84.

**64.** Jagdish N. Sheth, "An Investigation of Relationships among Evaluative Beliefs, Affect, Behavioral Intention, and Behavior," John U. Farley, John A. Howard, and L. Winston Ring, eds., *Consumer Behavior: Theory and Application* (Boston: Allyn & Bacon, 1974), pp. 89–114.

**65.** Martin Fishbein, "Attitudes and Prediction of Behavior," M. Fishbein, ed., *Readings in Attitude Theory and Measurement* (New York: John Wiley & Sons, 1967), pp. 477–492.

**66.** Andrew Hampp, "How 'Paranormal Activity,' Hit It Big," *Advertising Age*, October 12, 2009.

**67.** Margaret C. Campbell and Ronald C. Goodstein, "The Moderating Effect of Perceived Risk on Consumers' Evaluations of Product Incongruity: Preference for the Norm," *Journal of Consumer Research* 28 (December 2001), pp. 439–49; Grahame R. Dowling, "Perceived Risk," Peter E. Earl and Simon Kemp, eds., *The Elgar Companion to Consumer Research and Economic Psychology* (Cheltenham, UK: Edward Elgar, 1999), pp. 419–24; Grahame R. Dowling, "Perceived Risk: The Concept and Its Measurement," *Psychology and Marketing* 3 (Fall 1986), pp. 193–210; James R. Bettman, "Perceived Risk and Its Components: A Model and Empirical Test," *Journal of Marketing Research* 10 (May 1973), pp. 184–90; Raymond A. Bauer, "Consumer Behavior as Risk Taking," Donald F. Cox, ed., *Risk Taking and Information Handling in Consumer Behavior* (Boston: Division of Research, Harvard Business School, 1967).

**68.** Richard L. Oliver, "Customer Satisfaction Research," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 569–87.

**69.** Ralph L. Day, "Modeling Choices among Alternative Responses to Dissatisfaction," *Advances in Consumer Research* 11 (1984), pp. 496–99. Also see Philip Kotler and Murali K. Mantrala, "Flawed Products: Consumer Responses and Marketer Strategies," *Journal of Consumer Marketing* (Summer 1985), pp. 27–36.

**70.** Albert O. Hirschman, *Exit, Voice, and Loyalty* (Cambridge, MA: Harvard University Press, 1970).

**71.** John D. Cripps, "Heuristics and Biases in Timing the Replacement of Durable Products," *Journal of Consumer Research* 21 (September 1994), pp. 304–18.

**72.** Ben Paytner, "From Trash to Cash," *Fast Company*, February 2009, p. 44.

**73.** Richard E. Petty, *Communication and Persuasion: Central and Peripheral Routes to Attitude Change* (New York: Springer-Verlag, 1986); Richard E. Petty and John T. Cacioppo, *Attitudes and Persuasion: Classic and Contemporary Approaches* (New York: McGraw-Hill, 1981).

**74.** For an overview of some issues involved, see James R. Bettman, Mary Frances Luce, and John W. Payne, "Constructive Consumer Choice Processes," *Journal of Consumer Research* 25 (December 1998), pp. 187–217; and Itamar Simonson, "Getting Closer to Your Customers by Understanding How They Make Choices," *California Management Review* 35 (Summer 1993), pp. 68–84. For examples of classic studies in this area, see some of the following: Dan Ariely and Ziv Carmon, "Gestalt Characteristics of Experiences: The Defining Features of Summarized Events," *Journal of Behavioral Decision Making* 13 (April 2000), pp. 191–201; Ravi Dhar and Klaus Wertenbroch, "Consumer Choice between Hedonic and Utilitarian Goods," *Journal of Marketing Research* 37 (February 2000), pp. 60–71; Itamar Simonson and Amos Tversky, "Choice in Context: Tradeoff Contrast and Extremeness Aversion," *Journal of Marketing Research* 29 (August 1992), pp. 281–95; Itamar Simonson, "The Effects of Purchase Quantity and Timing on Variety-Seeking Behavior," *Journal of Marketing Research* 27 (May 1990), pp. 150–62.

**75.** Leon Schiffman and Leslie Kanuk, *Consumer Behavior,* 10th ed. (Upper Saddle River, NJ: Prentice Hall, 2010); Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 5th ed. (Cincinnati, OH: South-Western College Publishing, 2009).

**76.** For a detailed review of the practical significance of consumer decision making, see Itamar Simonson, "Get Close to Your Customers by Understanding How They Make Their Choices," *California Management Review* 35 (Summer 1993), pp. 78–79.

**77.** Richard H. Thaler and Cass R. Sunstein, *Nudge: Improving Decisions about Health, Wealth, and Happiness* (New York: Penguin, 2009); Michael Krauss, "A Nudge in the Right Direction," *Marketing News*, March 30, 2009, p. 20.

**78.** See Richard H. Thaler, "Mental Accounting and Consumer Choice," *Marketing Science* 4 (Summer 1985), pp. 199–214 for a seminal piece; and Richard Thaler, "Mental Accounting Matters," *Journal of Behavioral Decision Making* 12 (September 1999), pp. 183–206 for additional perspectives.

**79.** Gary L. Gastineau and Mark P. Kritzman, *Dictionary of Financial Risk Management,* 3rd ed. (New York: John Wiley & Sons, 1999).

**80.** Example adapted from Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision under Risk," *Econometrica* 47 (March 1979), pp. 263–91.

## Chapter 7


1. Adam Lashinsky, "The Enforcer," *Fortune*, September 28, 2009, pp. 117–24; Steve Hamm, "Oracle Faces Its Toughest Deal Yet," *BusinessWeek*, May 4, 2009, p. 24; Steve Hamm and Aaron Ricadela, "Oracle Has Customers Over a Barrel," *BusinessWeek*, September 21, 2009, pp. 52–55.
2. For a comprehensive review of the topic, see James C. Anderson and James A. Narus, *Business Market Management: Understanding, Creating, and Delivering Value,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2009).
3. Frederick E. Webster Jr. and Yoram Wind, *Organizational Buying Behavior* (Upper Saddle River, NJ: Prentice Hall, 1972), p. 2; For a review of some academic literature on the topic, see Håkan Håkansson and Ivan Snehota, "Marketing in Business Markets," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage Publications, 2002), pp. 513–26; Mark Glynn and Arch Woodside, eds., *Business-to-Business Brand Management: Theory, Research, and Executive Case Study Exercises in Advances in Business Marketing & Purchasing* series, Volume 15 (Bingley, UK: Emerald Group Publishing, 2009).
4. John Low and Keith Blois, "The Evolution of Generic Brands in Industrial Markets: The Challenges to Owners of Brand Equity," *Industrial Marketing Management* 31 (2002), pp. 385–92; Philip Kotler and Waldemar Pfoertsch, *B2B Brand Management* (Berlin, Germany: Springer, 2006).
5. Stuart Elliott, "A Film on the Trucking Life Also Promotes a Big Rig," *New York Times*, August 13, 2008; Nikki Hopewell, "Be Brave B-to-B Marketers," *Marketing News*, November 15, 2008, pp. 18–21.
6. "B-to-B Marketing Trends 2010," *Institute for the Study of Business Markets*, http://isbm.smeal.psu.edu.
7. Susan Avery, *Purchasing* 135 (November 2, 2006), p. 36; "PPG Honors Six Excellent Suppliers," www.ppg.com, June 16, 2009.
8. Michael Collins, "Breaking into the Big Leagues," *American Demographics,* January 1996, p. 24.
9. Patrick J. Robinson, Charles W. Faris, and Yoram Wind, *Industrial Buying and Creative Marketing* (Boston: Allyn & Bacon, 1967).
10. Michele D. Bunn, "Taxonomy of Buying Decision Approaches," *Journal of Marketing* 57 (January 1993), pp. 38–56; Daniel H. McQuiston, "Novelty, Complexity, and Importance as Causal Determinants of Industrial Buyer Behavior," *Journal of Marketing* 53 (April 1989), pp. 66–79; Peter Doyle, Arch G. Woodside, and Paul Mitchell, "Organizational Buying in New Task and Rebuy Situations," *Industrial Marketing Management* (February 1979), pp. 7–11.
11. Urban B. Ozanne and Gilbert A. Churchill Jr., "Five Dimensions of the Industrial Adoption Process," *Journal of Marketing Research* 8 (August 1971), pp. 322–28.
12. To learn more about how business-to-business firms can improve their branding, see Philip Kotler and Waldemar Pfoertsch, *B2B Brand Management* (Berlin, Germany: Springer, 2006).
13. Steve Hamm, "The Fine Art of Tech Mergers," *BusinessWeek,* July 10, 2006, pp. 70–71.
14. Elisabeth Sullivan, "Building a Better Brand," *Marketing News*, September 15, 2009, pp. 14–17.
15. Britt Dionne, "Behind the Scenes with NetApp," *The Hub*, July/August 2009; "Close-up with Jay Kidd, CMO, NetApp," *BtoB Magazine*, January 20, 2010; Piet Levy, "It's Alive! Alive!" *Marketing News*, April 30, 2009, p. 8.
16. Jeffrey E. Lewin and Naveen Donthu, "The Influence of Purchase Situation on Buying Center Structure and Involvement: A Select Meta-Analysis of Organizational Buying Behavior Research," *Journal of Business Research* 58 (October 2005), pp. 1381–90; R. Venkatesh and Ajay K. Kohli, "Influence Strategies in Buying Centers," *Journal of Marketing* 59 (October 1995), pp. 71–82; Donald W. Jackson Jr., Janet E. Keith, and Richard K. Burdick, "Purchasing Agents' Perceptions of Industrial Buying Center Influence: A Situational Approach," *Journal of Marketing* 48 (Fall 1984), pp. 75–83.
17. Frederic E. Webster and Yoram Wind, *Organizational Buying Behavior* (Saddle River, NJ: Prentice Hall, 1972), p. 6.
18. James C. Anderson and James A. Narus, *Business Market Management: Understanding, Creating, and Delivering Value,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2009); Frederick E. Webster Jr. and Yoram Wind, "A General Model for Understanding Organizational Buying Behavior," *Journal of Marketing* 36 (April 1972), pp. 12–19; Frederic E. Webster and Yoram Wind, *Organizational Buying Behavior* (Saddle River, NJ: Prentice Hall, 1972).
19. Allison Enright, "It Takes a Committee to Buy into B-to-B," *Marketing News,* February 15, 2006, pp. 12–13.
20. Frederick E. Webster Jr. and Kevin Lane Keller, "A Roadmap for Branding in Industrial Markets," *Journal of Brand Management* 11 (May 2004), pp. 388–402.
21. Scott Ward and Frederick E. Webster Jr., "Organizational Buying Behavior," Tom Robertson and Hal Kassarjian, eds., *Handbook of Consumer Behavior* (Upper Saddle River, NJ: Prentice Hall, 1991), chapter 12, pp. 419–58.
22. Bob Donath, "Emotions Play Key Role in Biz Brand Appeal," *Marketing News,* June 1, 2006, p. 7.
23. Michael Krauss, "Warriors of the Heart," *Marketing News,* February 1, 2006, p. 7; Brian Hindo, "Emerson Electric's Innovation Metrics," *BusinessWeek*, June 5, 2008.
24. Bob Lamons, "Branding, B-to-B Style," *Sales and Marketing Management* 157 (September 2005), pp. 46–50; David A. Kaplan, "No. 1 SAS," in "The 100 Best Companies to Work For," *Fortune*, February 8, 2010, pp. 56–64.

**25.** Piet Levy, "Reeling in the Hungry Fish," *Marketing News*, May 30, 2009, p. 6; Stephen Baker, Timken Plots a Rust Belt Resurgence," *BusinessWeek*, October 15, 2009; Matt McClellan, "Rolling Along," *Smart Business Akron/Canton*, October 2008.

**26.** Richard J. Harrington and Anthony K. Tjan, "Transforming Strategy One Customer at a Time," *Harvard Business Review*, March 2008, pp. 62–72; Stanley Reed, "The Rise of a Financial Data Powerhouse," *BusinessWeek*, May 15, 2007; Stanley Reed, "Media Giant or Media Muddle?" *BusinessWeek*, May 1, 2008.

**27.** Frederic E. Webster and Yoram Wind, *Organizational Buying Behavior* (Saddle River, NJ: Prentice Hall, 1972), p. 6.

**28.** James C. Anderson, James A. Narus, and Wouter van Rossum, "Customer Value Proposition in Business Markets," *Harvard Business Review,* March 2006, pp. 2–10; James C. Anderson, "From Understanding to Managing Customer Value in Business Markets," H. Håkansson, D. Harrison, and A. Waluszewski, eds., *Rethinking Marketing: New Marketing Tools* (London: John Wiley & Sons, 2004), pp. 137–59.

**29.** Susan Caminiti, "Drivers of the Economy," *Fortune*, April 17, 2006, p. C1; "Pfizer Turns Around Its Diversity & Inclusion Initiatives," *Diversity/Careers in Engineering and Information Technology*, December 2009/January 2010; Barbara Frankel, "Pfizer's Newest CDO Represents Transferable Talent," *Diversity Inc.*, November/December 2009; "From One Small Business to Another: Enhancing Community Through Commerce," *Pfizer,* www.pfizersupplierdiversity.com, February 6, 2010.

**30.** "Case Studies: Rio Tinto," *Quadrem,* www.quadrem.com, February 6, 2010.

**31.** "Case Study 2003: Mitsui & Co. Cuts the Cost of Trade Transactions by 50% by Using Trade Card," *Mitsui & Co., LTD.*, www.tradecard.com.

**32.** "Best Practices of the Best-Run Sales Organizations: Sales Opportunity Blueprinting," *SAP,* http://download.sap.com, February 6, 2010.

**33.** Patrick J. Robinson, Charles W. Faris, and Yoram Wind, *Industrial Buying and Creative Marketing* (Boston, MA: Allyn & Bacon, 1967).

**34.** *Institute Of Scrap Recycling Institute,* www.isri.org.

**35.** Geri Smith, "Hard Times Ease for a Cement King," *BusinessWeek*, November 9, 2009, p. 28.

**36.** Rajdeep Grewal, James M. Comer, and Raj Mehta, "An Investigation into the Antecedents of Organizational Participation in Business-to-Business Electronic Markets," *Journal of Marketing* 65 (July 2001), pp. 17–33.

**37.** "Open Sesame? Or Could the Doors Slam Shut for Alibaba.com?" *Knowledge@Wharton*, July 27, 2005; Julia Angwin, "Top Online Chemical Exchange Is Unlikely Success Story," *Wall Street Journal,* January 8, 2004; Olga Kharif, "B2B, Take 2," *BusinessWeek,* November 25, 2003; George S. Day, Adam J. Fein, and Gregg Ruppersberger, "Shakeouts in Digital Markets: Lessons from B2B Exchanges," *California Management Review* 45 (Winter 2003), pp. 131–51.

**38.** *Ritchie Bros Auctioneers,* www.rbauction.com.

**39.** Brian J. Carroll, *Lead Generation for the Complex Sale* (New York: McGraw-Hill, 2006).

**40.** "2009–10 B2B Marketing Benchmark Report," *Marketing Sherpa,* www.sherpastore.com, February 6, 2010.

**41.** Allison Enright, "It Takes a Committee to Buy into B-to-B," *Marketing News,* February 15, 2006, pp. 12–13.

**42.** Robert Hiebeler, Thomas B. Kelly, and Charles Ketteman, *Best Practices: Building Your Business with Customer-Focused Solutions* (New York: Arthur Andersen/Simon & Schuster, 1998), pp. 122–24.

**43.** Daniel J. Flint, Robert B. Woodruff, and Sarah Fisher Gardial, "Exploring the Phenomenon of Customers' Desired Value Change in a Business-to-Business Context," *Journal of Marketing* 66 (October 2002), pp. 102–17.

**44.** Ruth N. Bolton and Matthew B. Myers, "Price-Based Global Market Segmentation for Services," *Journal of Marketing* 67 (July 2003), pp. 108–28.

**45.** Wolfgang Ulaga and Andreas Eggert, "Value-Based Differentiation in Business Relationships: Gaining and Sustaining Key Supplier Status," *Journal of Marketing* 70 (January 2006), pp. 119–36.

**46.** Christopher Palmeri, "Serving Two (Station) Masters," *BusinessWeek,* July 24, 2006, p. 46.

**47.** David Kiley, "Small Print Jobs for Peanuts," *BusinessWeek,* July 17, 2006, p. 58.

**48.** Nirmalya Kumar, *Marketing as Strategy: Understanding the CEO's Agenda for Driving Growth and Innovation* (Boston: Harvard Business School Press, 2004).

**49.** Ibid*.*

**50.** See William Atkinson, "Now That's Value Added," *Purchasing,* December 11, 2003, p. 26; James A. Narus and James C. Anderson, "Turn Your Industrial Distributors into Partners," *Harvard Business Review,* March–April 1986, pp. 66–71; www.lincolnelectric.com/knowledge/custsolutions/gcr.asp.

**51.** "Case Study: Automotive Vendor Managed Inventory, Plexco (Australia)," www.marciajedd.com.

**52.** For foundational material, see Lloyd M. Rinehart, James A. Eckert, Robert B. Handfield, Thomas J. Page Jr., and Thomas Atkin, "An Assessment of Buyer–Seller Relationships," *Journal of Business Logistics* 25 (2004), pp. 25–62; F. Robert Dwyer, Paul Schurr, and Sejo Oh, "Developing Buyer–Supplier Relationships," *Journal of Marketing* 51 (April 1987), pp. 11–28; and Barbara Bund Jackson, *Winning & Keeping Industrial Customers: The Dynamics of Customer Relations* (Lexington, MA: D. C. Heath, 1985).

**53.** Arnt Buvik and George John, "When Does Vertical Coordination Improve Industrial Purchasing Relationships?" *Journal of Marketing* 64 (October 2000), pp. 52–64.

**54.** Piet Levy, "Ringing Up a New Approach," *Marketing News*, March 15, 2009, p. 8; "The Inspiration Behind Tellabs' 'New Life' Campaign," *Business Marketing Association,* www.bmachicago.org, February 6, 2010;

Kate Maddox, “Marketers Look to Social Media for Interaction,” *BtoB Magazine*, January 15, 2007; Chelsea Ely, “Tellabs Aims to “Outsmart, Not Outspend Large Competitors,” *BtoB Magazine*, January 9, 2009.

**55.** Das Narayandas and V. Kasturi Rangan, “Building and Sustaining Buyer–Seller Relationships in Mature Industrial Markets,” *Journal of Marketing* 68 (July 2004), pp. 63–77.

**56.** Robert W. Palmatier, Rajiv P. Dant, Dhruv Grewal, and Kenneth R. Evans, “Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis,” *Journal of Marketing* 70 (October 2006), pp. 136–53; Jean L. Johnson, Ravipreet S. Sohli, and Rajdeep Grewal, “The Role of Relational Knowledge Stores in Interfirm Partnering,” *Journal of Marketing* 68 (July 2004), pp. 21–36; Fred Selnes and James Sallis, “Promoting Relationship Learning,” *Journal of Marketing* 67 (July 2003), pp. 80–95; Patricia M. Doney and Joseph P. Cannon, “An Examination of the Nature of Trust in Buyer–Seller Relationships,” *Journal of Marketing* 61 (April 1997), pp. 35–51; Shankar Ganesan, “Determinants of Long-Term Orientation in Buyer–Seller Relationships,” *Journal of Marketing* 58 (April 1994), pp. 1–19.

**57.** William W. Keep, Stanley C. Hollander, and Roger Dickinson, “Forces Impinging on Long-Term Business-to-Business Relationships in the United States: An Historical Perspective,” *Journal of Marketing* 62 (April 1998), pp. 31–45.

**58.** Joseph P. Cannon and William D. Perreault Jr., “Buyer–Seller Relationships in Business Markets,” *Journal of Marketing Research* 36 (November 1999), pp. 439–60.

**59.** Jan B. Heide and Kenneth H. Wahne, “Friends, Businesspeople, and Relationship Roles: A Conceptual Framework and Research Agenda,” *Journal of Marketing* 70 (July 2006), pp. 90–103.

**60.** Joseph P. Cannon and William D. Perreault Jr., “Buyer–Seller Relationships in Business Markets,” *Journal of Marketing Research* 36 (November 1999), pp. 439–60.

**61.** Thomas G. Noordewier, George John, and John R. Nevin, “Performance Outcomes of Purchasing Arrangements in Industrial Buyer–Vendor Arrangements,” *Journal of Marketing* 54 (October 1990), pp. 80–93; Arnt Buvik and George John, “When Does Vertical Coordination Improve Industrial Purchasing Relationships?” *Journal of Marketing* 64 (October 2000), pp. 52–64.

**62.** Akesel I. Rokkan, Jan B. Heide, and Kenneth H. Wathne, “Specific Investment in Marketing Relationships: Expropriation and Bonding Effects,” *Journal of Marketing Research* 40 (May 2003), pp. 210–24.

**63.** Kenneth H. Wathne and Jan B. Heide, “Relationship Governance in a Supply Chain Network,” *Journal of Marketing* 68 (January 2004), pp. 73–89; Douglas Bowman and Das Narayandas, “Linking Customer Management Effort to Customer Profitability in Business Markets,” *Journal of Marketing Research* 61 (November 2004), pp. 433–47; Mrinal Ghosh and George John, “Governance Value Analysis and Marketing Strategy,” *Journal of Marketing* 63 (Special Issue, 1999), pp. 131–45.

**64.** Sandy Jap, “Pie Expansion Effects: Collaboration Processes in Buyer–Seller Relationships,” *Journal of Marketing Research* 36 (November 1999), pp. 461–75.

**65.** Buvik and John, “When Does Vertical Coordination Improve Industrial Purchasing Relationships?” pp. 52–64.

**66.** Kenneth H. Wathne and Jan B. Heide, “Opportunism in Interfirm Relationships: Forms, Outcomes, and Solutions,” *Journal of Marketing* 64 (October 2000), pp. 36–51.

**67.** Mary Walton, “When Your Partner Fails You,” *Fortune,* May 26, 1997, pp. 151–54.

**68.** Mark B. Houston and Shane A. Johnson, “Buyer–Supplier Contracts versus Joint Ventures: Determinants and Consequences of Transaction Structure,” *Journal of Marketing Research* 37 (February 2000), pp. 1–15.

**69.** Aksel I. Rokkan, Jan B. Heide, and Kenneth H. Wathne, “Specific Investment in Marketing Relationships: Expropriation and Bonding Effects,” *Journal of Marketing Research* 40 (May 2003), pp. 210–24.

**70.** Elisabeth Sullivan, “A Worthwhile Investment,” *Marketing News*, December 30, 2009, p. 10.

**71.** Shar VanBoskirk, “B2B Email Marketing Best Practices: Hewlett Packard,” *Forrester,* www.forrester.com, February 21, 2006.

**72.** Josh Bernoff, “Why B-to-B Ought to Love Social Media,” *Marketing News*, April 15, 2009, p. 20; Elisabeth Sullivan, “A Long Slog,” *Marketing News*, February 28, 2009, pp. 15–18.

**73.** Elisabeth Sullivan, “One to One,” *Marketing News*, May 15, 2009, pp. 10–12.

**74.** Elisabeth Sullivan, “Cognos Inc.,” *Marketing News*, April 1, 2008, p. 10.

**75.** Paul King, “Purchasing: Keener Competition Requires Thinking Outside the Box,” *Nation’s Restaurant News,* August 18, 2003, p. 87.

**76.** Bill Gormley, “The U.S. Government Can Be Your Lifelong Customer,” *Washington Business Journal*, January 23, 2009; Chris Warren, “How to Sell to Uncle Sam,” *BNET Crash Course*, www.bnet.com, February 6, 2010.

**77.** Matthew Swibel and Janet Novack, “The Scariest Customer,” *Forbes,* November 10, 2003, pp. 96–97.

**78.** Laura M. Litvan, “Selling to Uncle Sam: New, Easier Rules,” *Nation’s Business* (March 1995), pp. 46–48.

**79.** Ellen Messmer, “Feds Do E-Commerce the Hard Way,” *Network World,* April 13, 1998, pp. 31–32.

**80.** Bill Gormley, “The U.S. Government Can Be Your Lifelong Customer,” *Washington Business Journal*, January 23, 2009.

## Chapter 8


1. Jonathan Schneider, "Club Med—Sex, Sand, and Surf," *Club Med*, www.clubmed.us, January 26, 2010; *Brand Channel*, www.brandchannel.com, July 2, 2001; Christina White, "It's Raining Hard on Club Med," *BusinessWeek*, February 4, 2002; Susan Spano, "Club Med, Swinging into the Future," *Morning Call*, January 15, 2006; Cherisse Beh, "Club Med Unveils Global Branding Push," *Marketing Interactive.com,* www.marketing-interactive.com, March 31, 2008.
2. Dale Buss, "Brands in the 'Hood," *Point,* December 2005, pp. 19–24.
3. Nanette Byrnes, "What's Beyond for Bed Bath & Beyond?" *BusinessWeek,* January 19, 2004, pp. 45–50; Andrea Lillo, "Bed Bath Sees More Room for Growth," *Home Textiles Today,* July 7, 2003, p. 2.
4. By visiting the company's sponsored site, MyBestSegments.com, you can enter in a zip code and discover the top five clusters for that area. Note that another leading supplier of geodemographic data is ClusterPlus (Strategic Mapping).
5. Becky Ebenkamp, "Urban America Redefined," *Brandweek,* October 6, 2003, pp. 12–13.
6. Mike Freeman, "Clusters of Customers," *San Diego Union-Tribune*, December 19, 2004.
7. Michael J. Weiss, "To Be About to Be," *American Demographics,* September 2003, pp. 29–36.
8. "YouthPulse: The Definitive Study of Today's Youth Generation," *Harris Interactive*, 2009, www.harrisinteractive.com.
9. Gina Chon, "Car Makers Talk 'Bout G-G-Generations," *Wall Street Journal,* May 9, 2006.
10. For some practical implications, see Marti Barletta, *Marketing to Women: How to Increase Share of the World's Largest Market*, 2nd ed. (New York: Kaplan Business, 2006); Bridget Brennan, *Why She Buys: The New Strategy for Reaching the World's Most Powerful Consumers* (New York: Crown Business, 2009).
11. For more consumer behavior perspectives on gender, see Jane Cunningham and Philippa Roberts, "What Woman Want," *Brand Strategy,* December 2006–January 2007, pp. 40–41; Robert J. Fisher and Laurette Dube, "Gender Differences in Responses to Emotional Advertising: A Social Desirability Perspective," *Journal of Consumer Research* 31 (March 2005), pp. 850–58; Joan Meyers-Levy and Durairaj Maheswaran, "Exploring Males' and Females' Processing Strategies: When and Why Do Differences Occur in Consumers' Processing of Ad Claims," *Journal of Consumer Research* 18 (June 1991), pp. 63–70; Joan Meyers-Levy and Brian Sternthal, "Gender Differences in the Use of Message Cues and Judgments," *Journal of Marketing Research* 28 (February 1991), pp. 84–96.
12. Dawn Klingensmith, "Marketing Gurus Try to Read Women's Minds," *Chicago Tribune,* April 19, 2006; Elisabeth Sullivan, "The Mother Lode," *Marketing News*, July 15, 2008, p. 28; Claire Cain Miller, "Advertising Woman to Woman, Online," *New York Times*, August 13, 2008; Eric Newman, "The Mook Industrial Complex," *Brandweek*, January 14, 2008, pp. 21–24.
13. Marti Barletta, "Who's Really Buying That Car? Ask Her," *Brandweek,* September 4, 2006, p. 20; Robert Craven, Kiki Maurey, and John Davis, "What Women Really Want," *Critical Eye* 15 (July 2006), pp. 50–53; Michael J. Silverstein and Kate Sayre, "The Female Economy," *Harvard Business Review*, September 2009, pp. 46–53.
14. Aixa Pascual, "Lowe's Is Sprucing Up Its House," *BusinessWeek,* June 3, 2002, pp. 56–57; Pamela Sebastian Ridge, "Tool Sellers Tap Their Feminine Side," *Wall Street Journal,* June 16, 2002.
15. Michael J. Silverstein and Neil Fiske, *Trading Up: The New American Luxury* (New York: Portfolio, 2003); Dylan Machan, "Sharing Victoria's Secret," *Forbes,* June 5, 1995, p. 132; www.limitedbrands.com.
16. Ian Zack, "Out of the Tube," *Forbes,* November 26, 2001, p. 200.
17. Gregory L. White and Shirley Leung, "Middle Market Shrinks as Americans Migrate toward the Higher End," *Wall Street Journal,* March 29, 2002.
18. Burt Helm, "PNC Lures Gen Y with Its 'Virtual Wallet' Account," *BusinessWeek*, November 26, 2008; *Virtual Wallet by PNC Leading the Way,* www.pncvirtualwallet.com, January 26, 2010.
19. Charles D. Schewe and Geoffrey Meredith, "Segmenting Global Markets by Generational Cohort: Determining Motivations by Age," *Journal of Consumer Behavior* 4 (October 2004), pp. 51–63; Geoffrey E. Meredith and Charles D. Schewe, *Managing by Defining Moments: America's 7 Generational Cohorts, Their Workplace Values, and Why Managers Should Care* (New York: Hungry Minds, 2002); Geoffrey E. Meredith, Charles D. Schewe, and Janice Karlovich, *Defining Markets Defining Moments* (New York: Hungry Minds, 2001).
20. Piet Levy, "The Quest for Cool," *Marketing News*, February 28, 2009, p. 6; Michelle Conlin, "Youth Quake," *BusinessWeek*, January 21, 2008, pp. 32–36.
21. Karen E. Klein, "The ABCs of Selling to Generation X," *BusinessWeek*, April 15, 2004; M. J. Stephey, "Gen-X: the Ignored Generation?" *Time*, April 16, 2008; Tamara Erickson, "Don't Treat Them Like Baby Boomers," *BusinessWeek*, August 25, 2008, p. 64.
22. Louise Lee, "Love Those Boomers," *BusinessWeek,* October 24, 2005, p. 94; Bob Moos, "Last of Boomers Turn 40," *Dallas Morning News,* January 1, 2005; Linda Tischler, "Where the Bucks Are," *Fast Company*, March 2004, pp. 71–77; Alycia de Mesa, "Don't Ignore the Boomer Consumer," *brandchannel,* www.brandchannel.com, June 25, 2007; Judann Pollack, "Boomers Don't Want Your Pity, but They Do Demand Your Respect," *Advertising Age*, October 8, 2007, p. 24.
23. Mark Dolliver, "Marketing to Today's 65-plus Consumers," *Adweek*, July 27, 2009.

**24.** Stuart Elliott, “The Older Audience Is Looking Better Than Ever,” *New York Times*, April 19, 2009.

**25.** Marissa Miley, “Don’t Bypass African-Americans,” *Advertising Age*, February 2, 2009.

**26.** Elisabeth Sullivan, “Choose Your Words Wisely,” *Marketing News*, February 15, 2008, p. 22; Emily Bryson York, “Brands Prepare for a More Diverse ‘General Market,’” *Advertising Age*, November 30, 2009, p. 6.

**27.** Emily Bryson York, “Brands Prepare for a More Diverse ‘General Market,’” *Advertising Age*, November 30, 2009, p. 6.

**28.** Daniel B. Honigman, “10 Minutes with . . . Caralene Robinson,” *Marketing News*, February 15, 2008, pp. 24–28; Sonya A. Grier, Anne Brumbaugh, and Corliss G. Thornton, “Crossover Dreams: Consumer Responses to Ethnic-Oriented Products,” *Journal of Marketing* 70 (April 2006), pp. 35–51.

**29.** “Hispanics Will Top All U.S. Minority Groups for Purchasing Power by 2007,” *Selig Center of Economic Growth, Terry College of Business, University of Georgia,*/www.selig.uga.edu, September 1, 2006; Jeffrey M. Humphreys, “The Multicultural Economy 2008,” *Selig Center of Economic Growth, Terry College of Business, University of Georgia,* 2008.

**30.** Andrew Pierce, “Multiculti Markets Demand Multilayered Markets,” *Marketing News*, May 1, 2008, p. 21.

**31.** Barbara De Lollis, “At Goya, It’s All in La Familia,” *USA Today*, March 24, 2008, pp. 1B–2B.

**32.** Ronald Grover, “The Payoff from Targeting Hispanics,” *BusinessWeek*, April 20, 2009, p. 76; Della de Lafuente, “The New Weave,” *Adweek Media*, March 3, 2008, pp. 26–28.

**33.** Piet Levy, “La Musica to Their Ears,” *Marketing News*, May 15, 2009, pp. 14–16; Ronald Grover, “The Payoff from Targeting Hispanics,” *BusinessWeek*, April 20, 2009, p. 76.

**34.** Elaine Wong, “Why Bounty Is a Hit with U.S. Hispanics,” *Brandweek*, August 17, 2009, p. 6.

**35.** Samar Farah, “Latino Marketing Goes Mainstream,” *Boston Globe*, July 9, 2006; Dianne Solis, “Latino Buying Power Still Surging,” *Dallas Morning News*, September 1, 2006; Joseph Tarnowski, “Assimilate or Perish,” *Progressive Grocer*, February 1, 2006.

**36.** Kevin Lane Keller, “got milk?: Branding a Commodity,” *Best Practice Cases in Branding*, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008); *got milk?* www.gotmilk.com; Jeff Manning, *got milk?: The book* (Roseville, CA: Prima Lifestyles 1999).

**37.** Elisabeth A. Sullivan, “Speak Our Language,” *Marketing News*, March 15, 2008, pp. 20–22.

**38.** Rita Chang, “Mobile Marketers Target Receptive Hispanic Audience,” *Advertising Age*, January 26, 2009, p. 18.

**39.** Adele Lassere, “The Marketing Corner: Marketing to African-American Consumers,” *Epoch Times*, November 27, 2009.

**40.** Lisa Sanders, “How to Target Blacks? First You Gotta Spend,” *Advertising Age*, July 3, 2006, p. 19; Pepper Miller and Herb Kemp, *What’s Black about It? Insights to Increase Your Share of a Changing African-American Market* (Ithaca, NY: Paramount Market Publishing, 2005).

**41.** Marissa Fabris, “Special Report on Multicultural Marketing: Market Power,” *Target Marketing*, www.targetmarketingmag.com, May 2008.

**42.** Sonya A. Grier and Shiriki K. Kumanyika, “The Context for Choice: Health Implications of Targeted Food and Beverage Marketing to African-Americans,” *American Journal of Public Health* 98 (September 2008), pp. 1616–29.

**43.** “The ‘Invisible’ Market,” *Brandweek*, January 30, 2006.

**44.** Andrew Pierce, “Multiculti Markets Demand Multilayered Markets,” *Marketing News*, May 1, 2008, p. 21.

**45.** “The ‘Invisible’ Market,” *Brandweek*, January 30, 2006; Bill Imada, “Four Myths about the Asian-American Market,” *Advertising Age*, October 31, 2007; “Kraft Targets Asian American Moms,” *Brandweek*, September 1, 2005.

**46.** “Marketing to Asian-Americans,” Special Supplement to *Brandweek*, May 26, 2008.

**47.** Kate Rockwood, “Partnering with Pride,” *Fast Company*, November 2009, pp. 21–28.

**48.** *Prime Access, Inc*, www.primeaccess.net.

**49.** *Strategic Business Insights,* www.strategicbusiness insights.com.

**50.** Andrew Kaplan, “A Fruitful Mix,” *Beverage World,* May 2006, pp. 28–36.

**51.** This classification was adapted from George H. Brown, “Brand Loyalty: Fact or Fiction?” *Advertising Age,* June 1952–January 1953, a series. See also, Peter E. Rossi, Robert E. McCulloch, and Greg M. Allenby, “The Value of Purchase History Data in Target Marketing,” *Marketing Science* 15 (Fall 1996), pp. 321–40.

**52.** James C. Anderson and James A. Narus, “Capturing the Value of Supplementary Services,” *Harvard Business Review,* January–February 1995, pp. 75–83.

**53.** For a review of many of the methodological issues in developing segmentation schemes, see William R. Dillon and Soumen Mukherjee, “A Guide to the Design and Execution of Segmentation Studies,” Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage, 2006); and Michael Wedel and Wagner A. Kamakura, *Market Segmentation: Conceptual and Methodological Foundations* (Boston: Kluwer, 1997).

**54.** Michael E. Porter, *Competitive Strategy* (New York: Free Press, 1980), pp. 22–23.

**55.** *Estee Lauder,* www.esteelauder.com.

**56.** Barry Silverstein, “Hallmark—Calling Card,” www.brandchannel.com, June 15, 2009; *Hallmark,* www.hallmark.com; Brad van Auken, “Leveraging the Brand: Hallmark Case Study,” www.brandstrategyinsider.com, January 11, 2008.

**57.** Jerry Harkavy, "Colgate Buying Control of Tom's of Maine for $100 Million," *Associated Press, Boston.com*, March 21, 2006.

**58.** Robert Blattberg and John Deighton, "Interactive Marketing: Exploiting the Age of Addressibility," *Sloan Management Review* 33 (Fall 1991), pp. 5–14.

**59.** Don Peppers and Martha Rogers, *One-to-One B2B: Customer Development Strategies for the Business-To-Business World* (New York: Doubleday, 2001); Jerry Wind and Arvind Rangaswamy, "Customerization: The Next Revolution in Mass Customization," *Journal of Interactive Marketing* 15 (Winter 2001), pp. 13–32.

**60.** James C. Anderson and James A. Narus, "Capturing the Value of Supplementary Services," *Harvard Business Review,* January–February 1995, pp. 75–83.

**61.** Itamar Simonson, "Determinants of Customers' Responses to Customized Offers: Conceptual Framework and Research Propositions," *Journal of Marketing* 69 (January 2005), pp. 32–45.

**62.** Joann Muller, "Kmart con Salsa: Will It Be Enough?" *BusinessWeek,* September 9, 2002.

**63.** Bart Macchiette and Roy Abhijit, "Sensitive Groups and Social Issues," *Journal of Consumer Marketing* 11 (Fall 1994), pp. 55–64.

**64.** Roger O. Crockett, "They're Lining Up for Flicks in the 'Hood,'" *BusinessWeek,* June 8, 1998, pp. 75–76.

**65.** Caroline E. Mayer, "Nurturing Brand Loyalty; with Preschool Supplies, Firms Woo Future Customers—and Current Parents," *Washington Post,* October 12, 2003.

## Chapter 9

**1.** Alli McConnon, "Lululemon's Next Workout," *BusinessWeek*, June 9, 2008, pp. 43–44; Danielle Sacks, "Lululemon's Cult of Selling," *Fast Company*, March 2009; Bryant Urstadt, "Lust for Lulu," *New York Magazine*, July 26, 2009.

**2.** For foundational work on branding, see Jean-Noel Kapferer, *The New Strategic Brand Management,* 4th ed. (New York: Kogan Page, 2008); David A. Aaker and Erich Joachimsthaler, *Brand Leadership* (New York: Free Press, 2000); David A. Aaker, *Building Strong Brands* (New York: Free Press, 1996); David A. Aaker, *Managing Brand Equity* (New York: Free Press, 1991).

**3.** Interbrand Group, *World's Greatest Brands: An International Review* (New York: John Wiley & Sons, 1992). See also Karl Moore and Susan Reid, "The Birth of Brand," *Business History* 50 (2008), pp. 419–32.

**4.** Rajneesh Suri and Kent B. Monroe, "The Effects of Time Pressure on Consumers' Judgments of Prices and Products," *Journal of Consumer Research* 30 (June 2003), pp. 92–104.

**5.** Rita Clifton and John Simmons, eds., *The Economist on Branding* (New York: Bloomberg Press, 2004); Rik Riezebos, *Brand Management: A Theoretical and Practical Approach* (Essex, England: Pearson Education, 2003); and Paul Temporal, *Advanced Brand Management: From Vision to Valuation* (Singapore: John Wiley & Sons, 2002).

**6.** Constance E. Bagley, *Managers and the Legal Environment: Strategies for the 21st Century,* 3rd ed. (Cincinnati, OH: South-Western College/West Publishing, 2005); For a marketing academic point of view of some important legal issues, see Judith Zaichkowsky, *The Psychology behind Trademark Infringement and Counterfeiting* (Mahwah, NJ: LEA Publishing, 2006) and Maureen Morrin and Jacob Jacoby, "Trademark Dilution: Empirical Measures for an Elusive Concept," *Journal of Public Policy & Marketing* 19 (May 2000), pp. 265–76; Maureen Morrin, Jonathan Lee, and Greg M. Allenby, "Determinants of Trademark Dilution," *Journal of Consumer Research* 33 (September 2006), pp. 248–57.

**7.** Tulin Erdem, "Brand Equity as a Signaling Phenomenon," *Journal of Consumer Psychology* 7 (1998), pp. 131–57; Joffre Swait and Tulin Erdem, "Brand Effects on Choice and Choice Set Formation Under Uncertainty," *Marketing Science* 26 (September–October 2007), pp. 679–97; Tulin Erdem, Joffre Swait, and Ana Valenzuela, "Brands as Signals: A Cross-Country Validation Study," *Journal of Marketing* 70 (January 2006), pp. 34–49.

**8.** Scott Davis, *Brand Asset Management: Driving Profitable Growth through Your Brands* (San Francisco: Jossey-Bass, 2000); Mary W. Sullivan, "How Brand Names Affect the Demand for Twin Automobiles," *Journal of Marketing Research* 35 (May 1998), pp. 154–65; D. C. Bello and M. B. Holbrook, "Does an Absence of Brand Equity Generalize across Product Classes?" *Journal of Business Research* 34 (October 1996), pp. 125–31; Adrian J. Slywotzky and Benson P. Shapiro, "Leveraging to Beat the Odds: The New Marketing Mindset," *Harvard Business Review,* September–October 1993, pp. 97–107.

**9.** The power of branding is not without its critics, however, some of whom reject the commercialism associated with branding activities. See Naomi Klein, *No Logo: Taking Aim at the Brand Bullies* (New York: Picador, 2000).

**10.** "Study: Food in McDonald's Wrapper Tastes Better to Kids," *Associated Press*, August 6, 2007.

**11.** Natalie Mizik and Robert Jacobson, "Talk about Brand Strategy," *Harvard Business Review,* October 2005, p. 1; Baruch Lev, *Intangibles: Management, Measurement, and Reporting* (Washington, DC: Brookings Institute, 2001).

**12.** For an academic discussion of how consumers become so strongly attached to people as brands, see Matthew Thomson, "Human Brands: Investigating Antecedents to Consumers' Stronger Attachments to Celebrities," *Journal of Marketing* 70 (July 2006), pp. 104–19; For some practical branding tips from the world of rock and roll, see Roger Blackwell and Tina Stephan, *Brands That Rock* (Hoboken, NJ: John Wiley & Sons, 2004); and from the world of sports, see Irving

Rein, Philip Kotler, and Ben Shields, *The Elusive Fan: Reinventing Sports in a Crowded Marketplace* (New York: McGraw-Hill, 2006).

**13.** Mark Borden, "Shaun White Lifts Off," *Fast Company*, February 2009, pp. 56–65; Mike Duff, "Target Cuts Across Fashion with Shaun White," *bnet.com*, February 20, 2009.

**14.** Kevin Lane Keller, *Strategic Brand Management,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008); David A. Aaker and Erich Joachimsthaler, *Brand Leadership* (New York: Free Press 2000); David A. Aaker, *Building Strong Brands* (New York: Free Press, 1996); David A. Aaker, *Managing Brand Equity* (New York: Free Press, 1991).

**15.** Other approaches are based on economic principles of signaling, for example, Tulin Erdem, "Brand Equity as a Signaling Phenomenon," *Journal of Consumer Psychology* 7 (1998), pp. 131–57; or more of a sociological, anthropological, or biological perspective (e.g., Grant McCracken, *Culture and Consumption II: Markets, Meaning, and Brand Management* (Bloomington: Indiana University Press, 2005); Susan Fournier, "Consumers and Their Brands: Developing Relationship Theory in Consumer Research," *Journal of Consumer Research* 24 (September 1998), pp. 343–73; Craig J. Thompson, Aric Rindfleisch, and Zeynep Arsel, "Emotional Branding and the Strategic Value of the Doppelganger Brand Image," *Journal of Marketing* 70 (January 2006), pp. 50–64.

**16.** Jennifer L. Aaker, "Dimensions of Brand Personality," *Journal of Marketing Research* 34 (August 1997), pp. 347–56; Jean-Noel Kapferer, *Strategic Brand Management: New Approaches to Creating and Evaluating Brand Equity* (London: Kogan Page, 1992), p. 38; Scott Davis, *Brand Asset Management: Driving Profitable Growth through Your Brands* (San Francisco: Jossey-Bass, 2000). For an overview of academic research on branding, see Kevin Lane Keller, "Branding and Brand Equity," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage Publications, 2002), pp. 151–78; Kevin Lane Keller and Don Lehmann, "Brands and Branding: Research Findings and Future Priorities," *Marketing Science* 25 (November–December 2006), pp. 740–59.

**17.** Kevin Lane Keller, *Strategic Brand Management,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008).

**18.** Theodore Levitt, "Marketing Success through Differentiation—of Anything," *Harvard Business Review,* January–February 1980, pp. 83–91.

**19.** Kusum Ailawadi, Donald R. Lehmann, and Scott Neslin, "Revenue Premium as an Outcome Measure of Brand Equity," *Journal of Marketing* 67 (October 2003), pp. 1–17.

**20.** Jon Miller and David Muir, *The Business of Brands* (West Sussex, England: John Wiley & Sons, 2004).

**21.** Michael Bush, "Virgin America," *Advertising Age*, November 16, 2009, p. 12.

**22.** Kevin Lane Keller, "Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands," *Marketing Management* 10 (July–August 2001), pp. 15–19.

**23.** For some academic insights, see Matthew Thomson, Deborah J. MacInnis, and C. W. Park, "The Ties That Bind: Measuring the Strength of Consumers' Emotional Attachments to Brands," *Journal of Consumer Psychology* 15 (2005), pp. 77–91; Alexander Fedorikhin, C. Whan Park, and Matthew Thomson, "Beyond Fit and Attitude: The Effect of Emotional Attachment on Consumer Responses to Brand Extensions," *Journal of Consumer Psychology* 18 (2008), pp. 281–91; Jennifer Edson Escalas, "Narrative Processing: Building Consumer Connections to Brands," *Journal of Consumer Psychology* 14 (1996), pp. 168–79. For some managerial guidelines, see Kevin Roberts, *Lovemarks: The Future beyond Brands* (New York: Powerhouse Books, 2004); and Douglas Atkins, *The Culting of Brands* (New York: Penguin Books, 2004).

**24.** Paul Rittenberg and Maura Clancey, "Testing the Value of Media Engagement for Advertising Effectiveness," www.knowledgenetworks.com, Spring–Summer 2006, pp. 35–42.

**25.** M. Berk Ataman, Carl F. Mela, and Harald J. van Heerde, "Building Brands," *Marketing Science* 27 (November–December 2008), pp. 1036–54.

**26.** Walter Mossberg, "Is Bing the Thing?" *Wall Street Journal*, June 2, 2009, p. R4; Burt Heim, "The Dubbing of 'Bing,'" *BusinessWeek*, June 15, 2009, p. 23; Todd Wasserman, "Why Microsoft Chose the Name 'Bing,'" *Brandweek*, June 1, 2009, p. 33.

**27.** Rachel Dodes, "From Tracksuits to Fast Track," *Wall Street Journal,* September 13, 2006.

**28.** "42 Below," www.betterbydesign.org.nz, September 14, 2007.

**29.** Amanda Baltazar, "Silly Brand Names Get Serious Attention," *Brandweek*, December 3, 2007, p. 4.

**30.** Alina Wheeler, *Designing Brand Identity* (Hoboken, NJ: John Wiley & Sons, 2003).

**31.** Pat Fallon and Fred Senn, *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage* (Cambridge, MA: Harvard Business School Press, 2006); Eric A. Yorkston and Geeta Menon, "A Sound Idea: Phonetic Effects of Brand Names on Consumer Judgments," *Journal of Consumer Research* 31 (June), pp. 43–51; Tina M. Lowery and L. J. Shrum, "Phonetic Symbolism and Brand Name Preference," *Journal of Consumer Research* 34 (October 2007), pp. 406–14.

**32.** For some interesting theoretical perspectives, see Claudiu V. Dimofte and Richard F. Yalch, "Consumer Response to Polysemous Brand Slogans," *Journal of Consumer Research* 33 (March 2007), pp. 515–22.

**33.** John R. Doyle and Paul A. Bottomly, "Dressed for the Occasion: Font-Product Congruity in the Perception of Logotype," *Journal of Consumer Psychology* 16 (2006), pp. 112–23; Kevin Lane Keller, Susan Heckler, and Michael J. Houston, "The Effects of Brand Name Suggestiveness on Advertising Recall," *Journal of Marketing* 62 (January 1998), pp. 48–57; For an in-depth examination of how brand names get developed, see Alex Frankel, *Wordcraft: The Art of Turning Little Words into Big Business* (New York: Crown Publishers, 2004).

**34.** Don Schultz and Heidi Schultz, *IMC: The Next Generation* (New York: McGraw-Hill, 2003); Don E. Schultz, Stanley I. Tannenbaum, and Robert F. Lauterborn, *Integrated Marketing Communications* (Lincolnwood, IL: NTC Business Books, 1993).

**35.** Mohanbir Sawhney, "Don't Harmonize, Synchronize," *Harvard Business Review,* July–August 2001, pp. 101–8.

**36.** David C. Court, John E. Forsyth, Greg C. Kelly, and Mark A. Loch, "The New Rules of Branding: Building Strong Brands Faster," *McKinsey White Paper Fall 1999*; Scott Bedbury, *A New Brand World* (New York: Viking Press, 2002).

**37.** Sonia Reyes, "Cheerios: The Ride," *Brandweek,* September 23, 2002, pp. 14–16.

**38.** Dawn Iacobucci and Bobby Calder, eds., *Kellogg on Integrated Marketing* (New York: John Wiley & Sons, 2003).

**39.** Drew Madsen, "Olive Garden: Creating Value through an Integrated Brand Experience," presentation at Marketing Science Institute Conference, *Brand Orchestration,* Orlando, Florida, December 4, 2003.

**40.** Michael Dunn and Scott Davis, "Building Brands from the Inside," *Marketing Management* (May–June 2003), pp. 32–37; Scott Davis and Michael Dunn, *Building the Brand-Driven Business* (New York: John Wiley & Sons, 2002).

**41.** Stan Maklan and Simon Knox, *Competing on Value* (Upper Saddle River, NJ: Financial Times, Prentice Hall, 2000).

**42.** Coeli Carr, "Seeking to Attract Top Prospects, Employers Brush Up on Brands," *New York Times,* September 10, 2006.

**43.** The principles and examples from this passage are based on Colin Mitchell, "Selling the Brand Inside," *Harvard Business Review,* January 2002, pp. 99–105. For an in-depth discussion of how two organizations, QuikTrip and Wawa, have developed stellar internal branding programs, see Neeli Bendapudi and Venkat Bendapudi, "Creating the Living Brand," *Harvard Business Review,* May 2005, pp. 124–32.

**44.** James H. McAlexander, John W. Schouten and Harold F. Koenig, "Building Brand Community," *Journal of Marketing* 66 (January 2002), pp. 38–54. For some notable examinations of brand communities, see René Algesheimer, Uptal M. Dholakia, and Andreas Herrmann, "The Social Influence of Brand Community: Evidence from European Car Clubs," *Journal of Marketing* 69 (July 2005), pp. 19–34; Albert M. Muniz Jr. and Hope Jensen Schau, "Religiosity in the Abandoned Apple Newton Brand Community," *Journal of Consumer Research* 31 (2005), pp. 412–32; Robert Kozinets, "Utopian Enterprise: Articulating the Meanings of *Star Trek*'s Culture of Consumption," *Journal of Consumer Research* 28 (June 2001), pp. 67–87; John W. Schouten and James H. McAlexander, "Subcultures of Consumption: An Ethnography of New Bikers," *Journal of Consumer Research* 22 (June 1995), pp. 43–61.

**45.** Albert M. Muniz Jr. and Thomas C. O'Guinn, "Brand Community," *Journal of Consumer Research* 27 (March 2001), pp. 412–32.

**46.** Susan Fournier and Lara Lee, "The Seven Deadly Sins of Brand Community 'Management,'" Marketing Science Institute Special Report 08-208, 2008.

**47.** Harley-Davidson USA, www.hog.com; Joseph Weber, "Harley Just Keeps on Cruisin'," *BusinessWeek,* November 6, 2006, pp. 71–72.

**48.** Scott A. Thompson and Rajiv K. Sinha, "Brand Communities and New Product Adoption: The Influence and Limits of Oppositional Loyalty," *Journal of Marketing* 72 (November 2008), pp. 65–80.

**49.** Deborah Roeddder John, Barbara Loken, Kyeong-Heui Kim, and Alokparna Basu Monga, "Brand Concept Maps: A Methodology for Identifying Brand Association Networks," *Journal of Marketing Research* 43 (November 2006), pp. 549–63.

**50.** In terms of related empirical insights, see Manoj K. Agrawal and Vithala Rao "An Empirical Comparison of Consumer-Based Measures of Brand Equity," *Marketing Letters* 7 (July 1996), pp. 237–47; and Walfried Lassar, Banwari Mittal, and Arun Sharma, "Measuring Customer-Based Brand Equity," *Journal of Consumer Marketing* 12 (1995), pp. 11–19.

**51.** "The Best Global Brands," *BusinessWeek,* June 19, 2009; The article ranks and critiques the 100 best global brands using the valuation method developed by Interbrand. For more discussion on some brand winners and losers, see Matt Haig, *Brand Royalty: How the Top 100 Brands Thrive and Survive* (London: Kogan Page, 2004); Matt Haig, *Brand Failures: The Truth about the 100 Biggest Branding Mistakes of All Time* (London: Kogan Page, 2003); For an academic discussion of valuing brand equity, see V. Srinivasan, Chan Su Park, and Dae Ryun Chang, "An Approach to the Measurement, Analysis, and Prediction of Brand Equity and Its Sources," *Management Science* 51 (September 2005), pp. 1433–48.

**52.** Mark Sherrington, *Added Value: The Alchemy of Brand-Led Growth* (Hampshire, UK: Palgrave Macmillan, 2003).

**53.** For some discussion of what factors determine long-term branding success, see Allen P. Adamson, *Brand Simple* (New York: Palgrave Macmillan, 2006).

**54.** Nikhil Bahdur and John Jullens, "New Life for Tired Brands," *Strategy+Business* 50 (Spring 2008).

**55.** David Lieberman, "Discovery Chief Takes a Network on a Wild Ride," *USA Today*, September 2, 2009, pp. 1B–2B; Discovery Communications, www.corporate.discovery.com; Kenneth Hein, "Consumers Clinging to Old Favorite Brands," *Brandweek*, January 20, 2009; Linda Moss and Linda Haugsted, "Discovery Times New Branding Campaign to 'Deadliest Catch' Debut," *Multichannel News*, March 31, 2008.

56. Natalie Mizik and Robert Jacobson, “Trading Off between Value Creation and Value Appropriation: The Financial Implications of Shifts in Strategic Emphasis,” *Journal of Marketing* 67 (January 2003), pp. 63–76.

57. Larry Light and Joan Kiddon, *Six Rules for Brand Revitalization: Learn How Companies Like McDonald’s Can Re-Energize Their Brands* (Wharton School Publishing, 2009).

58. Jeff Cioletti, “The Passion of Pabst,” *Beverage World*, January 2007, pp. 24–28; Jeremy Mullman, “Conspicuous (Downscale) Consumption: Pabst Sees 25% Sales Growth,” *Advertising Age*, September 16, 2009.

59. Evan West, “Smells Like a Billion Bucks,” *Fast Company*, May 2009, pp. 44–46; Patricia Winters Lauro, “Old Spice Begins a Revival as a Body-Care Line for College-Age Men, with Towelettes,” *New York Times*, April 29, 2002.

60. Rebecca J. Slotegraaf and Koen Pauwels, “The Impact of Brand Equity and Innovation on the Long-Term Effectiveness of Promotions,” *Journal of Marketing Research* 45 (June 2008), pp. 293–306.

61. Keith Naughton, “Fixing Cadillac,” *Newsweek,* May 28, 2001, pp. 36–37.

62. Elizabeth Woyke, “Paul Stuart Tries to Unstuff the Shirts,” *BusinessWeek*, October 8, 2007, p. 86.

63. Peter Farquhar, “Managing Brand Equity,” *Marketing Research* 1 (September 1989), pp. 24–33.

64. Steven M. Shugan, “Branded Variants,” 1989 AMA Educators’ Proceedings (Chicago: American Marketing Association, 1989), pp. 33–38; M. Bergen, S. Dutta, and S. M. Shugan, “Branded Variants: A Retail Perspective,” *Journal of Marketing Research* 33 (February 1996), pp. 9–21.

65. Adam Bass, “Licensed Extension—Stretching to Communicate,” *Journal of Brand Management* 12 (September 2004), pp. 31–38; also see David A. Aaker, *Building Strong Brands* (New York: Free Press, 1996).

66. Jean Halliday, “Troubled Automakers’ Golden Goose,” *AutoWeek,* August 14, 2006; Becky Ebenkamp, “The Creative License,” *Brandweek,* June 9, 2003, pp. 36–40; “Top 100 Global Licensors,” *License! Global*, April 1, 2009.

67. For comprehensive corporate branding guidelines, see James R. Gregory, *The Best of Branding: Best Practices in Corporate Branding* (New York: McGraw-Hill, 2004). For some international perspectives, see Majken Schultz, Mary Jo Hatch, and Mogens Holten Larsen, eds., *The Expressive Organization: Linking Identity, Reputation, and Corporate Brand* (Oxford, UK: Oxford University Press, 2000); and Majken Schultz, Yun Mi Antorini, and Fabian F. Csaba, eds., *Corporate Branding: Purpose, People, and Process* (Denmark: Copenhagen Business School Press, 2005).

68. Guido Berens, Cees B. M. van Riel, and Gerrit H. van Bruggen, “Corporate Associations and Consumer Product Responses: The Moderating Role of Corporate Brand Dominance,” *Journal of Marketing* 69 (July 2005), pp. 35–48; Zeynep Gürhan-Canli and Rajeev Batra, “When Corporate Image Affects Product Evaluations: The Moderating Role of Perceived Risk,” *Journal of Marketing Research* 41 (May 2004), pp. 197–205; Kevin Lane Keller and David A. Aaker, “Corporate-Level Marketing: The Impact of Credibility on a Company’s Brand Extensions,” *Corporate Reputation Review* 1 (August 1998), pp. 356–78; Thomas J. Brown and Peter Dacin, “The Company and the Product: Corporate Associations and Consumer Product Responses,” *Journal of Marketing* 61 (January 1997), pp. 68–84; Gabriel J. Biehal and Daniel A. Sheinin, “The Influence of Corporate Messages on the Product Portfolio,” *Journal of Marketing* 71 (April 2007), pp. 12–25.

69. Vithala R. Rao, Manoj K. Agarwal, and Denise Dalhoff, “How Is Manifest Branding Strategy Related to the Intangible Value of a Corporation?” *Journal of Marketing* 68 (October 2004), pp. 126–41. For an examination of the financial impact of brand portfolio decisions, see Neil A. Morgan and Lopo L. Rego, “Brand Portfolio Strategy and Firm Performance,” *Journal of Marketing* 73 (January 2009), pp. 59–74; S. Cem Bahadir, Sundar G. Bharadwaj, and Rajendra K. Srivastava, “Financial Value of Brands in Mergers and Acquisitions: Is Value in the Eye of the Beholder?” *Journal of Marketing* 72 (November 2008), pp. 49–64.

70. William J. Holstein, “The Incalculable Value of Building Brands,” *Chief Executive,* April–May 2006, pp. 52–56.

71. David A. Aaker, *Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage, and Clarity* (New York: Free Press, 2004).

72. Christopher Hosford, “A Transformative Experience,” *Sales & Marketing Management* 158 (June 2006), pp. 32–36; Mike Beirne and Javier Benito, “Starwood Uses Personnel to Personalize Marketing,” *Brandweek*, April 24, 2006, p. 9.

73. Jack Trout, *Differentiate or Die: Survival in Our Era of Killer Competition* (New York: John Wiley & Sons, 2000); Kamalini Ramdas and Mohanbir Sawhney, “A Cross-Functional Approach to Evaluating Multiple Line Extensions for Assembled Products,” *Management Science* 47 (January 2001), pp. 22–36.

74. Nirmalya Kumar, “Kill a Brand, Keep a Customer,” *Harvard Business Review,* December 2003, pp. 87–95.

75. For a methodological approach for assessing the extent and nature of cannibalization, see Charlotte H. Mason and George R. Milne, “An Approach for Identifying Cannibalization within Product Line Extensions and Multibrand Strategies,” *Journal of Business Research* 31 (October–November 1994), pp. 163–70.

76. Mark Ritson, “Should You Launch a Fighter Brand?” *Harvard Business Review*, October 2009, pp. 87–94.

77. Paul W. Farris, “The Chevrolet Corvette,” Case UVA-M-320, The Darden Graduate Business School Foundation, University of Virginia, Charlottesville, 1988.

78. Byung-Do Kim and Mary W. Sullivan, “The Effect of Parent Brand Experience on Line Extension Trial and Repeat Purchase,” *Marketing Letters* 9 (April 1998), pp. 181–93.

**79.** John Milewicz and Paul Herbig, "Evaluating the Brand Extension Decision Using a Model of Reputation Building," *Journal of Product & Brand Management* 3 (January 1994), pp. 39–47; Kevin Lane Keller and David A. Aaker, "The Effects of Sequential Introduction of Brand Extensions," *Journal of Marketing Research* 29 (February 1992), pp. 35–50.

**80.** Valarie A. Taylor and William O. Bearden, "Ad Spending on Brand Extensions: Does Similarity Matter?" *Journal of Brand Management* 11 (September 2003), pp. 63–74; Sheri Bridges, Kevin Lane Keller, and Sanjay Sood, "Communication Strategies for Brand Extensions: Enhancing Perceived Fit by Establishing Explanatory Links," *Journal of Advertising* 29 (Winter 2000), pp. 1–11; Daniel C. Smith, "Brand Extension and Advertising Efficiency: What Can and Cannot Be Expected," *Journal of Advertising Research* (November–December 1992), pp. 11–20; Daniel C. Smith and C. Whan Park, "The Effects of Brand Extensions on Market Share and Advertising Efficiency," *Journal of Marketing Research* 29 (August 1992), pp. 296–313.

**81.** Ralf van der Lans, Rik Pieters, and Michel Wedel, "Competitive Brand Salience," *Marketing Science* 27 (September–October 2008), pp. 922–31.

**82.** Subramanian Balachander and Sanjoy Ghose, "Reciprocal Spillover Effects: A Strategic Benefit of Brand Extensions," *Journal of Marketing* 67 (January 2003), pp. 4–13.

**83.** Bharat N. Anand and Ron Shachar, "Brands as Beacons: A New Source of Loyalty to Multiproduct Firms," *Journal of Marketing Research* 41 (May 2004), pp. 135–50.

**84.** Kevin Lane Keller and David A. Aaker, "The Effects of Sequential Introduction of Brand Extensions," *Journal of Marketing Research* 29 (February 1992), pp. 35–50. For consumer processing implications, see Huifung Mao and H. Shanker Krishnan, "Effects of Prototype and Exemplar Fit on Brand Extension Evaluations: A Two-Process Contingency Model," *Journal of Consumer Research* 33 (June 2006), pp. 41–49; Byung Chul Shine, Jongwon Park, and Robert S. Wyer Jr., "Brand Synergy Effects in Multiple Brand Extensions," *Journal of Marketing Research* 44 (November 2007), pp. 663–70.

**85.** Maureen Morrin, "The Impact of Brand Extensions on Parent Brand Memory Structures and Retrieval Processes," *Journal of Marketing Research* 36 (November 1999), pp. 517–25; John A. Quelch and David Kenny, "Extend Profits, Not Product Lines," *Harvard Business Review,* September–October 1994, pp. 153–60; Perspectives from the Editors, "The Logic of Product-Line Extensions," *Harvard Business Review,* November–December 1994, pp. 53–62.

**86.** Al Ries and Jack Trout, *Positioning: The Battle for Your Mind, 20th Anniversary Edition* (New York: McGraw-Hill, 2000).

**87.** David A. Aaker, *Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage, and Clarity* (New York: Free Press, 2004).

**88.** Mary W. Sullivan, "Measuring Image Spillovers in Umbrella-Branded Products," *Journal of Business* 63 (July 1990), pp. 309–29.

**89.** Deborah Roedder John, Barbara Loken, and Christopher Joiner, "The Negative Impact of Extensions: Can Flagship Products Be Diluted," *Journal of Marketing* 62 (January 1998), pp. 19–32; Susan M. Broniarcyzk and Joseph W. Alba, "The Importance of the Brand in Brand Extension," *Journal of Marketing Research* 31 (May 1994), pp. 214–28 (this entire issue of *JMR* is devoted to brands and brand equity); Barbara Loken and Deborah Roedder John, "Diluting Brand Beliefs: When Do Brand Extensions Have a Negative Impact?" *Journal of Marketing* 57 (July 1993), pp. 71–84. See also, Chris Pullig, Carolyn Simmons, and Richard G. Netemeyer, "Brand Dilution: When Do New Brands Hurt Existing Brands?" *Journal of Marketing* 70 (April 2006), pp. 52–66; R. Ahluwalia and Z. Gürhan-Canli, "The Effects of Extensions on the Family Brand Name: An Accessibility-Diagnosticity Perspective," *Journal of Consumer Research* 27 (December 2000), pp. 371–81; Z. Gürhan-Canli and M. Durairaj, "The Effects of Extensions on Brand Name Dilution and Enhancement," *Journal of Marketing Research* 35 (November 1998), pp. 464–73; S. J. Milberg, C. W. Park, and M. S. McCarthy, "Managing Negative Feedback Effects Associated with Brand Extensions: The Impact of Alternative Branding Strategies," *Journal of Consumer Psychology* 6 (1997), pp. 119–40.

**90.** See also, Franziska Völckner and Henrik Sattler, "Drivers of Brand Extension Success," *Journal of Marketing* 70 (April 2006), pp. 1–17.

**91.** For recent research on extension evaluations, see Alokparna Basu Monga and Deborah Roedder John, "Cultural Differences in Brand Extension Evaluation: The Influence of Analytical versus Holistic Thinking," *Journal of Marketing Research* 33 (March 2007), pp. 529–36; James L. Oakley, Adam Duhachek, Subramanian Balachander, and S. Sriram, "Order of Entry and the Moderating Role of Comparison Brands in Extension Evaluations," *Journal of Consumer Research* 34 (February 2008), pp. 706–12; Junsang Yeo and Jongwon Park, "Effects of Parent-Extension Similarity and Self Regulatory Focus on Evaluations of Brand Extensions," *Journal of Consumer Psychology* 16 (2006), pp. 272–82; Catherine W. M. Yeung and Robert S. Wyer, "Does Loving a Brand Mean Loving Its Products? The Role of Brand-Elicited Affect in Brand Extension Evaluations," *Journal of Marketing Research* 43 (November 2005), pp. 495–506; Huifang Mao and H. Shankar Krishnan, "Effects of Prototype and Exemplar Fit on Brand Extension Evaluations: A Two-Process Contingency Model," *Journal of Consumer Research* 33 (June 2006), pp. 41–49; Rohini Ahluwalia, "How Far Can a Brand Stretch? Understanding the Role of Self-Construal," *Journal of Marketing Research* 45 (June 2008), pp. 337–50.

**92.** Pierre Berthon, Morris B. Holbrook, James M. Hulbert, and Leyland F. Pitt, "Viewing Brands in Multiple

Dimensions," *MIT Sloan Management Review* (Winter 2007), pp. 37–43.

**93.** Andrea Rothman, "France's Bic Bets U.S. Consumers Will Go for Perfume on the Cheap," *Wall Street Journal,* January 12, 1989.

**94.** Roland T. Rust, Valerie A. Zeithaml, and Katherine A. Lemon, "Measuring Customer Equity and Calculating Marketing ROI," Rajiv Grover and Marco Vriens, eds., *Handbook of Marketing Research* (Thousand Oaks, CA: Sage Publications, 2006), pp. 588–601; Roland T. Rust, Valerie A. Zeithaml, and Katherine A. Lemon, *Driving Customer Equity* (New York: Free Press, 2000).

**95.** Robert C. Blattberg and John Deighton, "Manage Marketing by the Customer Equity Test," *Harvard Business Review,* July–August 1996, pp. 136–44.

**96.** Robert C. Blattberg and Jacquelyn S. Thomas, "Valuing, Analyzing, and Managing the Marketing Function Using Customer Equity Principles," Dawn Iacobucci, ed., *Kellogg on Marketing* (New York: John Wiley & Sons, 2002); Robert C. Blattberg, Gary Getz, and Jacquelyn S. Thomas, *Customer Equity: Building and Managing Relationships as Valuable Assets* (Boston: Harvard Business School Press, 2001).

**97.** Much of this section is based on: Robert Leone, Vithala Rao, Kevin Lane Keller, Man Luo, Leigh McAlister, and Rajendra Srivatstava, "Linking Brand Equity to Customer Equity," *Journal of Service Research* 9 (November 2006), pp. 125–38. This special issue is devoted to customer equity and has a number of thought-provoking articles.

**98.** Niraj Dawar, "What Are Brands Good For?" *MIT Sloan Management Review* (Fall 2004), pp. 31–37.

## Chapter 10

**1.** Ilana DeBare, "Cleaning Up without Dot-coms," *San Francisco Chronicle,* October 8, 2006; "Marketers of the Next Generation," *Brandweek,* April 17, 2006, p. 30.

**2.** Al Ries and Jack Trout, *Positioning: The Battle for Your Mind, 20th Anniversary Edition* (New York: McGraw-Hill, 2000).

**3.** Nat Ives, "Donaton: EW Is Not a Celebrity Magazine," *Advertising Age*, June 23, 2008, p. 12.

**4.** Michael J. Lanning and Lynn W. Phillips, "Building Market-Focused Organizations," Gemini Consulting White Paper, 1991.

**5.** Kevin Maney, "Hello, Ma Google," *Condé Nast Portfolio*, October 2007, pp. 49–50.

**6.** David A. Aaker, "The Relevance of Brand Relevance," *Strategy+Business* 35 (Summer 2004), pp. 1–10; David A. Aaker, *Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage, and Clarity* (New York: Free Press, 2004).

**7.** Elaine Wong, "Unilever Marketer Reveals Bertolli's Secret Sauce," *Brandweek*, August 28, 2009.

**8.** Allan D. Shocker, "Determining the Structure of Product-Markets: Practices, Issues, and Suggestions," Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 106–25. See also, Bruce H. Clark and David B. Montgomery, "Managerial Identification of Competitors," *Journal of Marketing* 63 (July 1999), pp. 67–83.

**9.** "What Business Are You In? Classic Advice from Theodore Levitt," *Harvard Business Review,* October 2006, pp. 127–37. See also Theodore Levitt's seminal article, "Marketing Myopia," *Harvard Business Review,* July–August 1960, pp. 45–56.

**10.** Jeffrey F. Rayport and Bernard J. Jaworski, *e-Commerce* (New York: McGraw-Hill, 2001), p. 53.

**11.** Richard A. D'Aveni, "Competitive Pressure Systems: Mapping and Managing Multimarket Contact," *MIT Sloan Management Review* (Fall 2002), pp. 39–49.

**12.** For discussion of some of the long-term implications of marketing activities, see Koen Pauwels, "How Dynamic Consumer Response, Competitor Response, Company Support, and Company Inertia Shape Long-Term Marketing Effectiveness," *Marketing Science* 23 (Fall 2004), pp. 596–610; Koen Pauwels, Dominique M. Hanssens, and S. Siddarth, "The Long-term Effects of Price Promotions on Category Incidence, Brand Choice, and Purchase Quantity," *Journal of Marketing Research* 34 (November 2002), pp. 421–39; and Marnik Dekimpe and Dominique Hanssens, "Sustained Spending and Persistent Response: A New Look at Long-term Marketing Profitability," *Journal of Marketing Research* 36 (November 1999), pp. 397–412.

**13.** Kevin Lane Keller, Brian Sternthal, and Alice Tybout, "Three Questions You Need to Ask about Your Brand," *Harvard Business Review,* September 2002, pp. 80–89.

**14.** Michael Applebaum, "Comfy to Cool: A Brand Swivel," *Brandweek,* May 2, 2005, pp. 18–19.

**15.** Thomas A. Brunner and Michaela Wänke, "The Reduced and Enhanced Impact of Shared Features on Individual Brand Evaluations," *Journal of Consumer Psychology* 16 (April 2006), pp. 101–11.

**16.** Professor Brian Sternthal, "Miller Lite Case," *Kellogg Graduate School of Management, Northwestern University*.

**17.** Scott Bedbury, *A New Brand World* (New York: Viking Press, 2002).

**18.** Patrick Tickle, Kevin Lane Keller, and Keith Richey, "Branding in High-Technology Markets," *Market Leader* 22 (Autumn 2003), pp. 21–26.

**19.** Jim Hopkins, "When the Devil Is in the Design," *USA Today,* December 31, 2001.

**20.** Keith Naughton, "Ford's 'Perfect Storm,'" *Newsweek,* September 17, 2001, pp. 48–50.

**21.** Susan M. Broniarczyk and Andrew D. Gershoff, "The Reciprocal Effects of Brand Equity and Trivial Attributes," *Journal of Marketing Research* 40 (May 2003), pp. 161–75; Gregory S. Carpenter, Rashi Glazer, and Kent Nakamoto, "Meaningful Brands from Meaningless Differentiation: The Dependence on Irrelevant Attributes," *Journal of Marketing Research* 31 (August 1994), pp. 339–50.

22. Kerry Capell, "Thinking Simple at Philips," *BusinessWeek*, December 11, 2006, p. 50; Philips, www.philips.com.
23. Michael E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: Free Press, 1980).
24. Francis J. Kelly III and Barry Silverstein, *The Breakaway Brand* (New York: McGraw-Hill, 2005).
25. Willow Duttge, "Counting Sleep," *Advertising Age,* June 5, 2006, pp. 4, 50.
26. Patrick Barwise, *Simply Better: Winning and Keeping Customers by Delivering What Matters Most* (Cambridge, MA: Harvard Business School Press, 2004).
27. Louise Lee, "Can Progressive Stay in Gear?" *BusinessWeek,* August 8, 2004, p. 44; Robert J. Dolan and Hermann Simon, "Power Pricers," *Across the Board*, May 1997, pp. 18–19; Carol J. Loomis, "Sex. Reefer? And Auto Insurance," *Fortune,* August 7, 1995, p. 76; Progressive*,* www.progressive.com.
28. "The 25 Best Sales Forces," *Sales & Marketing Management* (July 1998), pp. 32–50.
29. William C. Copacino, *Supply Chain Management* (Boca Raton, FL: St. Lucie Press, 1997).
30. Piet Levy, "Express Yourself, *Marketing News*, June 15, 2009, p. 6.
31. James H. Gilmore and B. Joseph Pine II, *Authenticity: What Consumers Really Want* (Cambridge, MA: Harvard Business School Press, 2007); Lynn B. Upshaw, *Truth: The New Rules for Marketing in a Skeptical World* (New York: AMACOM, 2007).
32. Owen Jenkins, "Gimme Some Lovin'," *Marketing News*, May 15, 2009, p. 19.
33. Heather Landi, "Raise a Glass," *Beverage World*, October 2009, pp. 16–19.
34. Marc Gobé, *Emotional Branding: The New Paradigm for Connecting Brands to People* (New York: Allworth Press, 2001).
35. Kevin Roberts, *Lovemarks: The Future Beyond Brands*, expanded edition (New York: Powerhouse Books, 2005); Kevin Roberts, *The Lovemarks Effect: Winning in the Consumer Revolution* (New York: Powerhouse Books, 2005); "The Lovemarks Heart Beat: January 2010," *Lovemarks*, www.lovemarks.com.
36. Hamish Pringle and Peter Field, "Why Emotional Messages Beat Rational Ones," *Advertising Age*, March 2, 2009, p. 13; Hamish Pringle and Peter Field, *Brand Immortality: How Brands Can Live Long and Prosper* (Philadelphia: Kogan Page, 2009).
37. Rajendra S. Sisodia, David B. Wolfe, and Jagdish N. Sheth, *Firms of Endearment: How World-Class Companies Benefit Profit from Passion & Purpose* (Upper Saddle River, NJ: Wharton School Publishing, 2007).
38. Ronald Grover, "Selling by Storytelling," *BusinessWeek*, May 25, 2009.
39. Randall Ringer and Michael Thibodeau, "A Breakthrough Approach to Brand Creation," *Verse, The Narrative Branding Company*, www.versegroup.com.
40. Patrick Hanlon, *Primal Branding: Create Zealots for Your Brand, Your Company, and Your Future* (New York: Free Press, 2006); ThinkTopia, www.thinktopia.com.
41. Hillary Chura, "McD's Mass Marketing Loses Luster," *Crain's Chicago Business*, June 16, 2004.
42. Douglas Holt, *How Brands Become Icons: The Principle of Cultural Branding* (Cambridge, MA: Harvard Business School Press, 2004); Douglas Holt, "Branding as Cultural Activism," www.zibs.com; Douglas Holt, "What Becomes an Icon Most," *Harvard Business Review,* March 2003, pp. 43–49; See also, Grant McKracken, *Culture and Consumption II: Markets, Meaning, and Brand Management* (Bloomington, IN: Indiana University Press, 2005).
43. Craig Thompson, "Brands as Culturally Embedded Resources," 43rd AMA Sheth Foundation Doctoral Consortium, University of Missouri, June 6, 2008. See also research by John Sherry and Robert Kozinets, including John F. Sherry Jr., Robert V. Kozinets, Adam Duhachek, Benét DeBerry-Spence, Krittinee Nuttavuthisit and Diana Storm, "Gendered Behavior in a Male Preserve: Role Playing at ESPN Zone Chicago," *Journal of Consumer Psychology* 14, nos. 1 & 2 (2004), pp. 151–58; Stephen Brown, Robert V. Kozinets, and John F. Sherry Jr., "Teaching Old Brands New Tricks: Retro Branding and the Revival of Brand Meaning," *Journal of Marketing* 67 (July 2003), pp. 19–33.
44. Nick Wreden, *Fusion Branding: How to Forge Your Brand for the Future* (Atlanta: Accountability Press, 2002); Fusion Branding, www.fusionbranding.com.
45. Andrew Ross Sorkin and Andrew Martin, "Coca-Cola Agrees to Buy Vitaminwater," *New York Times*, May 26, 2007.
46. Jeffrey Gangemi, "Small Company, Big Brand," *BusinessWeek*, August 28, 2006.
47. Kurt Badenhausen and Christina Settimi, "What's New," *Forbes*, October 27, 2008, p. 133.

## Chapter 11

1. Luke Mullins, "Muscling Up in Sports Gear," *U.S. News & World Report*, December 10, 2007, pp. 57–58; Jeremy Mullman, "Protecting This Brand While Running Ahead," *Advertising Age*, January 12, 2009, p. 16; Elaine Wong, "Under Armour Makes a Long-Run Calculation," *Brandweek*, January 19, 2009, p. 28; Stephanie N. Mehta, "Under Armour Reboots," *Fortune*, February 2, 2009, pp. 29–33.
2. For a detailed academic treatment of a number of issues on competition, see the Special Issue on Competitive Responsiveness, *Marketing Science* 24 (Winter 2005).
3. Sandra Ward, "Warming Up the Copier," *Barron's,* May 1, 2006, pp. 19, 21; William M. Bulkeley, "Xerox Tries to Go Beyond Copiers," *Wall Street Journal*, February 24, 2009, p. B5; Nanette Byrnes and Roger O. Crockett, "An Historic Succession at Xerox," *BusinessWeek*, June 8, 2009, pp. 18–22.

4. Starbucks, www.starbucks.com/aboutus/overview.asp, December 1, 2009.
5. Brian Wansink, “Can Package Size Accelerate Usage Volume?” *Journal of Marketing* 60 (July 1996), pp. 1–14; See also, Priya Raghubir and Eric A. Greenleaf, “Ratios in Proportion: What Should the Shape of the Package Be?” *Journal of Marketing* 70 (April 2006), pp. 95–107; and Valerie Folkes and Shashi Matta, “The Effect of Package Shape on Consumers’ Judgments of Product Volume: Attention as a Mental Contaminant,” *Journal of Consumer Research* 31 (September 2004), pp. 390–401.
6. John D. Cripps, “Heuristics and Biases in Timing the Replacement of Durable Products,” *Journal of Consumer Research* 21 (September 1994), pp. 304–18.
7. George Stalk Jr. and Rob Lachanauer, “Hardball: Five Killer Strategies for Trouncing the Competition,” *Harvard Business Review,* April 2004, pp. 62–71; Richard D’Aveni, “The Empire Strikes Back: Counterrevolutionary Strategies for Industry Leaders,” *Harvard Business Review*, November 2002, pp. 66–74.
8. Nirmalya Kumar, Lisa Sheer, and Philip Kotler, “From Market Driven to Market Driving,” *European Management Journal* 18 (April 2000), pp. 129–42.
9. Much of the remaining section on proactive marketing is based on a provocative book by Leonardo Araujo and Rogerio Gava, *The Proactive Enterprise: How to Anticipate Market Changes* (In Press).
10. Jonathan Glancey, “The Private World of the Walkman,” *Guardian,* October 11, 1999.
11. These six defense strategies, as well as the five attack strategies, are taken from Philip Kotler and Ravi Singh, “Marketing Warfare in the 1980s,” *Journal of Business Strategy* (Winter 1981), pp. 30–41.
12. Michael E. Porter, “Market Signals, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: Free Press, 1998), pp. 75–87; Jaideep Prabhu and David W. Stewart, “Signaling Strategies in Competitive Interaction: Building Reputations and Hiding the Truth,” *Journal of Marketing Research* 38 (February 2001), pp. 62–72.
13. Roger J. Calantone and Kim E. Schatzel, “Strategic Foretelling: Communication-Based Antecedents of a Firm’s Propensity to Preannounce,” *Journal of Marketing* 64 (January 2000), pp. 17–30; Jehoshua Eliashberg and Thomas S. Robertson, “New Product Preannouncing Behavior: A Market Signaling Study,” *Journal of Marketing Research* 25 (August 1988), pp. 282–92.
14. Thomas S. Robertson, Jehoshua Eliashberg, and Talia Rymon, “New-Product Announcement Signals and Incumbent Reactions,” *Journal of Marketing* 59 (July 1995), pp. 1–15.
15. Yuhong Wu, Sridhar Balasubramanian, and Vijay Mahajan, “When Is a Preannounced New Product Likely to Be Delayed?” *Journal of Marketing* 68 (April 2004), pp. 101–13; Barry L. Bayus, Sanjay Jain, and Ambar G. Rao, “Truth or Consequences: An Analysis of Vaporware and New-Product Announcements,” *Journal of Marketing Research* 38 (February 2001), pp. 3–13.
16. Kevin Kelleher, “Why FedEx Is Gaining Ground,” *Business 2.0,* October 2003, pp. 56–57; Charles Haddad, “FedEx: Gaining on Ground,” *BusinessWeek,* December 16, 2002, pp. 126–28.
17. “Sara Lee Cleans Out Its Cupboards,” *Fortune,* March 7, 2005, p. 38; Jane Sassen, “How Sara Lee Left Hanes in Its Skivvies,” *BusinessWeek,* September 18, 2006, p. 40.
18. J. Scott Armstrong and Kesten C. Green, “Competitor-Oriented Objectives: The Myth of Market Share,” *International Journal of Business* 12 (Winter 2007), pp. 115–34; Stuart E. Jackson, *Where Value Hides: A New Way to Uncover Profitable Growth for Your Business* (New York: John Wiley & Sons, 2006).
19. Nirmalya Kumar, *Marketing as Strategy* (Cambridge, MA: Harvard Business School Press, 2004); Philip Kotler and Paul N. Bloom, “Strategies for High-Market-Share Companies,” *Harvard Business Review,* November–December 1975, pp. 63–72.
20. Robert D. Buzzell and Frederick D. Wiersema, “Successful Share-Building Strategies,” *Harvard Business Review,* January–February 1981, pp. 135–44.
21. Linda Hellofs and Robert Jacobson, “Market Share and Customer’s Perceptions of Quality: When Can Firms Grow Their Way to Higher versus Lower Quality?” *Journal of Marketing* 63 (January 1999), pp. 16–25.
22. John Downey, “FairPoint Struggles with Merger, Declining Stock,” *Charlotte Business Journal*, March 19, 2009; John Downey, FairPoint Faces Enduring Debt, Service Headaches,” *Charlotte Business Journal*, September 15, 2009.
23. Jon Birger, “Second-Mover Advantage,” *Fortune,* March 20, 2006, pp. 20–21.
24. This paragraph is based on a talk by John Bello at the Tuck School of Business at Dartmouth College on November 18, 2010.
25. Venkatesh Shankar, Gregory Carpenter, and Lakshman Krishnamurthi, “Late-Mover Advantage: How Innovative Late Entrants Outsell Pioneers,” *Journal of Marketing Research* 35 (February 1998), pp. 54–70; Gregory S. Carpenter and Kent Nakamoto, “The Impact of Consumer Preference Formation on Marketing Objectives and Competitive Second-Mover Strategies,” *Journal of Consumer Psychology* 5 (1996), pp. 325–58; Gregory S. Carpenter and Kent Nakamoto, “Competitive Strategies for Late Entry into a Market with a Dominant Brand,” *Management Science* (October 1990), pp. 1268–78.
26. Megan Johnston, “The Ketchup Strategy,” *Forbes,* November 13, 2006, p. 185.
27. Michael V. Copeland, “These Boots Really Were Made for Walking,” *Business 2.0,* October 2004, pp. 72–74.
28. Katrina Booker, “The Pepsi Machine,” *Fortune,* February 6, 2006, pp. 68–72.

**29.** Theodore Levitt, "Innovative Imitation," *Harvard Business Review,* September–October 1966, p. 63. Also see, Steven P. Schnaars, *Managing Imitation Strategies: How Later Entrants Seize Markets from Pioneers* (New York: Free Press, 1994).

**30.** Stuart F. Brown, "The Company That Out-Harleys Harley," *Fortune,* September 28, 1998, pp. 56–57; S&S Cycle, www.sscycle.com.

**31.** Melita Marie Garza, "Illinois Tool Works Stock Continues to Suffer Since Acquisition of Firm," *Chicago Tribune,* November 16, 2000; ITW, www.itw.com.

**32.** Jayne O'Donnell, "Family Rolling to Success on Tire Rack," *USA Today,* December 8, 2003.

**33.** Mark Morrison, "This Wildcatter Feels Right at Home in Gabon," *BusinessWeek,* June 5, 2006, p. 63.

**34.** Reported in E. R. Linneman and L. J. Stanton, *Making Niche Marketing Work* (New York: McGraw-Hill, 1991).

**35.** Thomas A. Fogarty, "Keeping Zippo's Flame Eternal," *USA Today,* June 24, 2003; Michael Learmonth, "Zippo Reignites Brand with Social Media, New Products, *Advertising Age*, August 10, 2009, p. 12; Zippo, www.zippo.com.

**36.** Kathleen Kingsbury, "The Cell Islands," *Time,* November 20, 2006, p. G20; "Traveling Made Easy with the New BlackBerry Curve 8520," *Digicel-News,* http://digicel-jamaica-news-procomm.blogspot.com, January 12, 2010.

**37.** Some authors distinguished additional stages. Wasson suggested a stage of competitive turbulence between growth and maturity. See Chester R. Wasson, *Dynamic Competitive Strategy and Product Life Cycles* (Austin, TX: Austin Press, 1978). Maturity describes a stage of sales growth slowdown and saturation, a stage of flat sales after sales have peaked.

**38.** John E. Swan and David R. Rink, "Fitting Market Strategy to Varying Product Life Cycles," *Business Horizons,* January–February 1982, pp. 72–76; Gerald J. Tellis and C. Merle Crawford, "An Evolutionary Approach to Product Growth Theory," *Journal of Marketing* 45 (Fall 1981), pp. 125–34.

**39.** William E. Cox Jr., "Product Life Cycles as Marketing Models," *Journal of Business* (October 1967), pp. 375–84.

**40.** Jordan P. Yale, "The Strategy of Nylon's Growth," *Modern Textiles Magazine,* February 1964, p. 32. Also see Theodore Levitt, "Exploit the Product Life Cycle," *Harvard Business Review,* November–December 1965, pp. 81–94.

**41.** Chester R. Wasson, "How Predictable Are Fashion and Other Product Life Cycles?" *Journal of Marketing* 32 (July 1968), pp. 36–43.

**42.** Ibid.

**43.** William H. Reynolds, "Cars and Clothing: Understanding Fashion Trends," *Journal of Marketing* 32 (July 1968), pp. 44–49.

**44.** Bryan Curtis, "Trivial Pursuit," *Slate.com,* April 13, 2005; Patrick Butters, "What Biggest-Selling Adult Game Still Cranks Out Vexing Questions?" *Insight on the News,* January 26, 1998, p. 39.

**45.** Robert D. Buzzell, "Competitive Behavior and Product Life Cycles," John S. Wright and Jack Goldstucker, eds., *New Ideas for Successful Marketing* (Chicago: American Marketing Association, 1956), p. 51.

**46.** Rajesh J. Chandy, Gerard J. Tellis, Deborah J. MacInnis, and Pattana Thaivanich, "What to Say When: Advertising Appeals in Evolving Markets," *Journal of Marketing Research* 38 (November 2001), pp. 399–414.

**47.** As reported in Joseph T. Vesey, "The New Competitors: They Think in Terms of Speed to Market," *Academy of Management Executive* 5 (May 1991), pp. 23–33; and Brian Dumaine, "How Managers Can Succeed through Speed," *Fortune,* February 13, 1989, pp. 54–59.

**48.** Glen L. Urban et al., "Market Share Rewards to Pioneering Brands: An Empirical Analysis and Strategic Implications," *Management Science* (June 1986), pp. 645–59; William T. Robinson and Claes Fornell, "Sources of Market Pioneer Advantages in Consumer Goods Industries," *Journal of Marketing Research* 22 (August 1985), pp. 305–17.

**49.** Gregory S. Carpenter and Kent Nakamoto, "Consumer Preference Formation and Pioneering Advantage," *Journal of Marketing Research* 26 (August 1989), pp. 285–98.

**50.** William T. Robinson and Sungwook Min, "Is the First to Market the First to Fail? Empirical Evidence for Industrial Goods Businesses," *Journal of Marketing Research* 39 (February 2002), pp. 120–28.

**51.** Frank R. Kardes, Gurumurthy Kalyanaram, Murali Chankdrashekaran, and Ronald J. Dornoff, "Brand Retrieval, Consideration Set Composition, Consumer Choice, and the Pioneering Advantage," *Journal of Consumer Research* 20 (June 1993), pp. 62–75. See also, Frank H. Alpert and Michael A. Kamins, "Pioneer Brand Advantage and Consumer Behavior: A Conceptual Framework and Propositional Inventory," *Journal of the Academy of Marketing Science* 22 (June 1994), pp. 244–53.

**52.** Kurt A. Carlson, Margaret G. Meloy, and J. Edward Russo, "Leader-Driven Primacy: Using Attribute Order to Affect Consumer Choice," *Journal of Consumer Research* 32 (March 2006), pp. 513–18.

**53.** Thomas S. Robertson and Hubert Gatignon, "How Innovators Thwart New Entrants into Their Market," *Planning Review,* September–October 1991, pp. 4–11, 48; Douglas Bowman and Hubert Gatignon, "Order of Entry as a Moderator of the Effect of Marketing Mix on Market Share," *Marketing Science* 15 (Summer 1996), pp. 222–42.

**54.** Venkatesh Shankar, Gregory S. Carpenter, and Lakshman Krishnamurthi, "Late Mover Advantage: How Innovative Late Entrants Outsell Pioneers," *Journal of Marketing Research* 35 (February 1998), pp. 54–70.

**55.** Steven P. Schnaars, *Managing Imitation Strategies* (New York: Free Press, 1994). See also, Jin K. Han, Namwoon Kim, and Hony-Bom Kin, "Entry Barriers: A Dull-, One-, or Two-Edged Sword for Incumbents? Unraveling the

Paradox from a Contingency Perspective," *Journal of Marketing* 65 (January 2001), pp. 1–14.

**56.** Victor Kegan, "Second Sight: Second Movers Take All," *The Guardian,* October 10, 2002.

**57.** Peter N. Golder, "Historical Method in Marketing Research with New Evidence on Long-term Market Share Stability," *Journal of Marketing Research* 37 (May 2000), pp. 156–72; Peter N. Golder and Gerald J. Tellis, "Pioneer Advantage: Marketing Logic or Marketing Legend?" *Journal of Marketing Research* 30 (May 1993), pp. 34–46. See also, Shi Zhang and Arthur B. Markman, "Overcoming the Early Advantage: The Role of Alignable and Nonalignable Differences," *Journal of Marketing Research* 35 (November 1998), pp. 1–15.

**58.** Gerald Tellis and Peter Golder, *Will and Vision: How Latecomers Can Grow to Dominate Markets* (New York: McGraw-Hill, 2001); Rajesh K. Chandy and Gerald J. Tellis, "The Incumbent's Curse? Incumbency, Size, and Radical Product Innovation," *Journal of Marketing Research* 64 (July 2000), pp. 1–17.

**59.** Sungwook Min, Manohar U. Kalwani, and William T. Robinson, "Market Pioneer and Early Follower Survival Risks: A Contingency Analysis of Really New Versus Incrementally New Product-Markets," *Journal of Marketing* 70 (January 2006), pp. 15–35. See also Raji Srinivasan, Gary L. Lilien, and Arvind Rangaswamy, "First In, First Out? The Effects of Network Externalities on Pioneer Survival," *Journal of Marketing* 68 (January 2004), pp. 41–58.

**60.** Trond Riiber Knudsen, "Escaping the Middle-Market Trap: An Interview with CEO of Electrolux," *McKinsey Quarterly* (December 2006), pp. 72–79.

**61.** Rajan Varadarajan, Mark P. DeFanti, and Paul S. Busch, "Brand Portfolio, Corporate Image, and Reputation: Managing Brand Deletions," *Journal of the Academy of Marketing Science* 34 (Spring 2006), pp. 195–205; Stephen J. Carlotti Jr., Mary Ellen Coe, and Jesko Perrey, "Making Brand Portfolios Work," *McKinsey Quarterly* 4 (2004), pp. 24–36; Nirmalya Kumar, "Kill a Brand, Keep a Customer," *Harvard Business Review,* December 2003, pp. 86–95; George J. Avlonitis, "Product Elimination Decision Making: Does Formality Matter?" *Journal of Marketing* 49 (Winter 1985), pp. 41–52; Philip Kotler, "Phasing Out Weak Products," *Harvard Business Review,* March–April 1965, pp. 107–18.

**62.** Kathryn Rudie Harrigan, "The Effect of Exit Barriers upon Strategic Flexibility," *Strategic Management Journal* 1 (February 1980), pp. 165–76.

**63.** Laurence P. Feldman and Albert L. Page, "Harvesting: The Misunderstood Market Exit Strategy," *Journal of Business Strategy* (Spring 1985), pp. 79–85; Philip Kotler, "Harvesting Strategies for Weak Products," *Business Horizons*, August 1978, pp. 15–22.

**64.** Rob Walker, "Can Ghost Brands . . .," *International Herald Tribune*, May 17–18, 2008, pp. 17–18; Peter Carbona, "The Rush to Grab Orphan Brands," *BusinessWeek*, August 3, 2009, pp. 47–48.

**65.** Stuart Elliott, "Those Shelved Brands Start to Look Tempting," *New York Times*, August 21, 2008.

**66.** Peter N. Golder and Gerard J. Tellis, "Growing, Growing, Gone: Cascades, Diffusion, and Turning Points in the Product Life Cycle," *Marketing Science* 23 (Spring 2004), pp. 207–18.

**67.** Youngme Moon, "Break Free from the Product Life Cycle," *Harvard Business Review,* May 2005, pp. 87–94.

**68.** Hubert Gatignon and David Soberman, "Competitive Response and Market Evolution," Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London, UK: Sage Publications, 2002), pp. 126–47; Robert D. Buzzell, "Market Functions and Market Evolution," *Journal of Marketing* 63 (Special Issue 1999), pp. 61–63.

**69.** Raji Srinivasan, Arvind Rangaswamy, and Gary L. Lilien, "Turning Adversity into Advantage: Does Proactive Marketing During Recession Pay Off?" *International Journal of Research in Marketing* 22 (June 2005), pp. 109–25.

**70.** Jon Fine, "Why General Mills Marketing Pays Off," *BusinessWeek*, July 27, 2009, pp. 67–68; Matthew Boyle, "Snap, Crackle, Pop at the Food Giants," *BusinessWeek*, October 6, 2008, p. 48.

**71.** Philip Lay, Todd Hewlin, and Geoffrey Moore, "In a Downturn, Provoke Your Customers," *Harvard Business Review*, March 2009, pp. 48–56.

**72.** John A. Quelch and Katherine E. Jocz, "How to Market in a Downturn," *Harvard Business Review*, April 2009, pp. 52–62.

**73.** Maria Bartiromo, "Facetime: Inside a Company Resetting for Recovery," *BusinessWeek*, July 13 and 20, 2009, pp. 15–17.

**74.** Steve Hamm, "The New Age of Frugality," *BusinessWeek*, October 20, 2008, pp. 55–58.

**75.** Jane Porter and Burt Heim, "Doing Whatever Gets Them in the Door," *BusinessWeek*, June 30, 2008, p. 60.

**76.** Ibid.

**77.** David Taylor, David Nichols, Diego Kerner, and Anne Charbonneau, "Leading Brands Out of the Recession," *Brandgym Research Paper 2,* www.brandgym.com, September 2009.

**78.** Todd Wasserman, "Maverick CMOs Try Going without TV," *Brandweek*, January 24, 2009.

**79.** Maureen Scarpelli, "Dentists Step Up Marketing Efforts as Patients Scrimp by Skipping Visits, *Wall Street Journal*, August 11, 2009.

**80.** Peter J. Williamson and Ming Zeng, "Value for Money Strategies for Recessionary Times," *Harvard Business Review*, March 2009, pp. 66–74.

**81.** Burt Heim, "How to Sell Luxury to Penny-Pinchers," *BusinessWeek*, November 10, 2008, p. 60.

**82.** Stuart Elliott, "Trying to Pitch Products to the Savers," *New York Times*, June 3, 2009.

**83.** Andrew Martin, "In Tough Times, Spam Is Suddenly Appealing," *Boston Globe*, November 16, 2008.

## Chapter 12


1. John Frank, "Beep! Beep! Coming Through," *Marketing News*, September 30, 2009, pp. 12-14; David Kiley, "Ford's Savior?" *BusinessWeek*, March 16, 2009, pp. 31–34; Alex Taylor III, "Fixing Up Ford," *Fortune*, May 25, 2009, pp. 45–50; David Kiley, "One Ford for the Whole Wide World," *BusinessWeek*, June 15, 2009, pp. 58–59; "Ford's European Arm Lends a Hand," *Economist*, March 8, 2008, pp. 72–73.
2. This discussion is adapted from a classic article: Theodore Levitt, "Marketing Success through Differentiation: Of Anything," *Harvard Business Review,* January–February 1980, pp. 83–91. The first level, core benefit, has been added to Levitt's discussion.
3. Harper W. Boyd Jr. and Sidney Levy, "New Dimensions in Consumer Analysis," *Harvard Business Review,* November–December 1963, pp. 129–40.
4. Jim Curley, "Niagara Sheet Feeder in Full Production," *The White Sheet: Board Converting News*, August 25, 2008; Jackie Schultz, "A Sheet Plant's Lean Journey," *Corrugated Today*, January–February 2005, pp. 42–47; Joe Iannarelli, "Jamestown Container Thinks Outside the Box," *Business First,* October 3, 2003, p. 4.
5. For some definitions, see Peter D. Bennett, ed., *Dictionary of Marketing Terms* (Chicago: American Marketing Association, 1995). Also see, Patrick E. Murphy and Ben M. Enis, "Classifying Products Strategically," *Journal of Marketing* 50 (July 1986), pp. 24–42.
6. Some of these bases are discussed in David A. Garvin, "Competing on the Eight Dimensions of Quality," *Harvard Business Review,* November–December 1987, pp. 101–9.
7. Marco Bertini, Elie Ofek, and Dan Ariely, "The Impact of Add-On Features on Product Evaluations," *Journal of Consumer Research* 36 (June 2009), pp. 17–28; Tripat Gill, "Convergent Products: What Functionalities Add More Value to the Base," *Journal of Marketing* 72 (March 2008), pp. 46–62; Robert J. Meyer, Sheghui Zhao, and Jin K. Han, "Biases in Valuation vs. Usage of Innovative Product Features," *Marketing Science* 27 (November–December 2008), pp. 1083–96.
8. Paul Kedrosky, "Simple Minds," *Business 2.0,* April 2006, p. 38; Debora Viana Thompson, Rebecca W. Hamilton, and Roland Rust, "Feature Fatigue: When Product Capabilities Become Too Much of a Good Thing," *Journal of Marketing Research* 42 (November 2005), pp. 431–42.
9. James H. Gilmore and B. Joseph Pine, *Markets of One: Creating Customer-Unique Value through Mass Customization,* (Boston: Harvard Business School Press, 2000).
10. Nikolaus Franke, Peter Keinz, Christoph J. Steger, "Testing the Value of Customization: When Do Customers Really Prefer Products Tailored to Their Preferences," *Journal of Marketing* 73 (September 2009), pp. 103–21.
11. Gail Edmondson, "Mercedes Gets Back up to Speed," *BusinessWeek,* November 13, 2006, pp. 46–47; Peter Gumble, "How Dr. Z Plans to Fix Mercedes," *CNNMoney.com.* http://money.cnn.com, July 13, 2009; Chris Shunk, "Paradox: As Quality Improves, Mercedes-Benz Dealership Profits Decline," *Automotive News*, January 27, 2009.
12. Bernd Schmitt and Alex Simonson, *Marketing Aesthetics: The Strategic Management of Brand, Identity, and Image* (New York: Free Press, 1997).
13. Stanley Reed, "Rolls-Royce at Your Service," *BusinessWeek*, November 15, 2005, pp. 92–93; *Rolls-Royce*, www.rolls-royce.com/civil/services/totalcare; "Rolls-Royce Secures USD 4.1 Billion Worth Orders During Paris Air Show," *India Defence,* www.india-defence.com, June 20, 2009; "Rolls-Royce Engine Support," *Aviation Today*, June 1, 2006.
14. For a comprehensive discussion of Cemex, see Adrian J. Slywotzky and David J. Morrison, "Digital Innovator: Cemex," *How Digital Is Your Business* (New York: Crown Business, 2000), pp. 78–100; see also Mohanbir Sawhney, Robert C. Wolcott, and Inigo Arroniz, "The 12 Different Ways for Companies to Innovate," *MIT Sloan Management Review* (April 1, 2006).
15. Cliff Edwards, "Why Tech Bows to Best Buy," *BusinessWeek*, December 10, 2009; Jena McGregor, "At Best Buy, Marketing Goes Micro," *BusinessWeek*, May 15, 2008; Matthew Boyle, "Best Buy's Giant Gamble," *Fortune,* April 3, 2006, pp. 69–75; Geoffrey Colvin, "Talking Shop," *Fortune,* August 21, 2006, pp. 73–80; "Best Buy Turns on the Geek Appeal," *DSN Retailing Today,* February 24, 2003, p. 22.
16. This section is based on a comprehensive treatment of product returns: James Stock, Thomas Speh, and Herbert Shear, "Managing Product Returns for Competitive Advantage," *MIT Sloan Management Review* (Fall 2006), pp. 57–62. See also, J. Andrew Petersen and V. Kumar, "Can Product Returns Make You Money?" *MIT Sloan Management Review* (Spring 2010), pp. 85–89.
17. Dave Blanchard, "Moving Forward in Reverse," *Logistics Today*, July 12, 2005; Kelly Shermach, "Taming CRM in the Retail Sector," *CRM Buyer*, October 12, 2006; www.epinions.com, June 28, 2010.
18. Bruce Nussbaum, "The Power of Design," *BusinessWeek,* May 17, 2004, pp. 88–94; "Masters of Design," *Fast Company*, June 2004, pp. 61–75; Also see, Philip Kotler, "Design: A Powerful but Neglected Strategic Tool," *Journal of Business Strategy* (Fall 1984), pp. 16–21.
19. Ravindra Chitturi, Rajagopal Raghunathan and Vijay Mahajan, "Delight by Design: The Role of Hedonic Versus Utilitarian Benefits," *Journal of Marketing* 72 (May 2008), pp. 48–63.
20. Ulrich R. Orth and Keven Malkewitz, "Holistic Package Design and Consumer Brand Impressions," *Journal of Marketing* 72 (May 2008), pp. 64–81; Mark Borden, "Less Hulk, More Bruce Lee," *Fast Company*, April 2007, pp. 86–91.

21. Steve Hamm and Jay Greene, "That Computer Is So You," *BusinessWeek*, January 14, 2008, pp. 24–26; Damon Darlin, "Design Helps H.P. Profit More on PCs," *New York Times*, May 17, 2007.

22. "IDEA Design Gallery," www.isda.org, May 14, 2010; "Design Winners: The List," *BusinessWeek*, July 22, 2009; David Carnoy, "The 20 Most Innovative Products of the Decade," *CNET Reviews*, December 10, 2009; Emily Lambert, "Splash," *Forbes*, July 23, 2007, pp. 66–68.

23. Virginia Postrel, *The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture, and Consciousness* (New York: HarperCollins, 2003).

24. Linda Tischler, "Pop Artist David Butler," *Fast Company*, October 2009, pp. 91–97; Jessie Scanlon, "Coca-Cola's New Design Direction," *BusinessWeek*, August 25, 2008.

25. Todd Wasserman, "Thinking by Design," *Brandweek*, November 3, 2008, pp. 18–21.

26. Jay Green, "Where Designers Rule," *BusinessWeek*, November 5, 2007, pp. 46–51; Deborah Steinborn, "Talking About Design," *Wall Street Journal*, June 23, 2008, p. R6.

27. In reality, Tide's product line is actually deeper and more complex. There are 9 powder products, 16 liquid products, 1 Stain Release product, 1 Tide to Go product, 1 Tide Washing Machine Cleaner, and 9 Tide accessories.

28. A Yesim Orhun, "Optimal Product Line Design When Consumers Exhibit Choice Set-Dependent Preferences," *Marketing Science* 28 (September–October 2009), pp. 868–86; Robert Bordley, "Determining the Appropriate Depth and Breadth of a Firm's Product Portfolio," *Journal of Marketing Research* 40 (February 2003), pp. 39–53; Peter Boatwright and Joseph C. Nunes, "Reducing Assortment: An Attribute-Based Approach," *Journal of Marketing* 65 (July 2001), pp. 50–63.

29. Adapted from a Hamilton Consultants White Paper, December 1, 2000.

30. This illustration is found in Benson P. Shapiro, *Industrial Product Policy: Managing the Existing Product Line* (Cambridge, MA: Marketing Science Institute, 1977), pp. 3–5, 98–101.

31. Amna Kirmani, Sanjay Sood, and Sheri Bridges, "The Ownership Effect in Consumer Responses to Brand-Line Stretches," *Journal of Marketing* 63 (January 1999), pp. 88–101; T. Randall, K. Ulrich, and D. Reibstein, "Brand Equity and Vertical Product-Line Extent," *Marketing Science* 17 (Fall 1998), pp. 356–79; David A. Aaker, "Should You Take Your Brand to Where the Action Is?" *Harvard Business Review,* September–October 1997, pp. 135–43.

32. Michael Carolan, "InterContinental Hotels Sales Up After 18 Months of Falls," *Wall Street Journal*, May 11, 2010; Barbara De Lollis, "Holiday Inn Chain Upgrades With Style," *USA TODAY*, June 24, 2008; Bob Garfield, "What Makes This Commercial Great? The Bacon Bit Says It All," *Advertising Age*, February 25, 2008.

33. Alex Taylor III, "Bavaria's Next Top Model," *Fortune*, March 30, 2009, pp. 100–3; Neal E. Boudette, "BMW's Push to Broaden Line Hits Some Bumps in the Road," *Wall Street Journal,* January 25, 2005; Alex Taylor III, "The Ultimate Fairly Inexpensive Driving Machine," *Fortune,* November 1, 2004, pp. 130–40.

34. Steuart Henderson Britt, "How Weber's Law Can Be Applied to Marketing," *Business Horizons*, February 1975, pp. 21–29.

35. Brett R. Gordon, "A Dynamic Model of Consumer Replacement Cycles in the PC Processor Industry," *Marketing Science* 28 (September–October 2009), pp. 846–67; Raghunath Singh Rao, Om Narasimhan, and George John, "Understanding the Role of Trade-Ins in Durable Goods Markets: Theory and Evidence," *Marketing Science* 28 (September–October 2009), pp. 950–67.

36. Stanley Holmes, "All the Rage Since Reagan," *BusinessWeek,* July 25, 2005, p. 68.

37. Nirmalya Kumar, "Kill a Brand, Keep a Customer," *Harvard Business Review*, December 2003, pp. 86–95; Brad Stone, "Back to Basics," *Newsweek,* August 4, 2003, pp. 42–44; Sarah Skidmore, "Designers, Makers Tune In to Collectors for New Trends," *Associated Press*, January 21, 2007.

38. Laurens M. Sloot, Dennis Fok, and Peter Verhoef, "The Short- and Long-Term Impact of an Assortment Reduction on Category Sales," *Journal of Marketing Research* 43 (November 2006), pp. 536–48.

39. Patricia O'Connell, "A Chat with Unilever's Niall FitzGerald," *BusinessWeek,* www.businessweek.com, August 2, 2001; John Willman, "Leaner, Cleaner, and Healthier Is the Stated Aim," *Financial Times,* February 23, 2000; "Unilever's Goal: 'Power Brands'," *Advertising Age,* January 3, 2000.

40. "Volkswagen Brand Turnaround Drives Q1 Group Profits," *Reuters*, April 29, 2010; Andreas Cremer, "VW in 'Last Attempt' to Save Seat Amid Spanish Crisis," *Bloomberg BusinessWeek,* www.businessweek.com, May 14, 2010; George Rädler, Jan Kubes, and Bohdan Wojnar, "Skoda Auto: From 'No-Class' to World-Class in One Decade," *Critical EYE* 15 (July 2006); Scott D. Upham, "Beneath the Brand," *Automotive Manufacturing & Production*, June 2001.

41. Eric T. Anderson and Duncan I. Simester, "Does Demand Fall When Customers Perceive That Prices Are Unfair? The Case of Premium Pricing for Large Sizes," *Marketing Science* 27 (May–June 2008), pp. 492–500.

42. Ricard Gil and Wesley R. Hartmann, "Empirical Analysis of Metering Price Discrimination: Evidence from Concession Sales at Movie Theaters," *Marketing Science* 28 (November–December 2009), pp. 1046–62.

43. Connie Guglielmo, "Hewlett-Packard Says Printer Business is 'Healthy,'" *Bloomberg News*, December 22, 2009; "HP Annual Report 2008," HP, www.hp.com/hpinfo/investor/; Ben Elgin, "Can HP's Printer Biz Keep Printing Money?" *BusinessWeek,* July 14, 2003, pp. 68–70; Simon Avery, "H-P Sees

Room for Growth in Printer Market," *Wall Street Journal,* June 28, 2001.

**44.** Dilip Soman and John T. Gourville, "Transaction Decoupling: How Price Bundling Affects the Decision to Consume," *Journal of Marketing Research* 38 (February 2001), pp. 30–44; Ramanathan Subramaniam and R. Venkatesh, "Optimal Bundling Strategies in Multiobject Auctions of Complements or Substitutes," *Marketing Science* 28 (March–April 2009), pp. 264–73.

**45.** Anita Elberse, Bye-Bye Bundles: The Unbundling of Music in Digital Channels," *Journal of Marketing* 74 (May 2010), pp. 107–23.

**46.** Akshay R. Rao, Lu Qu, and Robert W. Ruekert, "Signaling Unobservable Quality through a Brand Ally," *Journal of Marketing Research* 36 (May 1999), pp. 258–68; Akshay R. Rao and Robert W. Ruekert, "Brand Alliances as Signals of Product Quality," *Sloan Management Review* (Fall 1994), pp. 87–97.

**47.** Bernard L. Simonin and Julie A. Ruth, "Is a Company Known by the Company It Keeps? Assessing the Spillover Effects of Brand Alliances on Consumer Brand Attitudes," *Journal of Marketing Research* 35 (February 1998), pp. 30–42; see also, C. W. Park, S. Y. Jun, and A. D. Shocker, "Composite Branding Alliances: An Investigation of Extension and Feedback Effects," *Journal of Marketing Research* 33 (November 1996), pp. 453–66.

**48.** Tansev Geylani, J. Jeffrey Inman, and Frenkel Ter Hofstede, "Image Reinforcement or Impairment: The Effects of Co-Branding on Attribute Uncertainty," *Marketing Science* 27 (July–August 2008), pp. 730–44; Ed Lebar, Phil Buehler, Kevin Lane Keller, Monika Sawicka, Zeynep Aksehirli, and Keith Richey, "Brand Equity Implications of Joint Branding Programs," *Journal of Advertising Research* 45 (December 2005).

**49.** C. W. Park, S. Y. Jun, and A. D. Shocker, "Composite Branding Alliances: An Investigation of Extension and Feedback Effects," *Journal of Marketing Research* 33 (November 1996), pp. 453–66.; Lance Leuthesser, Chiranjier Kohli, and Rajneesh Suri, "2 + 2 = 5? A Framework for Using Co-Branding to Leverage a Brand," *Journal of Brand Management* 2 (September 2003), pp. 35–47.

**50.** Based in part on a talk by Nancy Bailey, "Using Licensing to Build the Brand," Brand Masters Conference, December 7, 2000.

**51.** Philip Kotler and Waldermar Pfoertsch, *Ingredient Branding: Making the Invisible Visible*, (Heidelberg, Germany: Springer-Verlag, 2011).

**52.** Kalpesh Kaushik Desai and Kevin Lane Keller, "The Effects of Brand Expansions and Ingredient Branding Strategies on Host Brand Extendibility," *Journal of Marketing* 66 (January 2002), pp. 73–93; D. C. Denison, "Ingredient Branding Puts Big Names in the Mix," *Boston Globe,* May 26, 2002.

**53.** Joe Tradii, "Ingredient Branding: Time to Check That Recipe Again," *Brandweek*, March 29, 2010, p. 44; Piet Levy, "B-to-B-to-C," *Marketing News*, September 30, 2009, pp. 15–20.

**54.** "DuPont Receives Corporate Innovation Award," DuPont, www.dupont.com, November 13, 2009.

**55.** Kevin Lane Keller, *Strategic Brand Management,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008); Philip Kotler and Waldemar Pfoertsch, *B2B Brand Management* (New York: Springer, 2006); Paul F. Nunes, Stephen F. Dull, and Patrick D. Lynch, "When Two Brands Are Better Than One," *Outlook,* January 2003, pp. 14–23.

**56.** Fred Richards, "Memo to CMOs: It's The Packaging, Stupid," *Brandweek*, August 17, 2009, p. 22.

**57.** Susan B. Bassin, "Value-Added Packaging Cuts through Store Clutter," *Marketing News,* September 26, 1988, p. 21. Reprinted with permission from *Marketing News*, published by the American Marketing Association.

**58.** Stuart Elliott, "Tropicana Discovers Some Buyers Are Passionate About Packaging," *New York Times*, February 23, 2009; Linda Tischler, "Never Mind! Pepsi Pulls Much-Loathed Tropicana Packaging," *Fast Company*, February 23, 2009; Natalie Zmuda, "Tropicana Line's Sales Plunge 20% Post-Rebranding," *Advertising Age*, April 2, 2009; Kenneth Hein, "Tropicana Squeezes Out Fresh Design with a Peel," *Brandweek*, January 19, 2009, p. 30.

**59.** Mya Frazier, "How Can Your Package Stand Out? Eye Tracking Looks Hard for Answers," *Advertising Age,* October 16, 2006, p. 14.

**60.** Kate Fitzgerald, "Packaging Is the Capper," *Advertising Age,* May 5, 2003, p. 22.

**61.** John C. Kozup, Elizabeth H. Creyer, and Scot Burton, "Making Healthful Food Choices: The Influence of Health Claims and Nutrition Information on Consumers' Evaluations of Packaged Food Products and Restaurant Menu Items," *Journal of Marketing* 67 (April 2003), pp. 19–34; Siva K. Balasubramanian and Catherine Cole, "Consumers' Search and Use of Nutrition Information: The Challenge and Promise of the Nutrition Labeling and Education Act," *Journal of Marketing* 66 (July 2002), pp. 112–27.

**62.** Robert Berner, "Watch Out, Best Buy and Circuit City," *BusinessWeek,* November 21, 2005, pp. 46–48.

**63.** Tao Chen, Ajay Kalra, and Baohung Sun, "Why Do Consumers Buy Extended Service Contracts," *Journal of Consumer Research* 36 (December 2009), pp. 611–23.

**64.** Chris Serres, "More Electronics Buyers Skip Extended Warranties," *Minneapolis Star Tribune*, July 14, 2007. For an empirical study, see Junhong Chu and Pradeep K. Chintagunta, "Quantifying the Economic Value of Warranties in the U.S. Server Market, *Marketing Science* 28 (January–February 2009), pp. 99–121.

**65.** Barbara Ettore, "Phenomenal Promises Mean Business," *Management Review* (March 1994), pp. 18–23; "More Firms Pledge Guaranteed Service," *Wall Street Journal,* July 17, 1991; also see, Sridhar Moorthy and Kannan Srinivasan, "Signaling Quality with a Money-Back Guarantee: The Role of Transaction Costs," *Marketing Science* 14 (Fall 1995), pp. 442–46; Christopher W. L. Hart, *Extraordinary Guarantees* (New York: AMACOM, 1993).

## Chapter 13


1. Leonard L. Berry, *On Great Service: A Framework for Action* (New York: Free Press, 2006); Leonard L. Berry, *Discovering the Soul of Service: The Nine Drivers of Sustainable Business Success* (New York: Free Press, 1999); Fred Wiersema, ed., *Customer Service: Extraordinary Results at Southwest Airlines, Charles Schwab, Lands' End, American Express, Staples, and USAA* (New York: HarperBusiness, 1998).
2. Matt Krantz, "Tinseltown Gets Glitzy New Star," *USA TODAY*, August 24, 2009; Linda Tischler, "Join the Circus," *Fast Company,* July 2005, 53–58; "Cirque du Soleil," *America's Greatest Brands* 3 (2004); Geoff Keighley, "The Factory," *Business 2.0,* February 2004, p. 102; Robin D. Rusch, "Cirque du Soleil Phantasmagoria Contorts," *Brandchannel.com*, (December 1, 2003).
3. *United States Department of Labor, Bureau of Labor Statistics*. www.bls.gov/emp/home.htm.
4. Benjamin Scheider and David E. Bowen, *Winning the Service Game* (Boston: Harvard Business School Press, 1995); Leonard L. Berry, "Services Marketing Is Different," *Business,* May–June 1980, pp. 24–30. For a thorough review of academic research into services, see Roland T. Rust and Tuck Siong Chung, "Marketing Models of Service and Relationships," *Marketing Science* 25 (November–December 2006), pp. 560–80.
5. Paul Keegan, "The Best New Idea in Business," *Fortune*, September 14, 2009, pp. 42–52; Adam Ashton, "Growth Galore but Profits Are Zip," *BusinessWeek*, September 8, 2008, p. 62; Alex Frankel, "Zipcar Makes the Leap," *Fast Company*, March 2008, pp. 48–50; Mike Beirne, "Temporary Plates," *Brandweek*, July 9, 2007, pp. 30–34.
6. Further classifications of services are described in Christopher H. Lovelock, *Services Marketing*, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 1996). Also see John E. Bateson, *Managing Services Marketing: Text and Readings,* 3rd ed. (Hinsdale, IL: Dryden, 1995).
7. Valarie A. Zeithaml, "How Consumer Evaluation Processes Differ between Goods and Services," J. Donnelly and W. R. George, eds., *Marketing of Services* (Chicago: American Marketing Association, 1981), pp. 186–90.
8. Amy Ostrom and Dawn Iacobucci, "Consumer Trade-Offs and the Evaluation of Services," *Journal of Marketing* 59 (January 1995), pp. 17–28.
9. For discussion of how the blurring of the line distinguishing products and services changes the meaning of this taxonomy, see Christopher Lovelock and Evert Gummesson, "Whither Services Marketing? In Search of a New Paradigm and Fresh Perspectives," *Journal of Service Research* 7 (August 2004), pp. 20–41; and Stephen L. Vargo and Robert F. Lusch, "Evolving to a New Dominant Logic for Marketing," *Journal of Marketing* 68 (January 2004), pp. 1–17.
10. Theodore Levitt, "Marketing Intangible Products and Product Intangibles," *Harvard Business Review,* May–June 1981, pp. 94–102; Leonard L. Berry, "Services Marketing Is Different," *Business*, May–June, 1980, pp. 24–29.
11. B. H. Booms and M. J. Bitner, "Marketing Strategies and Organizational Structures for Service Firms," J. Donnelly and W. R. George, eds., *Marketing of Services* (Chicago: American Marketing Association, 1981), pp. 47–51.
12. Lewis P. Carbone and Stephan H. Haeckel, "Engineering Customer Experiences," *Marketing Management* 3 (Winter 1994), p. 17.
13. Bernd H. Schmitt, *Customer Experience Management* (New York: John Wiley & Sons, 2003); Bernd H. Schmitt, David L. Rogers, and Karen Vrotsos (2003), *There's No Business That's Not Show Business: Marketing in an Experience Culture* (Upper Saddle River, NJ: Prentice Hall Financial Times, 2004).
14. Chip Heath and Dan Heath, "Give 'Em Something to Talk About," *Fast Company,* June 2007, pp. 58–59.
15. For some emerging research results on the effects of creating time and place service separation, see Hean Tat Keh and Jun Pang, "Customer Reaction to Service Separation," *Journal of Marketing* 74 (March 2010), pp. 55–70.
16. Gila E. Fruchter and Eitan Gerstner, "Selling with 'Satisfaction Guaranteed,'" *Journal of Service Research* 1 (May 1999), pp. 313–23. See also, Rebecca J. Slotegraaf and J. Jeffrey Inman, "Longitudinal Shifts in the Drivers of Satisfaction with Product Quality: The Role of Attribute Resolvability," *Journal of Marketing Research* 41 (August 2004), pp. 269–80.
17. For a similar list, see Leonard L. Berry and A. Parasuraman, *Marketing Services: Competing through Quality* (New York: Free Press, 1991), p. 16.
18. G. Pascal Zachary and Dick Kovacevich, "Bank Different," *Business 2.0,* June 2006, pp. 101–3; Greg Farrell, "Banking on Success as a One-Stop Shop," *USA Today,* March 26, 2007.
19. The material in this paragraph is based in part on Valarie Zeithaml, Mary Jo Bitner, and Dwayne D. Gremler, "Service Development and Design," *Services Marketing: Integrating Customer Focus across the Firm,* 4th ed. (New York: McGraw-Hill, 2006), Chapter 9.
20. G. Lynn Shostack, "Service Positioning through Structural Change," *Journal of Marketing* 51 (January 1987), pp. 34–43.
21. Vikas Mittal, Wagner A. Kamakura, and Rahul Govind, "Geographical Patterns in Customer Service and Satisfaction: An Empirical Investigation," *Journal of Marketing* 68 (July 2004), pp. 48–62.
22. Jeffrey F. Rayport, Bernard J. Jaworski, and Ellie J. Kyung, "Best Face Forward: Improving Companies' Service Interface with Customers," *Journal of Interactive Marketing* 19 (Autumn 2005), pp. 67–80; Asim Ansari and Carl F. Mela, "E-Customization," *Journal of Marketing Research* 40 (May 2003), pp. 131–45.

**23.** W. Earl Sasser, "Match Supply and Demand in Service Industries," *Harvard Business Review,* November–December 1976, pp. 133–40.

**24.** Steven M. Shugan and Jinhong Xie, "Advance Selling for Services," *California Management Review* 46 (Spring 2004), pp. 37–54; Eyal Biyalogorsky and Eitan Gerstner, "Contingent Pricing to Reduce Price Risks," *Marketing Science* 23 (Winter 2004), pp. 146–55; Steven M. Shugan and Jinhong Xie, "Advance Pricing of Services and Other Implications of Separating Purchase and Consumption," *Journal of Service Research* 2 (February 2000), pp. 227–39.

**25.** Seth Godin, "If It's Broke, Fix It," *Fast Company,* October 2003, p. 131.

**26.** James Wallace, "Singapore Airlines Raises the Bar for Luxury Flying, *Seattle Post Intelligencer*, January 18, 2007; Justin Doebele, "The Engineer," *Forbes,* January 9, 2006, pp. 122–24; Stanley Holmes, "Creature Comforts at 30,000 Feet," *BusinessWeek,* December 18, 2006, p. 138; Anonymous, "What Makes Singapore a Service Champion?" *Strategic Direction,* April 2003, pp. 26–28; www.singaporeaire.com.

**27.** Diane Brady, "Why Service Stinks," *BusinessWeek,* October 23, 2000, pp. 119–28.

**28.** Mary Clingman, "Turkey Talker," *Fortune,* November 27, 2006, p. 70.

**29.** Elisabeth Sullivan, "Happy Endings Lead to Happy Returns," *Marketing News*, October 30, 2009, p. 20.

**30.** Dan Reed, "United Makeover Aims to Refresh and Renew," *USA Today*, September 17, 2009, pp. 1B–2B; Elisabeth Sullivan, "Happy Endings Lead to Happy Returns," *Marketing News*, October 30, 2009, p. 20.

**31.** Nikki Hopewell, "Moyer Is Committed to Delivering a Comcastic Experience," *Marketing News*, October 15, 2008, pp. 28–30; Hannah Clark, "Customer Service Hell," *Forbes,* March 30, 2006.

**32.** David Lazarus, "JetBlue Response Praised," *San Francisco Chronicle,* February 25, 2007, B1; Marc Gunther, "Nothing Blue About This Airline," *Fortune*, September 14, 2009, pp. 114–18.

**33.** Stephen S. Tax, Mark Colgate, and David Bowen, "How to Prevent Your Customers from Failing," *MIT Sloan Management Review* (Spring 2006), pp. 30–38; Mei Xue and Patrick T. Harker, "Customer Efficiency: Concept and Its Impact on E-Business Management," *Journal of Service Research* 4 (May 2002), pp. 253–67; Matthew L. Meuter, Amy L. Ostrom, Robert I. Roundtree, and Mary Jo Bitner, "Self-Service Technologies: Understanding Customer Satisfaction with Technology-Based Service Encounters," *Journal of Marketing* 64 (July 2000), pp. 50–64.

**34.** Kimmy Wa Chan, Chi Kin (Bennett) Yim, and Simon S. K. Lam, "Is Customer Participation in Value Creation a Double-Edged Sword? Evidence from Professional Financial Services Across Cultures," *Journal of Marketing* 74 (May 2010), pp. 48–64.

**35.** Valarie Zeithaml, Mary Jo Bitner, and Dwayne D. Gremler, *Services Marketing: Integrating Customer Focus across the Firm*, 4th ed. (New York: McGraw-Hill, 2006).

**36.** Stephen S. Tax, Mark Colgate, and David Bowen, "How to Prevent Your Customers from Failing," *MIT Sloan Management Review* (Spring 2006), pp. 30–38; Michael Sanserino and Cari Tuna, "Companies Strive Harder to Please Customers," *Wall Street Journal*, July 27, 2009, p. B4.

**37.** James L. Heskett, W, Earl Sasser Jr., and Joe Wheeler, *Ownership Quotient: Putting the Service Profit Chain to Work for Unbeatable Competitive Advantage* (Boston, MA: Harvard Business School Press, 2008).

**38.** D. Todd Donovan, Tom J. Brown, and John C. Mowen, "Internal Benefits of Service Worker Customer Orientation: Job Satisfaction, Commitment, and Organizational Citizenship Behaviors," *Journal of Marketing* 68 (January 2004), pp. 128–46.

**39.** Dan Heath and Chip Heath, "I Love You. Now What?" *Fast Company*, October 2008, pp. 95–96.

**40.** Evan Hessel, "Kung Pao Chicken for the Soul," *Forbes*, April 21, 2008, pp. 106–107.

**41.** Frances X. Frei, "The Four Things a Service Business Must Get Right," *Harvard Business Review*, April 2008, pp. 70–80.

**42.** Christian Gronroos, "A Service-Quality Model and Its Marketing Implications," *European Journal of Marketing* 18 (1984), pp. 36–44.

**43.** Leonard Berry, "Big Ideas in Services Marketing," *Journal of Consumer Marketing* (Spring 1986), pp. 47–51. See also, Jagdip Singh, "Performance Productivity and Quality of Frontline Employees in Service Organizations," *Journal of Marketing* 64 (April 2000), pp. 15–34; Detelina Marinova, Jun Ye, and Jagdip Singh, "Do Frontline Mechanisms Matter? Impact of Quality and Productivity Orientations on Unit Revenue, Efficiency, and Customer Satisfaction," *Journal of Marketing* 72 (March 2008), pp. 28–45; John R. Hauser, Duncan I. Simester, and Birger Wernerfelt, "Internal Customers and Internal Suppliers," *Journal of Marketing Research* 33 (August 1996), pp. 268–80; Walter E. Greene, Gary D. Walls, and Larry J. Schrest, "Internal Marketing: The Key to External Marketing Success," *Journal of Services Marketing* 8 (1994), pp. 5–13.

**44.** Christian Gronroos, "A Service-Quality Model and Its Marketing Implications," *European Journal of Marketing* 18 (1984), pp. 36–44; Michael D. Hartline, James G. Maxham III, and Daryl O. McKee, "Corridors of Influence in the Dissemination of Customer-Oriented Strategy to Customer-Contact Service Employees,"*Journal of Marketing* 64 (April 2000), pp. 35–50.

**45.** John Batelle, "Charles Schwab, Back from the Brink," *Business 2.0,* March 2006; "Q&A with Becky Saeger, CMO, Charles Schwab," *ANA Marketing Musings*, September 11, 2006; Betsy Morris, "Charles Schwab's

Big Challenge," *Fortune*, May 30, 2005; Rob Markey, Fred Reichheld, and Andreas Dullweber, "Closing the Customer Feedback Loop," *Harvard Business Review*, December 2009, pp. 43–47.

**46.** Ad de Jong, Ko de Ruyter, and Jos Lemmink, "Antecedents and Consequences of the Service Climate in Boundary-Spanning Self-Managing Service Teams," *Journal of Marketing* 68 (April 2004), pp. 18–35; Michael D. Hartline and O. C. Ferrell, "The Management of Customer-Contact Service Employees: An Empirical Investigation," *Journal of Marketing* 60 (October 1996), pp. 52–70; Christian Homburg, Jan Wieseke, and Torsten Bornemann, "Implementing the Marketing Concept at the Employee-Customer Interface: The Role of Customer Need Knowledge," *Journal of Marketing* 73 (July 2009), pp. 64–81; Chi Kin (Bennett) Yim, David K. Tse, and Kimmy Wa Chan, "Strengthening Customer Loyalty through Intimacy and Passion: Roles of Customer-Firm Affection and Customer-Staff Relationships, *Journal of Marketing Research* 45 (December 2008), pp. 741–56.

**47.** Michael Sanserino and Cari Tuna, "Companies Strive Harder to Please Customers," *Wall Street Journal*, July 27, 2009, p. B4.

**48.** Jena McGregor, "When Service Means Survival," *BusinessWeek*, March 2, 2009, pp. 26–30.

**49.** Heather Green, "How Amazon Aims to Keep You Clicking," *BusinessWeek*, March 2, 2009, pp. 34–40.

**50.** Roland T. Rust and Katherine N. Lemon, "E-Service and the Consumer," *International Journal of Electronic Commerce* 5 (Spring 2001), pp. 83–99. See also, Balaji Padmanabhan and Alexander Tuzhilin, "On the Use of Optimization for Data Mining: Theoretical Interactions and ECRM opportunities," *Management Science* 49 (October 2003), pp. 1327–43; B. P. S. Murthi and Sumit Sarkar, "The Role of the Management Sciences in Research on Personalization," *Management Science* 49 (October 2003), pp. 1344–62.

**51.** Roland T. Rust, P. K. Kannan, and Na Peng, "The Customer Economics of Internet Privacy," *Journal of the Academy of Marketing Science* 30 (2002), pp. 455–64.

**52.** Jena McGregor, "Customer Service Champs," *BusinessWeek*, March 5, 2007, pp. 52–64.

**53.** Jena McGregor, "When Service Means Survival," *BusinessWeek*, March 2, 2009, pp. 26–30.

**54.** John A. Martilla and John C. James, "Importance-Performance Analysis," *Journal of Marketing* 41 (January 1977), pp. 77–79.

**55.** Dave Dougherty and Ajay Murthy, "What Service Customers Really Want," *Harvard Business Review*, September 2009, p. 22; for a contrarian point of view, see Edward Kasabov, "The Compliant Customer," *MIT Sloan Management Review* (Spring 2010), pp. 18–19.

**56.** Jeffrey G. Blodgett and Ronald D. Anderson, "A Bayesian Network Model of the Customer Complaint Process," *Journal of Service Research* 2 (May 2000), pp. 321–38; Stephen S. Tax and Stephen W. Brown, "Recovering and Learning from Service Failures," *Sloan Management Review* (Fall 1998), pp. 75–88; Claes Fornell and Birger Wernerfelt, "A Model for Customer Complaint Management," *Marketing Science* 7 (Summer 1988), pp. 271–86.

**57.** James G. Maxham III and Richard G. Netemeyer, "Firms Reap What They Sow: The Effects of Shared Values and Perceived Organizational Justice on Customers' Evaluations of Complaint Handling," *Journal of Marketing* 67 (January 2003), pp. 46–62; Jagdip Singh, "Performance Productivity and Quality of Frontline Employees in Service Organizations," *Journal of Marketing* 64 (April 2000), pp. 15–34; Barry J. Rabin and James S. Boles, "Employee Behavior in a Service Environment: A Model and Test of Potential Differences between Men and Women," *Journal of Marketing* 62 (April 1998), pp. 77–91.

**58.** Stephen S. Tax, Stephen W. Brown and Murali Chandrashekaran, "Customer Evaluations of Service Complaint Experiences: Implications for Relationship Marketing," *Journal of Marketing* 62 (April 1998), pp. 60–76; Stephen S. Tax and Stephen W. Brown, "Recovering and Learning from Service Failures," *Sloan Management Review* (Fall 1998), pp. 75–88.

**59.** Amy Barrett, "Vanguard Gets Personal," *BusinessWeek*, October 3, 2005, pp. 115–18; Carolyn Marconi and Donna MacFarland, "Growth by Marketing under the Radar," Presentation made at Marketing Science Institute Board of Trustees Meeting: Pathways to Growth, Tucson, AZ, November 7, 2002.

**60.** www.schneider.com; www.informs.org; Todd Raphael, "Facing 'Fierce Competition,' Schneider National Struggles to Fill Trucking Jobs," *Inside Recruiting*, May 31, 2006.

**61.** Roger Yu, "Sheraton Has Designs on Fresh Look," *USA TODAY*, August 26, 2008, p. 4B.

**62.** Robert Levine, "Globe Trotter," *Fast Company*, September 2008, pp. 73–74; Andrew McMains, "Q&A: Kayak's Robert Birge," *Adweek.com*, June 2, 2009; Peter West, "Retail Medical Clinics Offer Quality Care: Study," *HealthDay*, August 31, 2009; "More Medical Clinics Opening in Retail Stores," *Associated Press*, February 2, 2006; Ellen McGirt, "Fast Food Medicine," *Fast Company*, September 2007, pp. 37–38; "Kenny Dichter: A Big Idea Takes Off," Special Advertising Supplement, CIT Behind the Business, *Condé Nast Portfolio*, September 2007.

**63.** Jessi Hempel, "Salesforce Hits Its Stride," *Fortune*, March 2, 2009, pp. 29–32.

**64.** Jena McGregor, "USAA's Battle Plan," *Bloomberg BusinessWeek*, March 1, 2010, pp. 40–43; Jena McGregor, "When Service Means Survival," *BusinessWeek*, March 2, 2009, pp. 26–30; "Customer Service Champs," *BusinessWeek*, March 5, 2007; "USAA Receives Chairman's Award," *San Antonio Business Journal,* June 20, 2002.

**65.** Susan M. Keaveney, "Customer Switching Behavior in Service Industries: An Exploratory Study," *Journal of Marketing* 59 (April 1995), pp. 71–82. See also, Jaishankar Ganesh, Mark J. Arnold, and Kristy E. Reynolds, "Understanding the Customer Base of Service Providers: An Examination of the Differences between Switchers and Stayers," *Journal of Marketing* 64 (July 2000), pp. 65–87; Michael D. Hartline and O. C. Ferrell, "The Management of Customer-Contact Service Employees: An Empirical Investigation," *Journal of Marketing* 60 (October 1996), pp. 52–70; Linda L. Price, Eric J. Arnould, and Patrick Tierney, "Going to Extremes: Managing Service Encounters and Assessing Provider Performance," *Journal of Marketing* 59 (April 1995), pp. 83–97; Lois A. Mohr, Mary Jo Bitner, and Bernard H. Booms, "Critical Service Encounters: The Employee's Viewpoint," *Journal of Marketing* 58 (October 1994), pp. 95–106.

**66.** Dave Dougherty and Ajay Murthy, "What Service Customers Really Want," *Harvard Business Review*, September 2009, p. 22.

**67.** Glenn B. Voss, A. Parasuraman, and Dhruv Grewal, "The Role of Price, Performance, and Expectations in Determining Satisfaction in Service Exchanges," *Journal of Marketing* 62 (October 1998), pp. 46–61.

**68.** Roland T. Rust and Richard L. Oliver, "Should We Delight the Customer?" *Journal of the Academy of Marketing Science* 28 (December 2000), pp. 86–94.

**69.** A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model of Service Quality and Its Implications for Future Research," *Journal of Marketing* 49 (Fall 1985), pp. 41–50. See also, Michael K. Brady and J. Joseph Cronin Jr., "Some New Thoughts on Conceptualizing Perceived Service Quality," *Journal of Marketing* 65 (July 2001), pp. 34–49; Susan J. Devlin and H. K. Dong, "Service Quality from the Customers' Perspective," *Marketing Research* (Winter 1994), pp. 4–13.

**70.** Leonard L. Berry and A. Parasuraman, *Marketing Services: Competing through Quality* (New York: Free Press, 1991), p. 16.

**71.** A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model of Service Quality and Its Implications for Future Research," *Journal of Marketing* 49 (Fall 1985), pp. 41–50.

**72.** William Boulding, Ajay Kalra, Richard Staelin, and Valarie A. Zeithaml, "A Dynamic Model of Service Quality: From Expectations to Behavioral Intentions," *Journal of Marketing Research* 30 (February 1993), pp. 7–27.

**73.** Roland T. Rust and Tuck Siong Chung, "Marketing Models of Service and Relationships," *Marketing Science* 25 (November–December 2006), pp. 560–80; Katherine N. Lemon, Tiffany Barnett White, and Russell S. Winer, "Dynamic Customer Relationship Management: Incorporating Future Considerations into the Service Retention Decision," *Journal of Marketing* 66 (January 2002), pp. 1–14; Ruth N. Bolton and Katherine N. Lemon, "A Dynamic Model of Customers' Usage of Services: Usage as an Antecedent and Consequence of Satisfaction," *Journal of Marketing Research* 36 (May 1999), pp. 171–86.

**74.** Kent Grayson and Tim Ambler, "The Dark Side of Long-Term Relationships in Marketing Services," *Journal of Marketing Research* 36 (February 1999), pp. 132–41.

**75.** Leonard L. Berry, Kathleen Seiders, and Dhruv Grewal, "Understanding Service Convenience," *Journal of Marketing* 66 (July 2002), pp. 1–17.

**76.** "Help Yourself," *Economist*, July 2, 2009, pp. 62–63.

**77.** Jeffrey F. Rayport and Bernard J. Jaworski, *Best Face Forward* (Boston: Harvard Business School Press, 2005); Jeffrey F. Rayport, Bernard J. Jaworski, and Ellie J. Kyung, "Best Face Forward," *Journal of Interactive Marketing* 19 (Autumn 2005), pp. 67–80; Jeffrey F. Rayport and Bernard J. Jaworski, "Best Face Forward," *Harvard Business Review,* December 2004, pp. 47–58.

**78.** Matthew L. Meuter, Mary Jo Bitner, Amy L. Ostrom, and Stephen W. Brown, "Choosing among Alternative Service Delivery Modes: An Investigation of Customer Trial of Self-Service Technologies," *Journal of Marketing* 69 (April 2005), pp. 61–83.

**79.** Eric Fang, Robert W. Palmatier, and Jan-Benedict E. M. Steenkamp, "Effect of Service Transition Strategies on Firm Value," *Journal of Marketing* 72 (September 2008), pp. 1–14.

**80.** Mark Vandenbosch and Niraj Dawar, "Beyond Better Products: Capturing Value in Customer Interactions," *MIT Sloan Management Review* 43 (Summer 2002), pp. 35–42; Milind M. Lele and Uday S. Karmarkar, "Good Product Support Is Smart Marketing," *Harvard Business Review,* November–December 1983, pp. 124–32.

**81.** For research on the effects of delays in service on service evaluations, see Michael K. Hui and David K. Tse, "What to Tell Consumers in Waits of Different Lengths: An Integrative Model of Service Evaluation," *Journal of Marketing* 60 (April 1996), pp. 81–90; Shirley Taylor, "Waiting for Service: The Relationship between Delays and Evaluations of Service," *Journal of Marketing* 58 (April 1994), pp. 56–69.

**82.** Byron G. Auguste, Eric P. Harmon, and Vivek Pandit, "The Right Service Strategies for Product Companies," *McKinsey Quarterly* 1 (2006), pp. 41–51.

**83.** Goutam Challagalla, R. Venkatesh, and Ajay K. Kohli, "Proactive Postsales Service: When and Why Does it Pay Off?" *Journal of Marketing* 73 (March 2009), pp. 70–87.

## Chapter 14

**1.** Brian Burnsed, "Where Discounting Can Be Dangerous," *BusinessWeek*, August 3, 2009, p. 49; "Tiffany's Profit Tops Expectations," *Associated Press*, November 26, 2009; Cintra Wilson, "If Bling Had a Hall of Fame," *New York Times*, July 30, 2009; Ellen Byron, "Fashion Victim: To Refurbish Its Image, Tiffany Risks Profits," *Wall Street Journal,* January 10, 2007, p. A1.

**2.** "The Price Is Wrong," *Economist,* May 25, 2002.

3. Xavier Dreze and Joseph C. Nunes, "Using Combined-Currency Prices to Lower Consumers' Perceived Cost," *Journal of Marketing Research* 41 (February 2004), pp. 59–72; Raghuram Iyengar, Kamel Jedidi, and Rajeev Kohli, "A Conjoint Approach to Multipart Pricing," *Journal of Marketing Research* 45 (April 2008), pp. 195–201; Marco Bertini and Luc Wathieu, "Attention Arousal Through Price Partitioning," *Marketing Science* 27 (March/April 2008), pp. 236–46.

4. Rick Newman, "The Great Retail Revolution," *U.S. News & World Report*, March 2010, pp. 19–20; Philip Moeller, "Tough Times Are Molding Tough Consumers," *U.S. News & World Report*, March 2010, pp. 22–25; Steve Hamm, "The New Age of Frugality," *BusinessWeek*, October 20, 2008, pp. 55–60; Timothy W. Martin, "Frugal Shoppers Drive Grocers Back to Basics," *Wall Street Journal*, June 24, 2009, p. B1; Daniel Gross, "The Latte Era Grinds Down," *Newsweek*, October 22, 2007, pp. 46–47.

5. Paul Markillie, "A Perfect Market: A Survey of E-Commerce," *Economist,* May 15, 2004, pp. 3–20; David Kirpatrick, "How the Open-Source World Plans to Smack Down Microsoft, and Oracle, and . . . ," *Fortune,* February 23, 2004, pp. 92–100; Faith Keenan, "The Price Is Really Right," *BusinessWeek,* March 31, 2003, pp. 61–67; Michael Menduno, "Priced to Perfection," *Business 2.0,* March 6, 2001, pp. 40–42; Amy E. Cortese, "Good-Bye to Fixed Pricing?" *BusinessWeek,* May 4, 1998, pp. 71–84. For a discussion of some of the basic academic issues involved, see Florian Zettelmeyer, "Expanding to the Internet: Pricing and Communication Strategies when Firms Compete on Multiple Channels," *Journal of Marketing Research* 37 (August 2000), pp. 292–308; John G. Lynch Jr. and Dan Ariely, "Wine Online: Search Costs Affect Competition on Price, Quality, and Distribution," *Marketing Science* 19 (Winter 2000), pp. 83–103; Rajiv Lal and Miklos Sarvary, "When and How Is the Internet Likely to Decrease Price Competition?" *Marketing Science* 18 (Fall 1999), pp. 485–503.

6. Daniel Fisher, "Cheap Seats," *Forbes*, August 24, 2009, pp. 102–3.

7. Bernard Condon, "The Haggle Economy," *Forbes*, June 8, 2009, pp. 26–27.

8. For a thorough review of pricing research, see Chezy Ofir and Russell S. Winer, "Pricing: Economic and Behavioral Models," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage Publications, 2002).

9. Based on Pia Sarkar, "Which Shirt Costs $275?—Brand Loyalty, Bargain Hunting, and Unbridled Luxury All Play a Part in the Price You'll Pay for a T-Shirt," *Final Edition,* March 15, 2007, p. C1. Reprinted by permission.

10. Bruce Horovitz, "Sale, Sale, Sale: Today Everyone Wants a Deal," *USA Today*, April 21, 2010, pp. 1A–2A.

11. Sbriya Rice, "'I Can't Afford Surgery in the U.S.,' Says Bargain Shopper," *CNN,* www.cnn.com, April 26, 2010.

12. Jay Greene, "Selling $8 Soap in an Era of Frugality," *BusinessWeek*, November 30, 2009, p. 66.

13. Peter R. Dickson and Alan G. Sawyer, "The Price Knowledge and Search of Supermarket Shoppers," *Journal of Marketing* 54 (July 1990), pp. 42–53. For a methodological qualification, however, see Hooman Estalami, Alfred Holden, and Donald R. Lehmann, "Macro-Economic Determinants of Consumer Price Knowledge: A Meta-Analysis of Four Decades of Research," *International Journal of Research in Marketing* 18 (December 2001), pp. 341–55.

14. For a comprehensive review, see Tridib Mazumdar, S. P. Raj, and Indrajit Sinha, "Reference Price Research: Review and Propositions," *Journal of Marketing* 69 (October 2005), pp. 84–102. For a different point of view, see Chris Janiszewski and Donald R. Lichtenstein, "A Range Theory Account of Price Perception," *Journal of Consumer Research* 25 (March 1999), pp. 353–68.

15. For a discussion of how "incidental" prices outside the category can serve as contextual reference prices, see Joseph C. Nunes and Peter Boatwright, "Incidental Prices and Their Effect on Willingness to Pay," *Journal of Marketing Research* 41 (November 2004), pp. 457–66.

16. K. N. Rajendran and Gerard J. Tellis, "Contextual and Temporal Components of Reference Price," *Journal of Marketing* 58 (January 1994), pp. 22–34; Gurumurthy Kalyanaram and Russell S. Winer, "Empirical Generalizations from Reference-Price Research," *Marketing Science* 14 (Summer 1995), pp. G161–69. See also, Ritesh Saini, Raghunath Singh Rao, and Ashwani Monga, "Is the Deal Worth My Time? The Interactive Effect of Relative and Referent Thinking on Willingness to Seek a Bargain," *Journal of Marketing* 74 (January 2010), pp. 34–48.

17. Gurumurthy Kalyanaram and Russell S. Winer, "Empirical Generalizations from Reference-Price Research," *Marketing Science* 14 (Summer 1995), pp. 161–69.

18. Glenn E. Mayhew and Russell S. Winer, "An Empirical Analysis of Internal and External Reference-Price Effects Using Scanner Data," *Journal of Consumer Research* 19 (June 1992), pp. 62–70.

19. Robert Ziethammer, "Forward-Looking Buying in Online Auctions," *Journal of Marketing Research* 43 (August 2006), pp. 462–76.

20. John T. Gourville, "Pennies-a-Day: The Effect of Temporal Reframing on Transaction Evaluation," *Journal of Consumer Research* 24 (March 1998), pp. 395–408.

21. Gary M. Erickson and Johny K. Johansson, "The Role of Price in Multi-Attribute Product-Evaluations," *Journal of Consumer Research* 12 (September 1985), pp. 195–99.

22. Wilfred Amaldoss and Sanjay Jain, "Pricing of Conspicuous Goods: A Competitive Analysis of Social Effects," *Journal of Marketing Research* 42 (February 2005); Angela Chao and Juliet B. Schor, "Empirical Tests of Status Consumption: Evidence from Women's

Cosmetics," *Journal of Economic Psychology* 19 (January 1998), pp. 107–31.

**23.** Mark Stiving and Russell S. Winer, "An Empirical Analysis of Price Endings with Scanner Data," *Journal of Consumer Research* 24 (June 1997), pp. 57–68.

**24.** Eric T. Anderson and Duncan Simester, "Effects of $9 Price Endings on Retail Sales: Evidence from Field Experiments," *Quantitative Marketing and Economics* 1 (March 2003), pp. 93–110.

**25.** Eric Anderson and Duncan Simester, "Mind Your Pricing Cues," *Harvard Business Review,* September 2003, pp. 96–103.

**26.** Robert M. Schindler and Patrick N. Kirby, "Patterns of Rightmost Digits Used in Advertised Prices: Implications for Nine-Ending Effects," *Journal of Consumer Research* 24 (September 1997), pp. 192–201.

**27.** Anderson and Simester, "Mind Your Pricing Cues," *Harvard Business Review*, September 2003, pp. 96–103.

**28.** Ibid.

**29.** Daniel J. Howard and Roger A. Kerin, "Broadening the Scope of Reference-Price Advertising Research: A Field Study of Consumer Shopping Involvement," *Journal of Marketing* 70 (October 2006), pp. 185–204.

**30.** Robert C. Blattberg and Kenneth Wisniewski, "Price-Induced Patterns of Competition," *Marketing Science* 8 (Fall 1989), pp. 291–309; Katherine N. Lemon and Stephen M. Nowlis, "Developing Synergies between Promotions and Brands in Different Price-Quality Tiers," *Journal of Marketing Research* 39 (May 2002), pp. 171–85; but see also, Serdar Sayman, Stephen J. Hoch, and Jagmohan S. Raju, "Positioning of Store Brands," *Marketing Science* 21 (Fall 2002), pp. 378–97.

**31.** Shantanu Dutta, Mark J. Zbaracki, and Mark Bergen, "Pricing Process as a Capability: A Resource-Based Perspective," *Strategic Management Journal* 24 (July 2003), pp. 615–30.

**32.** "To All iPhone Customers," *Apple Inc*., www.apple.com/hotnews/openiphoneletter; Gary F. Gebhardt, "Price Skimming's Unintended Consequences," *Marketing Science Institute Working Paper Series*, MSI Report No. 09-109.

**33.** Michael Silverstein and Neil Fiske, *Trading Up: The New American Luxury* (New York: Portfolio, 2003).

**34.** Christopher Lawton, "A Liquor Maverick Shakes Up Industry with Pricey Brands," *Wall Street Journal,* May 21, 2003.

**35.** Timothy Aeppel, "Seeking Perfect Prices, CEO Tears Up the Rules," *Wall Street Journal,* March 27, 2007.

**36.** Florian Zettelmeyer, Fiona Scott Morton, and Jorge Silva-Risso, "How the Internet Lowers Prices: Evidence from Matched Survey and Automobile Transaction Data," *Journal of Marketing Research* 43 (May 2006), pp. 168–81; Jeffrey R. Brown and Austan Goolsbee, "Does the Internet Make Markets More Competitive? Evidence from the Life Insurance Industry," *Journal of Political Economy* 110 (October 2002), pp. 481–507.

**37.** Joo Heon Park and Douglas L. MacLachlan, "Estimating Willingness to Pay with Exaggeration Bias-Corrected Contingent Valuation Method," *Marketing Science* 27 (July–August 2008), pp. 691–98.

**38.** Walter Baker, Mike Marn, and Craig Zawada, "Price Smarter on the Net," *Harvard Business Review*, February 2001, pp. 122–27.

**39.** Brian Bergstein, "The Price Is Right," *Associated Press*, April 29, 2007.

**40.** Thomas T. Nagle and Reed K. Holden, *The Strategy and Tactics of Pricing,* 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2002).

**41.** For a summary of elasticity studies, see Dominique M. Hanssens, Leonard J. Parsons, and Randall L. Schultz, *Market Response Models: Econometric and Time Series Analysis* (Boston: Kluwer, 1990), pp. 187–91.

**42.** Tammo H. A. Bijmolt, Harald J. Van Heerde, and Rik G. M. Pieters, "New Empirical Generalizations on the Determinants of Price Elasticity," *Journal of Marketing Research* 42 (May 2005), pp. 141–56.

**43.** William W. Alberts, "The Experience Curve Doctrine Reconsidered," *Journal of Marketing* 53 (July 1989), pp. 36–49.

**44.** Michael Sivy, "Japan's Smart Secret Weapon," *Fortune,* August 12, 1991, p. 75.

**45.** Joseph Weber, "Over a Buck for Dinner? Outrageous," *BusinessWeek*, March 9, 2009, p. 57.

**46.** Reena Jane, "From India, the Latest Management Fad," *Bloomberg BusinessWeek*, December 14, 2009, p. 57; Julie Jargon, "General Mills Takes Several Steps to Combat High Commodity Costs," *Wall Street Journal*, September 20, 2007; Mina Kimes, "Cereal Cost Cutters," *Fortune*, November 10, 2008, p. 24.

**47.** Jack Ewing, "The Next Wal-Mart?" *BusinessWeek,* April 26, 2004, pp. 60–62; "German Discounter Aldi Aims to Profit from Belt-Tightening in US," *DW World.de,* www.dw-world.de, January 15, 2009; Aldi*,* www.aldi.com.

**48.** "Green Works Natural Cleaners and Sierra Club Celebrate Two Year Anniversary; Doubling of Natural Cleaning Category," *Green Works,* www.greenworkscleaners.com, June 28, 2010; "This or That? Clorox Greenworks Cleaning Up in the Market Tip of the Day," *Green Daily,* www.greendaily.com, January 24, 2009; "Annual GMA Award Recognizes Clorox and Kettle Foods for Innovation and Creativity," *GMA,* www. gmaonline.org/awardssurvey/cpg.cfm, August 5, 2008.

**49.** Kusum L. Ailawadi, Donald R. Lehmann, and Scott A. Neslin, "Market Response to a Major Policy Change in the Marketing Mix: Learning from Procter & Gamble's Value Pricing Strategy," *Journal of Marketing* 65 (January 2001), pp. 44–61.

**50.** Timothy Aeppel, "Seeking Perfect Prices, CEO Tears Up the Rules," *Wall Street Journal,* March 27, 2007;

Todd Shryock, “Parker Hannifin: Perpetual Motion,” *Smart Business Cleveland*, October 1, 2005; Tom Brennan, “High-Tech Parker Hannifin?” *CNBC,* www.cnbc.com, April 29, 2008.

**51.** Bruce Einhorn, “Acer’s Game-Changing PC Offensive,” *BusinessWeek*, April 20, 2009, p. 65; Bruce Einhorn and Tim Culpan, “With Dell in the Dust, Acer Chases HP,” *Bloomberg BusinessWeek*, March 8, 2010, pp. 58–59.

**52.** Tung-Zong Chang and Albert R. Wildt, “Price, Product Information, and Purchase Intention: An Empirical Study,” *Journal of the Academy of Marketing Science* 22 (Winter 1994), pp. 16–27. See also, G. Dean Kortge and Patrick A. Okonkwo, “Perceived Value Approach to Pricing,” *Industrial Marketing Management* 22 (May 1993), pp. 133–40.

**53.** Michael Arndt, “PACCAR: Built for the Long-Haul,” *BusinessWeek*, January 30, 2006; Jay Thompson, “The 2010 U.S. Diesel Engine Landscape—Paccar’s Approach Will Be Most Changed Without Cat,” *Gerson Lehrman Group,* www.glgroup.com; Angel Gonzales, “Paccar’s Fuel-Saving Hybrid Truck Aimed at Nation’s Distribution,” *Seattle Times*, July 29, 2008; Paccar*,* www.paccar.com.

**54.** Anupam Mukerj, “Monsoon Marketing,” *Fast Company*, April 2007, p. 22.

**55.** Marco Bertini and Luc Wathieu, “How to Stop Customers from Fixating on Price,” *Harvard Business Review*, May 2010, pp. 85–91.

**56.** James C. Anderson, Dipak C. Jain, and Pradeep K. Chintagunta, “Customer Value Assessment in Business Markets: A State-of-Practice Study,” *Journal of Business-to-Business Marketing* 1 (Spring 1993), pp. 3–29.

**57.** Bill Saporito, “Behind the Tumult at P&G,” *Fortune,* March 7, 1994, pp. 74–82. For empirical analysis of its effects, see Kusim L. Ailawadi, Donald R. Lehmann, and Scott A. Neslin, “Market Response to a Major Policy Change in the Marketing Mix: Learning from Procter & Gamble’s Value Pricing Strategy,” *Journal of Marketing* 65 (January 2001), pp. 44–61.

**58.** Laurie Burkitt, “Take It All Off,” *Forbes*, March 29, 2010, p. 59; Dan Beucke, “A Blade Too Far,” *BusinessWeek*, August 14, 2006; Jenn Abelson, “And Then There Were Five,” *Boston Globe,* September 15, 2005; Jack Neff, “Six-Blade Blitz,” *Advertising Age,* September 19, 2005, pp. 3, 53; Editorial, “Gillette Spends Smart on Fusion,” *Advertising Age,* September 26, 2005, p. 24.

**59.** Elisabeth Sullivan, “Value Pricing,” *Marketing News*, January 15, 2008, p. 08.

**60.** Stephen J. Hoch, Xavier Dreze, and Mary J. Purk, “EDLP, Hi-Lo, and Margin Arithmetic,” *Journal of Marketing* 58 (October 1994), pp. 16–27; Rajiv Lal and R. Rao, “Supermarket Competition: The Case of Everyday Low Pricing,” *Marketing Science* 16 (Winter 1997), pp. 60–80; Michael Tsiros and David M. Hardesty, “Ending a Price Promotion: Retracting It in One Step or Phasing It Out Gradually,” *Journal of Marketing* 74 (January 2010), pp. 49–64.

**61.** Joseph W. Alba, Carl F. Mela, Terence A. Shimp, and Joel E. Urbany, “The Effect of Discount Frequency and Depth on Consumer Price Judgments,” *Journal of Consumer Research* 26 (September 1999), pp. 99–114; Paul B. Ellickson and Sanjog Misra, “Supermarket Pricing Strategies,” *Marketing Science*, 27 (September–October 2008), pp. 811–28.

**62.** David Welch, “Haggling Starts to Go the Way of the Tail Fin,” *BusinessWeek*, October 29, 2007, pp. 71–72.

**63.** Sean Gregory, “Dollar Stores: A Great Price for the Recession,” *Time*, October 6, 2009; Robert Stammers, “Dollar Stores Defy Market,” *Forbes.com*, March 5, 2009; John Dobosz, “Putting Family Dollar on the Shopping List,” *Forbes,* August 23, 2006; Jeff Meyer, “The Mad Dash to the Dollar Shop,” *Christian Science Monitor,* August 4, 2003, p. 13; “Low Prices, Treasure Hunts Build Dollar Empire,” *DSN Retailing Today,* November 24, 2003, pp. 23–24.

**64.** Ethan Smith and Sara Silver, “To Protect Its Box-Office Turf, Ticketmaster Plays Rivals’ Tune,” *Wall Street Journal,* September 12, 2006.

**65.** “Royal Mail Drives Major Cost Savings through Free Markets,” Free Markets press release, December 15, 2003.

**66.** Using expected profit for setting price makes sense for the seller that makes many bids. The seller who bids only occasionally or who needs a particular contract badly will not find it advantageous to use expected profit. This criterion does not distinguish between a $1,000 profit with a 0.10 probability and a $125 profit with a 0.80 probability. Yet the firm that wants to keep production going would prefer the second contract to the first.

**67.** Bernard Condon, “The Haggle Economy,” *Forbes*, June 8, 2009, pp. 26–27; Sandy D. Jap, “The Impact of Online Reverse Auction Design on Buyer-Supplier Relationships,” *Journal of Marketing* 71 (January 2007), pp. 146–59; Sandy D. Jap, “An Exploratory Study of the Introduction of Online Reverse Auctions,” *Journal of Marketing* 67 (July 2003), pp. 96–107.

**68.** Paul W. Farris and David J. Reibstein, “How Prices, Expenditures, and Profits Are Linked,” *Harvard Business Review,* November–December 1979, pp. 173–84. See also, Makoto Abe, “Price and Advertising Strategy of a National Brand against Its Private-Label Clone: A Signaling Game Approach,” *Journal of Business Research* 33 (July 1995), pp. 241–50.

**69.** Eugene H. Fram and Michael S. McCarthy, “The True Price of Penalties,” *Marketing Management*, October 1999, pp. 49–56.

**70.** Joel E. Urbany, “Justifying Profitable Pricing,” *Journal of Product and Brand Management* 10 (2001), pp. 141–57; Charles Fishman, “The Wal-Mart You Don’t Know,” *Fast Company,* December 2003, pp. 68–80.

**71.** P. N. Agarwala, *Countertrade: A Global Perspective* (New Delhi: Vikas, 1991); Michael Rowe, *Countertrade* (London: Euromoney Books, 1989); Christopher M. Korth, ed., *International Countertrade* (New York: Quorum Books, 1987).

**72.** For an interesting discussion of a quantity surcharge, see David E. Sprott, Kenneth C. Manning, and Anthony Miyazaki, "Grocery Price Settings and Quantity Surcharges," *Journal of Marketing* 67 (July 2003), pp. 34–46.

**73.** Michael V. Marn and Robert L. Rosiello, "Managing Price, Gaining Profit," *Harvard Business Review,* September–October 1992, pp. 84–94. See also, Kusum L. Ailawadi, Scott A. Neslin, and Karen Gedenk, "Pursuing the Value-Conscious Consumer: Store Brands versus National-Brand Promotions," *Journal of Marketing* 65 (January 2001), pp. 71–89; Gerard J. Tellis, "Tackling the Retailer Decision Maze: Which Brands to Discount, How Much, When, and Why?" *Marketing Science* 14 (Summer 1995), pp. 271–99.

**74.** Michael J. Barone and Tirthankar Roy, "Does Exclusivity Always Pay Off? Exclusive Price Promotions and Consumer Response," *Journal of Marketing* 74 (March 2010), pp. 121–32.

**75.** Jay E. Klompmaker, William H. Rogers, and Anthony E. Nygren, "Value, Not Volume," *Marketing Management* (May–June 2003), pp. 45–48; Lands' End, www.landsend.com, June 23, 2010.

**76.** Peter Burrows and Olga Kharif, "Can AT&T Tame the iHogs," *Bloomberg BusinessWeek*, December 28, 2009 and January 4, 2010, pp. 21–22.

**77.** Ramarao Deesiraju and Steven M. Shugan, "Strategic Service Pricing and Yield Management," *Journal of Marketing* 63 (January 1999), pp. 44–56; Robert E. Weigand, "Yield Management: Filling Buckets, Papering the House," *Business Horizons* 42 (September–October 1999), pp. 55–64.

**78.** Charles Fishman, "Which Price Is Right?" *Fast Company,* March 2003, pp. 92–102; Bob Tedeschi, "E-Commerce Report," *New York Times,* September 2, 2002; Faith Keenan, "The Price Is Really Right," *BusinessWeek,* March 31, 2003, pp. 62–67; Peter Coy, "The Power of Smart Pricing," *BusinessWeek,* April 10, 2000, pp. 160–64. For a review of some seminal work linking pricing decisions with operational insights, see Moritz Fleischmann, Joseph M. Hall, and David F. Pyke, "Research Brief: Smart Pricing," *MIT Sloan Management Review* (Winter 2004), pp. 9–13.

**79.** Mike France, "Does Predatory Pricing Make Microsoft a Predator?" *BusinessWeek,* November 23, 1998, pp. 130–32. Also see Joseph P. Guiltinan and Gregory T. Gundlack, "Aggressive and Predatory Pricing: A Framework for Analysis," *Journal of Advertising* 60 (July 1996), pp. 87–102.

**80.** For more information on specific types of price discrimination that are illegal, see Henry Cheeseman, *Business Law,* 6th ed. (Upper Saddle River, NJ: Prentice Hall, 2007).

**81.** Bob Donath, "Dispel Major Myths about Pricing," *Marketing News,* February 3, 2003, p. 10. For an interesting historical account, see Meghan R. Busse, Duncan I. Simester, Florian Zettelmeyer, "'The Best Price You'll Ever Get': The 2005 Employee Discount Pricing Promotions, in the U.S. Automobile Industry," *Marketing Science* 29 (March–April 2010), pp. 268–90.

**82.** Harald J. Van Heerde, Els Gijsbrechts, and Koen Pauwels, "Winners and Losers in a Major Price War," *Journal of Marketing Research* 45 (October 2008), pp. 499–518.

**83.** For a classic review, see Kent B. Monroe, "Buyers' Subjective Perceptions of Price," *Journal of Marketing Research* 10 (February 1973), pp. 70–80. See also, Z. John Zhang, Fred Feinberg, and Aradhna Krishna, "Do We Care What Others Get? A Behaviorist Approach to Targeted Promotions," *Journal of Marketing Research* 39 (August 2002), pp. 277–91.

**84.** Margaret C. Campbell, "Perceptions of Pricing Unfairness: Antecedents and Consequences," *Journal of Marketing Research* 36 (May 1999), pp. 187–99.

**85.** Lan Xia, Kent B. Monroe, and Jennifer L. Cox, "The Price Is Unfair! A Conceptual Framework of Price Fairness Perceptions," *Journal of Marketing* 68 (October 2004), pp. 1–15; Eric T. Anderson and Duncan Simester, "Does Demand Fall when Customers Perceive That Prices Are Unfair? The Case of Premium Pricing for Larger Sizes," *Marketing Science* 27 (May–June 2008), pp. 492–500.

**86.** Eric Mitchell, "How Not to Raise Prices," *Small Business Reports,* November 1990, pp. 64–67.

**87.** Nirmalya Kumar, "Strategies to Fight Low-Cost Rivals," *Harvard Business Review* (December 2006): 104–12. See also Michael F. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: Free Press, 1980); Adrian Ryans, *Beating Low Cost Competition: How Premium Brands Can Respond to Cut-Price Rivals* (West Sussex, England: John Wiley & Sons, 2008); Jack Neff, "How the Discounters Hurt Themsleves," *Advertising Age*, December 10, 2007, p. 12.

## Chapter 15

**1.** Gloria Goodale, "Netflix: From Movies in the Mall to Movies on Demand?" *Christian Science Monitor*, September 1, 2006, p. 11; Timothy J. Mullaney, "The Mail Order House That Clobbered Blockbuster," *BusinessWeek*, June 5, 2006, pp. 56–57; Jefferson Graham, "Netflix Is Still Renting Strong," *USA Today*, July 1, 2009, p. 2B; Ronald Grover, Adam Satariano, and Ari Levy, "Honest, Hollywood, Netflix Is Your Friend," *Bloomberg BusinessWeek*, January 11, 2010, pp. 54–55; Michael V. Copeland, "Tapping Tech's Beautiful Minds," *Fortune*, October 12, 2009, pp. 35–36; Clive Thompson, "If You Liked This, Sure to Love That," *New York Times*, November 21, 2008; Jessica Mintz, "Redbox Machines Take on Netflix's Red Envelope," *USA Today*, June 22, 2009; Michael Kraus, "How Redbox Is Changing Retail," *Marketing News*, November 15, 2009, p. 23.

**2.** Anne T. Coughlan, Erin Anderson, Louis W. Stern, and Adel I. El-Ansary, *Marketing Channels,* 7th ed. (Upper Saddle River, NJ: Prentice Hall, 2007).

**3.** Louis W. Stern and Barton A. Weitz, "The Revolution in Distribution: Challenges and Opportunities," *Long Range Planning* 30 (December 1997), pp. 823–29.

**4.** For an insightful summary of academic research, see Erin Anderson and Anne T. Coughlan, "Channel Management: Structure, Governance, and Relationship Management," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2001), pp. 223–47. See also, Gary L. Frazier, "Organizing and Managing Channels of Distribution," *Journal of the Academy of Marketing Sciences* 27 (Spring 1999), pp. 226–40.

**5.** Kerry Capell, "Thinking Simple at Philips," *BusinessWeek,* December 11, 2006, p. 50; Royal Philips Electronics Annual Report, 2009; "Philips—Unfulfilled," *Brandchannel.com*, June 20, 2005; Jennifer L. Schenker, "Fine-Tuning a Fuzzy Image," *TIMEeurope.com,* Spring 2002.

**6.** Sarah E. Needleman, "Dial-a-Mattress Retailer Blames Troubles on Stores, Executive Team," *Wall Street Journal*, July 14, 2009, p. B1.

**7.** Martin Wildberger, "Multichannel Business Basics for Successful E-Commerce," *Electronic Commerce News,* September 16, 2002, p. 1; Matthew Haeberle, "REI Overhauls Its E-Commerce," *Chain Store Age,* January 2003, p. 64.

**8.** Chekitan S. Dev and Don E. Schultz, "In the Mix: A Customer-Focused Approach Can Bring the Current Marketing Mix into the 21st Century," *Marketing Management* 14 (January–February 2005).

**9.** www.oracle.com, December 09, 2010.

**10.** www.apple.com, December 09, 2010.

**11.** Robert Shaw and Philip Kotler, "Rethinking the Chain," *Marketing Management* (July/August 2009), pp. 18–23.

**12.** Anne T. Coughlan, "Channel Management: Structure, Governance, and Relationship Management," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2001), pp. 223–47.

**13.** For additional information on backward channels, see Marianne Jahre, "Household Waste Collection as a Reverse Channel: A Theoretical Perspective," *International Journal of Physical Distribution and Logistics* 25 (1995), pp. 39–55; Terrance L. Pohlen and M. Theodore Farris II, "Reverse Logistics in Plastics Recycling," *International Journal of Physical Distribution and Logistics* 22 (1992), pp. 35–37.

**14.** Greenopolis, www.greenopolis.com, December 09, 2010.

**15.** William M. Bulkeley, "Kodak Revamps Wal-Mart Kiosks," *Wall Street Journal*, September 6, 2006, p. B2; Faith Keenan, "Big Yellow's Digital Dilemma," *BusinessWeek,* March 24, 2003, pp. 80–81.

**16.** www.clevelandclinic.org, December 09, 2010; Geoff Colvin, "The Cleveland Clinic's Delos Cosgrove," *Fortune*, March 1, 2010, pp. 38–45.

**17.** Asim Ansari, Carl F. Mela, and Scott A. Neslin, "Customer Channel Migration," *Journal of Marketing Research* 45 (February 2008), pp. 60–76; Jacquelyn S. Thomas and Ursula Y. Sullivan, "Managing Marketing Communications," *Journal of Marketing* 69 (October 2005), pp. 239–51; Sridhar Balasubramanian, Rajagopal Raghunathan, and Vijay Mahajan, "Consumers in a Multichannel Environment: Product Utility, Process Utility, and Channel Choice," *Journal of Interactive Marketing* 19 (Spring 2005), pp. 12–30; Edward J. Fox, Alan L. Montgomery, and Leonard M. Lodish, "Consumer Shopping and Spending across Retail Formats," *Journal of Business* 77 (April 2004), pp. S25–S60.

**18.** Peter Child, Suzanne Heywood, and Michael Kilger, "Do Retail Brands Travel?" *McKinsey Quarterly* (January 2002), pp. 11–13. For another taxonomy of shoppers, see also Paul F. Nunes and Frank V. Cespedes, "The Customer Has Escaped," *Harvard Business Review,* November 2003, pp. 96–105.

**19.** John Helyar, "The Only Company Wal-Mart Fears," *Fortune,* November 24, 2003, pp. 158–66. See also, Michael Silverstein and Neil Fiske, *Trading Up: The New American Luxury* (New York: Portfolio, 2003).

**20.** Susan Broniarczyk, "Product Assortment," Curtis Haugtvedt, Paul Herr, and Frank Kardes, eds., *Handbook of Consumer Psychology*, (New York: Lawrence Erlbaum Associates, 2008), pp. 755–79; Alexander Chernev and Ryan Hamilton, "Assortment Size and Option Attractiveness in Consumer Choice Among Retailers," *Journal of Marketing Research* 46 (June 2009), pp. 410–20; Richard A. Briesch, Pradeep K. Chintagunta, and Edward J. Fox, "How Does Assortment Affect Grocery Store Choice," *Journal of Marketing Research* 46 (April 2009), pp. 176–89.

**21.** Anne T. Coughlan, Erin Anderson, Louis W. Stern, and Adel I. El-Ansary, *Marketing Channels,* 7th ed. (Upper Saddle River, NJ: Prentice Hall, 2007).

**22.** Louis P. Bucklin, *A Theory of Distribution Channel Structure* (Berkeley: Institute of Business and Economic Research, University of California, 1966).

**23.** Katrijn Gielens and Marnik G. Dekimpe, "The Entry Strategies Retail Firms into Transition Economies," *Journal of Marketing* 71 (April 2007), pp. 196–212.

**24.** Alex Frankel, "Magic Shop," *Fast Company*, November 2007, pp. 45–49; "Apple Reports Fourth Quarter Results," www.apple.com, October 19, 2009; Jerry Useem, "Simply Irresistible," *Fortune,* March 19, 2007, pp. 107–12; Nick Wingfield, "How Apple's Store Strategy Beat the Odds," *Wall Street Journal,* May 17, 2006; Alice Z. Cuneo, "Apple Transcends as Lifestyle Brand," *Advertising Age,* June 15, 2003, pp. S2, S6; Tobi Elkin, "Apple Gambles with Retail Plan," *Advertising Age,* June 24, 2001.

**25.** Allison Enright, "Shed New Light," *Marketing News,* May 1, 2006, pp. 9–10.

**26.** "Exclusives Becoming a Common Practice," *DSN Retailing Today,* February 9, 2004, pp. 38, 44.

**27.** "Trouser Suit," *Economist,* November 24, 2001, p. 56.

**28.** www.stihlusa.com/corporate/corporate_facts.html.

**29.** "Nike Says No to Blue-Light Specials," *Fortune,* May 4, 2005.

**30.** Robert K. Heady, "Online Bank Offers Best Rates," *South Florida Sun-Sentinel,* November 22, 2004.

**31.** Anderson and Coughlan, "Channel Management: Structure, Governance, and Relationship Management," *Handbook of Marketing* (London: Sage Publications, 2002), pp. 223–47; Michaela Draganska, Daniel Klapper, and Sofia B. Villa-Boas, "A Larger Slice or a Larger Pie? An Empirical Investigation of Bargaining Power in the Distribution Channel," *Marketing Science* 29 (January–February 2010), pp. 57–74.

**32.** These bases of power were identified in John R. P. French and Bertram Raven, "The Bases of Social Power," Dorwin Cartwright, ed., *Studies in Social Power* (Ann Arbor: University of Michigan Press, 1959), pp. 150–67.

**33.** Joydeep Srivastava and Dipankar Chakravarti, "Channel Negotiations with Information Asymmetries: Contingent Influences of Communication and Trustworthiness Reputations," *Journal of Marketing Research* 46 (August 2009), pp. 557–72.

**34.** Daniel Corsten and Nirmalya Kumar, "Do Suppliers Benefit from Collaborative Relationships with Large Retailers? An Empirical Investigation of Efficient Consumer Response Adoption," *Journal of Marketing* 69 (July 2005), pp. 80–94; for some related research, see Ashwin W. Joshi, "Continuous Supplier Performance Improvement: Effects of Collaborative Communication and Control," *Journal of Marketing* 73 (January 2009), pp. 133–50.

**35.** Russ Mitchell, "Can Dell Save Dell?" *Condé Nast Portfolio*, July 2008, pp. 84–90; Cliff Edwards, "Dell's Do-Over," *BusinessWeek*, October 26, 2009, pp. 37–40; Christopher Helman, "The Second Coming," *Forbes*, December 10, 2007, pp. 79–86; David Whitford, "Uh . . . Maybe I Should Drive," *Fortune,* April 30, 2007, pp. 125–28; Louise Lee, "It's Dell vs. the Dell Way," *BusinessWeek,* March 6, 2006, pp. 61–62; David Kirkpatrick, "Dell in the Penalty Box," *Fortune,* September 18, 2006, pp. 70–78; Nanette Byrnes, Peter Burrows, and Louise Lee, "Dark Days at Dell," *BusinessWeek,* September 4, 2006, pp. 27–30; Elizabeth Corcoran, "A Bad Spell for Dell," *Forbes,* June 19, 2006, pp. 44–46.

**36.** For a detailed case study example, see Jennifer Shang, Tuba Pinar Yildrim, Pandu Tadikamalla, Vikas Mittal, and Lawrence Brown, "Distribution Network Redesign for Marketing Competitiveness," *Journal of Marketing* 73 (March 2009), pp. 146–63.

**37.** Xinlei Chen, George John, and Om Narasimhan, "Assessing the Consequences of a Channel Switch," *Marketing Science* 27 (May–June 2008), pp. 398–416.

**38.** Thomas H. Davenport and Jeanne G. Harris, *Competing on Analytics: The New Science of Winning* (Boston: Harvard Business School Press, 2007).

**39.** Junhong Chu, Pradeep K. Chintagunta, and Naufel J. Vilcassim, "Assessing the Economic Value of Distribution Channels: An Application to the Personal Computer Industry," *Journal of Marketing Research* 44 (February 2007), pp. 29–41.

**40.** Bruce Einhorn, "China: Where Retail Dinosaurs Are Thriving," *Bloomberg BusinessWeek*, February 1 and 8, 2010, p. 64.

**41.** "Unshackling the Chain Stores," *Economist*, May 31, 2008, pp. 69–70.

**42.** Richard Gibson, "U.S. Franchises Find Opportunities to Grow Abroad," *Wall Street Journal*, August 11, 2009, p. B5.

**43.** "Crossroads," *Economist*, March 17, 2007, pp. 71–72; "Shopped Around," *Economist*, October 18, 2008, p. 74; Carol Matlack, "A French Wal-Mart's Global Blitz, *BusinessWeek*, December 21, 2009, pp. 64–65.

**44.** Michael Arndt, "Urban Outfitters Grow-Slow Strategy," *Bloomberg BusinessWeek*, March 1, 2010, p. 56; Michael Arndt, "How to Play It: Apparel Makers," *Bloomberg BusinessWeek*, March 1, 2010, p. 61.

**45.** Matthew Boyle and Michael V. Copeland, "Tesco Reinvents the 7-Eleven," *Fortune*, November 26, 2007, p. 34.

**46.** Jenifer Reingold, "The British (Retail) Invasion," *Fortune*, July 7, 2008, pp. 132–38; Ruth La Ferla, "But Will It Play in Manhattan," *New York Times*, June 21, 2006; Damien Reece, "Topshop's Injection of True Brit Stirs Up the Big Apple," *Daily Telegraph*, April 2, 2009.

**47.** Stefan Wuyts, Stefan Stremersch, Christophe Van Den Bulte, and Philip Hans Franses, "Vertical Marketing Systems for Complex Products: A Triadic Perspective," *Journal of Marketing Research* 41 (November 2004), pp. 479–87.

**48.** Russell Johnston and Paul R. Lawrence, "Beyond Vertical Integration: The Rise of the Value-Adding Partnership," *Harvard Business Review,* July–August 1988, pp. 94–101. See also, Arnt Bovik and George John, "When Does Vertical Coordination Improve Industrial Purchasing Relationships," *Journal of Marketing* 64 (October 2000), pp. 52–64; Judy A. Siguaw, Penny M. Simpson, and Thomas L. Baker, "Effects of Supplier Market Orientation on Distributor Market Orientation and the Channel Relationship: The Distribution Perspective," *Journal of Marketing* 62 (July 1998), pp. 99–111; Narakesari Narayandas and Manohar U. Kalwani, "Long-Term Manufacturer– Supplier Relationships: Do They Pay Off for Supplier Firms?" *Journal of Marketing* 59 (January 1995), pp. 1–16.

**49.** Raji Srinivasan, "Dual Distribution and Intangible Firm Value: Franchising in Restaurant Chains," *Journal of Marketing* 70 (July 2006), pp. 120–35.

**50.** www.citizensbank.com, December 09, 2010.

**51.** www.disney.com, December 09, 2010; Joyceann Cooney, "Mooney's Kingdom," *License*, October 1, 2006.

**52.** Coach Inc. Form 10-K filed with SEC on August 19, 2009.

**53.** Rajkumar Venkatesan, V. Kumar, and Nalini Ravishanker, "Multichannel Shopping: Causes and

Consequences," *Journal of Marketing* 71 (April 2007), pp. 114–32.

**54.** Based on Rowland T. Moriarty and Ursula Moran, "Marketing Hybrid Marketing Systems," *Harvard Business Review,* November–December 1990, pp. 146–55.

**55.** Susan Casey, "Eminence Green," *Fortune,* April 2, 2007, pp. 64–70.

**56.** Barbara Darow, "Oracle's New Partner Path," *CRN,* August 21, 2006, p. 4.

**57.** Anne Coughlan and Louis Stern, "Marketing Channel Design and Management," Dawn Iacobucci, ed., *Kellogg on Marketing* (New York: John Wiley & Sons, 2001), pp. 247–69.

**58.** Nirmalya Kumar, "Some Tips on Channel Management," *rediff.com*, July 1, 2005.

**59.** Matthew Boyle, "Brand Killers," *Fortune,* August 11, 2003, pp. 51–56; for an opposing view, see Anthony J. Dukes, Esther Gal-Or, and Kannan Srinivasan, "Channel Bargaining with Retailer Asymmetry," *Journal of Marketing Research* 43 (February 2006), pp. 84–97.

**60.** Jerry Useem, Julie Schlosser, and Helen Kim, "One Nation under Wal-Mart," *Fortune* (Europe), March 3, 2003.

**61.** Sreekumar R. Bhaskaran and Stephen M. Gilbert, "Implications of Channel Structure for Leasing or Selling Durable Goods," *Marketing Science* 28 (September–October 2009), pp. 918–34.

**62.** For an example of when conflict can be viewed as helpful, see Anil Arya and Brian Mittendorf, "Benefits of Channel Discord in the Sale of Durable Goods," *Marketing Science* 25 (January–February 2006), pp. 91–96; and Nirmalya Kumar, "Living with Channel Conflict," *CMO Magazine,* October 2004.

**63.** This section draws on Coughlan, Anderson, Stern, and El-Ansary, *Marketing Channels,* Chapter 9. See also, Jonathan D. Hibbard, Nirmalya Kumar, and Louis W. Stern, "Examining the Impact of Destructive Acts in Marketing Channel Relationships," *Journal of Marketing Research* 38 (February 2001), pp. 45–61; Kersi D. Antia and Gary L. Frazier, "The Severity of Contract Enforcement in Interfirm Channel Relationships," *Journal of Marketing* 65 (October 2001), pp. 67–81; James R. Brown, Chekitan S. Dev, and Dong-Jin Lee, "Managing Marketing Channel Opportunism: The Efficiency of Alternative Governance Mechanisms," *Journal of Marketing* 64 (April 2000), pp. 51–65; Alberto Sa Vinhas and Erin Anderson, "How Potential Conflict Drives Channel Structure: Concurrent (Direct and Indirect) Channels," *Journal of Marketing Research* 42 (November 2005), pp. 507–15.

**64.** Nirmalya Kumar, "Living with Channel Conflict," *CMO Magazine,* October 2004.

**65.** Andrew Kaplan, "All Together Now?" *Beverage World,* March 2007, pp. 14–16.

**66.** Christina Passriello, "Fashionably Late? Designer Brands Are Starting to Embrace E-Commerce," *Wall Street Journal,* May 19, 2006.

**67.** Greg Johnson, "Gray Wail: Southern California Companies Are among the Many Upscale Manufacturers Voicing Their Displeasure about Middlemen Delivering Their Goods into the Hands of Unauthorized Discount Retailers," *Los Angeles Times,* March 30, 1997. Also see Paul R. Messinger and Chakravarthi Narasimhan, "Has Power Shifted in the Grocery Channel?" *Marketing Science* 14 (Spring 1995), pp. 189–223.

**68.** Joel C. Collier and Carol C. Bienstock, "How Do Customers Judge Quality in an E-tailer," *MIT Sloan Management Review* (Fall 2006), pp. 35–40.

**69.** *Coremetrics Benchmark December US Retail,* www.coremetrics.com/ downloads/coremetrics-benchmark-industry-report-2008-12-us.pdf.

**70.** Jeff Borden, "The Right Tools," *Marketing News*, April 15, 2008, pp. 19–21.

**71.** Alexis K. J. Barlow, Noreen Q. Siddiqui, and Mike Mannion, "Development in Information and Communication Technologies for Retail Marketing Channels," *International Journal of Retail and Distribution Management* 32 (March 2004), pp. 157–63; G&J Electronic Media Services, *7th Wave of the GfK-Online-Monitor* (Hamburg: GfK Press, 2001).

**72.** Martin Holzwarth, Chris Janiszewski, and Marcus M. Newmann, "The Influence of Avatars on Online Consumer Shopping Behavior," *Journal of Marketing* 70 (October 2006), pp. 19–36.

**73.** Ann E. Schlosser, Tiffany Barnett White, and Susan M. Lloyd, "Converting Web Site Visitors into Buyers: How Web Site Investment Increases Consumer Trusting Beliefs and Online Purchase Intentions," *Journal of Marketing* 70 (April 2006), pp. 133–48.

**74.** Ronald Abler, John S. Adams, and Peter Gould, *Spatial Organizations: The Geographer's View of the World* (Upper Saddle River, NJ: Prentice Hall, 1971), pp. 531–32.

**75.** "China's Pied Piper," *Economist,* September 23, 2006, p. 80; Alibaba.com, www.alibaba.com, December 09, 2010; Garry Barker, "The Treasure Keeps Coming for Alibaba," *The Age*, October 27, 2009; Jessica E. Vascellaro, "Alibaba.com Plans U.S Push," *Wall Street Journal*, August 7, 2009; Bruce Einhorn, "At Alibaba, Investors Come Last," *BusinessWeek*, August 17, 2009, p. 50.

**76.** For an in-depth academic examination, see John G. Lynch Jr. and Dan Ariely, "Wine Online: Search Costs and Competition on Price, Quality, and Distribution," *Marketing Science* 19 (Winter 2000), pp. 83–103.

**77.** Andrea Chang, "Retailers Fuse Stores with E-Commerce," *Los Angeles Times*, June 27, 2010.

**78.** Anjali Cordeiro, "Procter & Gamble Sees Aisle Expansion on the Web," *Wall Street Journal*, September 2, 2009, p. B6A; Anjali Cordeiro and Ellen Byron, "Procter & Gamble to Test Online Store to Study Buying Habits," *Wall Street Journal*, January 15, 2010.

**79.** Xubing Zhang, "Retailer's Multichannel and Price Advertising Strategies," *Marketing Science* 28 (November–December 2009), pp. 1080–94.

**80.** Susan Fournier and Lara Lee, "Getting Brand Communities Right," *Harvard Business Review,* April 2009, pp. 105–11; "New Harley Davidson Accessory and Clothing Store," *PRLog*, July 21, 2009; Bob Tedeshi, "How Harley Revved Online Sales," *Business 2.0,* December 2002–January 2003, pp. 44; John W. Schouten, and James H. McAlexander, "Market Impact of a Consumption Subculture: The Harley-Davidson Mystique," Gary J. Bamossy and W. Fred van Raaij, eds., *European Advances in Consumer Research* (Provo, UT: Association for Consumer Research, 1993), pp. 389–93.

**81.** Nanette Byrnes, "More Clicks at the Bricks," *BusinessWeek*, December 17, 2007, pp. 50–51.

**82.** Douglas Lamont, *Conquering the Wireless World: The Age of M-Commerce* (New York: John Wiley & Sons, 2001); Herbjørn Nysveen, Per E. Pedersen, Helge Thorbjørnsen, and Pierre Berthon, "Mobilizing the Brand: The Effects of Mobile Services on Brand Relationships and Main Channel Use," *Journal of Service Research* 7 (2005), pp. 257–76; Venkatesh Shankar and Sridhar Balasubramanian, "Mobile Marketing: A Synthesis and Prognosis," *Journal of Interactive Marketing* 23 (2009), pp. 118–29; Venkatesh Shankar, Alladi Venkatesh, Charles Hofacker, and Prasad Naik, "Mobile Marketing in the Retailing Environment: Current Insights and Future Research Avenues," special issue, *Journal of Interactive Marketing*, co-editors Venkatesh Shankar and Manjit Yadav, forthcoming.

**83.** "The Mobile Internet Report," *Morgan Stanley,* www.morganstanley.com, May 7, 2010.

**84.** Adam Cahill, Lars Albright, and Carl Howe, "Mobile Advertising and Branding," session as part of the Britt Technology Impact Series, Tuck School of Business, Dartmouth College, March 31, 2010; Alexandre Mars, "Importing Mobile Marketing Tools," *Brandweek*, February 15, 2010, p. 17.

**85.** Reena Jana, "Retailers Are Learning to Love Smartphones," *BusinessWeek*, October 26, 2009.

**86.** Nanette Byrnes, "More Clicks at the Bricks," *BusinessWeek*, December 17, 2007, pp. 50–51.

**87.** Dan Butcher, "Dunkin' Donuts Sweetens Dunkin' Run Campaign with Mobile," *Mobile Marketer*, June 23, 2009; "Dunkin' Donuts Unveils 'Dunkin' Run' Technology to make Group Orders Faster, Easier and More Fun," *Dunkin' Donuts*, press release, June 22, 2009, www.dunkindonuts.com; Rich Mathieson, "Mobile Marketing: Dunkin' Donuts Serves SMS," *Chief Marketer*, July 19, 2006.

## Chapter 16

**1.** Helen Coster, "A Step Ahead," *Forbes*, June 2, 2008, pp. 78–80; Paula Andruss, "Delivering Wow Through Service," *Marketing News*, October 15, 2008, p. 10; Jeffrey M. O'Brien, "Zappos Knows How to Kick It," *Fortune*, February 2, 2009, pp. 55–60; Brian Morrissey, "Amazon to Buy Zappos," *Adweek*, July 22, 2009; Christopher Palmeri, "Now For Sale, the Zappos Culture," *Bloomberg BusinessWeek*, January 11, 2010, p. 57.

**2.** Karsten Hansen and Vishal Singh, "Market Structure Across Retail Formats," *Marketing Science* 28 (July–August 2009), pp. 656–73.

**3.** "US Retail E-Commerce Down 3% in Q4, Up Just 6% in 2008," *Retailer Daily*, February 12, 2009.

**4.** Richard Gibson, "Even 'Copycat' Businesses Require Creativity and Flexibility," *Wall Street Journal Online,* March 2004; *Entrepreneur*, www.entrepreneur.com, December 09, 2010.

**5.** Raymund Flandez, "New Franchise Idea: Fewer Rules, More Difference," *Wall Street Journal*, September 18, 2007, p. B4.

**6.** Jena McGregor, "The Hard Sell," *BusinessWeek*, October 26, 2009, pp. 43–45.

**7.** Joseph Pereira and Ann Zimmerman, "For Toys "R" Us, Holidays Are Open and Shut," *Wall Street Journal*, September 15, 2009, p. B8.

**8.** Eric Newman, "Retail Design for 2008: Thinking Outside the Box," *Brandweek*, December 17, 2007, p. 26.

**9.** Scott Cendrowski, "Extreme Retailing," *Fortune*, March 31, 2008, p. 14.

**10.** Cheryl Lu-Lien Tan, "Hot Kohl's," *Wall Street Journal*, April 16, 2007.

**11.** "Reinventing the Store—the Future of Retailing," *Economist,* November 22, 2003, pp. 65–68.

**12.** Matthew Boyle, "IBM Goes Shopping," *Fortune*, November 27, 2006, pp. 77–78; Todd Wasserman, "The Store of the Future," *Brandweek*, December 17, 2007, pp. 23–25; Emma Ritch, "Supermarkets Go Digital," *San Jose Business Journal*, April 11, 2008; Tim Dickey, "Electronic Shelf Labels," *Retail Technology Trends*, February 26, 2010.

**13.** Michael C. Bellas, "Shopper Marketing's Instant Impact," *Beverage World*, November 2007, p. 18; Richard Westlund, "Bringing Brands to Life: The Power of In-Store Marketing," Special Advertising Supplement to *Adweek*, January 2010.

**14.** Pierre Chandon, J. Wesley Hutchinson, Eric T. Bradlow, and Scott H. Young, "Does In-Store Marketing Work? Effects of the Number and Position of Shelf Facings on Brand Attention and Evaluation at the Point of Purchase," *Journal of Marketing Research* 73 (November 2009), pp. 1–17.

**15.** Anthony Dukes and Yunchuan Liu, "In-Store Media and Distribution Channel Coordination," *Marketing Science*, 29 (January–February 2010), pp. 94–107.

**16.** Michael Freedman, "The Eyes Have It," *Forbes*, September 4, 2006, p. 70.

**17.** Amy Merrick, "Asking 'What Would Ann Do?'" *Wall Street Journal*, September 15, 2006.

**18.** Charles Fishman, "The Anarchist's Cookbook," *Fast Company,* July 2004, pp. 70–78; "Whole Foods Market 2009 Annual Report," *Whole Foods Market*, www.wholefoodsmarket.com/company/pdfs/ar09.pdf.

**19.** Ann Zimmerman and Kris Hudson, "Chasing Upscale Customers Tarnishes Mass-Market Jeweler," *Wall Street Journal*, June 26, 2006; Kris Hudson, "Signet Sparkles with Jewelry Strategy," *Wall Street Journal*, June 26, 2006.

**20.** "JCPenney Transforms Catalog Strategy to Better Serve Customer Preferences," *BusinessWire*, November 18, 2009; Robert Berner, "JCPenney Gets the Net," *BusinessWeek*, May 7, 2007, p. 70; Robert Berner, "Penney: Back in Fashion," *BusinessWeek*, January 9, 2006, pp. 82–84.

**21.** Louise Lee, "Catalogs, Catalogs, Everywhere," *BusinessWeek,* December 4, 2006, pp. 32–34; Michael J. Silverstein and Neil Fiske, *Trading Up: The New American Luxury* (New York: Portfolio, 2003); "Victoria's Secret," Case #6-0014, Center for Digital Strategies, Tuck School of Business, Dartmouth College, 2002; www.biz.yahoo.com, December 09, 2010.

**22.** Jessi Hempel, "Urban Outfitters, Fashion Victim," *BusinessWeek*, July 17, 2006, p. 60.

**23.** Robert Berner, "To Lure Teenager Mall Rats, You Need the Right Cheese," *BusinessWeek,* June 7, 2004, pp. 96–101; Aeropostale, www.aeropostale.com, December 09, 2010; Jeanine Poggi, "Best in Class: Price Is Right at Aeropostale," TheStreet, www.thestreet.com/story/10514026/best-in-class-price-is-right-at-aeropostale.html, June 16, 2009; "Aeropostale, Inc. Seeks New Faces for Fall Ad Campaign with 'Real Teens 2010' Contest," *PR Newswire*, March 15, 2010.

**24.** Robert Berner, "Chanel's American in Paris," *BusinessWeek*, January 29, 2007, pp. 70–71.

**25.** Mark Tatge, "Fun & Games," *Forbes,* January 12, 2004, pp. 138–44.

**26.** Vanessa O'Connell, "Reversing Field, Macy's Goes Local," *Wall Street Journal*, April 21, 2008.

**27.** Diane Anderson, "RFID Technology Getting Static in New Hampshire," *Brandweek*, January 23, 2006, p. 13; Mary Catherine O'Conner, "Gillette Fuses RFID with Product Launch," *RFID Journal*, March 27, 2006; "The End of Privacy?" *Consumer Reports,* June 2006, pp. 33–40; Erick Schonfeld, "Tagged for Growth," *Business 2.0,* December 2006, pp. 58–61; "Radio Silence," *Economist*, June 9, 2007, pp. 20–21; Todd Lewan, "The Chipping of America," *Associated Press*, July 29, 2007.

**28.** Uta Werner, John McDermott, and Greg Rotz, "Retailers at the Crossroads: How to Develop Profitable New Growth Strategies," *Journal of Business Strategy* 25 (2004), pp. 10–17.

**29.** "Trader Joe's Named a Breakaway Brand for 2009," *Supermarket Industry News*, August 17, 2009; Christopher Palmeri. "Trader Joe's Recipe for Success," *BusinessWeek*, February 21, 2008; Deborah Orr, "The Cheap Gourmet," *Forbes*, April 10, 2006, pp. 76–77; Amy Wu, "A Specialty Food Store with a Discount Attitude," *New York Times,* July 27, 2003.

**30.** Venkatesh Shankar and Ruth N. Bolton, "An Empirical Analysis of Determinants of Retailer Pricing Strategy," *Marketing Science* 23 (Winter 2004), pp. 28–49.

**31.** www.target.com, December 09, 2010; Ann Zimmerman, "Staying on Target," *Wall Street Journal*, May 7, 2007; Mya Frazier, "The Latest European Import: Fast Fashion," *Advertising Age*, January 9, 2006, p. 6; Julie Schlosser, "How Target Does It," *Fortune*, October 18, 2004, p. 100; Michelle Conlin, "Look Who's Stalking Walmart," *BusinessWeek*, December 7, 2009, pp. 30–36.

**32.** Duncan Simester, "Signaling Price Image Using Advertised Prices," *Marketing Science* 14 (Summer 1995), pp. 166–88; see also, Jiwoong Shin, "The Role of Selling Costs in Signaling Price Image," *Journal of Marketing Research* 42 (August 2005), pp. 305–12.

**33.** Frank Feather, *The Future Consumer* (Toronto: Warwick Publishing, 1994), p. 171. Also see David R. Bell and James M. Lattin, "Shopping Behavior and Consumer Preference for Retail Price Format: Why 'Large Basket' Shoppers Prefer EDLP," *Marketing Science* 17 (Spring 1998), pp. 66–68; Stephen J. Hoch, Xavier Dreeze, and Mary E. Purk, "EDLP, Hi-Lo, and Margin Arithmetic," *Journal of Marketing* 58 (October 1994), pp. 1–15.

**34.** Sarah Fister Gale, "The Bookstore Battle," *Workforce Management* (January 2004), pp. 51–53.

**35.** Constance L. Hays, "Retailers Seeking to Lure Customers with Service," *New York Times,* December 1, 2003.

**36.** Amy Gillentine, "Marketing Groups Ignore Women at Their Own Peril," *Colorado Springs Business Journal*, January 20, 2006; Mary Lou Quinlan, "Women Aren't Buying It," *Brandweek,* June 2, 2003, pp. 20–22.

**37.** Cecile B. Corral, "Profits Pinched, Kohl's Eyes Market Share," *Home Textiles Today*, February 27, 2009; Ilaina Jones, "Kohl's Looking at Spots in Manhattan," *Reuters*, August 19, 2009; Cametta Coleman, "Kohl's Retail Racetrack," *Wall Street Journal,* March 1, 2000.

**38.** Mindy Fetterman and Jayne O'Donnell, "Just Browsing at the Mall? That's What *You* Think," *USA Today*, September 1, 2006.

**39.** "Reinventing the Store," *Economist,* November 22, 2003, pp. 65–68; Moira Cotlier, "Census Releases First E-Commerce Report," *Catalog Age,* May 1, 2001; Associated Press, "Online Sales Boomed at End of 2000," *Star-Tribune of Twin Cities,* February 17, 2001; Kenneth T. Rosen and Amanda L. Howard, "E-Tail: Gold Rush or Fool's Gold?" *California Management Review*, April 1, 2000, pp. 72–100.

**40.** Velitchka D. Kaltcheva and Barton Weitz, "When Should a Retailer Create an Exciting Store Environment?" *Journal of Marketing* 70 (January 2006), pp. 107–18.

**41.** For more discussion, see Philip Kotler, "Atmospherics as a Marketing Tool," *Journal of Retailing* (Winter 1973–1974), pp. 48–64. Also see B. Joseph Pine II and James H. Gilmore, *The Experience Economy* (Boston: Harvard Business School Press, 1999).

**42.** Jeff Cioletti, "Super Marketing," *Beverage World* (November 2006), pp. 60–61.

**43.** Ben Paynter, "Happy Hour," *Fast Company*, March 2010, p. 34; Jessi Hempel, "Social Media Meets Retailing," *Fortune*, March 22, 2010, p. 30.

**44.** Carol Tice, "Anchors Away: Department Stores Lose Role at Malls," *Puget Sound Business Journal,* February 13, 2004, p. 1.

**45.** www.plma.com, April 3, 2010; Emily Bryson York, "Don't Blame Private Label Gains on the Recession," *Advertising Age*, April 21, 2009.

**46.** Kusum Ailawadi and Bari Harlam, "An Empirical Analysis of the Determinants of Retail Margins: The Role of Store-Brand Share," *Journal of Marketing* 68 (January 2004), pp. 147–65.

**47.** For a detailed analysis of contemporary research on private labels, see Michael R. Hyman, Dennis A. Kopf, and Dongdae Lee, "Review of Literature—Future Research Suggestions: Private Label Brands: Benefits, Success Factors, and Future Research, *Journal of Brand Management* 17 (March 2010), pp. 368–89. See also, Kusum Ailawadi, Bari Harlam, Jacques Cesar, and David Trounce, "Retailer Promotion Profitability: The Role of Promotion, Brand, Category, and Market Characteristics," *Journal of Marketing Research* 43 (November 2006), pp. 518–35; Kusum Ailawadi, Koen Pauwels, and Jan-Benedict E. M. Steenkamp, "Private Label Use and Store Loyalty," *Journal of Marketing* 72 (November 2008), pp. 19–30.

**48.** Natasha Singer, "Drug Firms Apply Brand to Generics," *New York Times*, February 16, 2010; Casey Feldman, "Generic Drug Superstars," *Fortune*, August 5, 2009; Mina Kimes, "Teva: The King of Generic Drugs," *Fortune*, August 5, 2009; Jeanne Whalen, "Betting $10 Billion on Generics, Novartis Seeks to Inject Growth," *Wall Street Journal*, May 4, 2006.

**49.** Michael Felding, "No Longer Plain, Simple," *Marketing News*, May 15, 2006, pp. 11–13; Rob Walker, "Shelf Improvement," *New York Times*, May 7, 2006.

**50.** Sonia Reyes, "Saving Private Labels," *Brandweek*, May 8, 2006, pp. 30–34; Andrew Martin, "Store Brands Lift Grocers in Troubled Times," *New York Times*, December 13, 2008.

**51.** Jim Chrizan, "Loblaw's Reverses Private Label Trend," *Packaging World*, January 22, 2010; "Loblaw Launches a New Line of Discount Store Brands," *Store Brand Decisions*, February 16, 2010; John J. Pierce, "Private Label Stimulus," *Private Label,* March/April 2009.

**52.** Brett Nelson, "Stuck in the Middle," *Forbes*, August 15, 2005, p. 88; "Arrow Investor Fact Sheet 2009," *Arrow*, www.arrow.com.

**53.** James A. Narus and James C. Anderson, "Contributing as a Distributor to Partnerships with Manufacturers," *Business Horizons* (September– October 1987). Also see Hlavecek and McCuistion, "Industrial Distributors—When, Who, and How," pp. 96–101.

**54.** www.grainger.com/Grainger/wwg/start.shtml, May 8, 2010; Sean Callahan, "Close-up with Deb Oler, VP-Grainger Industrial Supply Brand, W.W. Grainger," *BtoB*, March 3, 2010; Ian Heller, "The Secret of Being Grainger," www.ezinearticles.com, April 30, 2010.

**55.** "Who Has The Top Consumer Goods Industry Supply Chains for 2008?" *Supply Chain News*, December 17, 2008; "Who Has The Top Retail Industry Supply Chains for 2008?" *Supply Chain News*, January 5, 2009.

**56.** Johnson & Johnson 2007 Sustainability Report; talk by panelist Chris Hacker, "Production Innovation and Supply Chains: Creating Value for the Next Generation," *Business and Society Conference*, Tuck School of Business at Dartmouth College, January 15, 2009.

**57.** William C. Copacino, *Supply Chain Management* (Boca Raton, FL: St. Lucie Press, 1997); Robert Shaw and Philip Kotler, "Rethinking the Chain: Making Marketing Leaner, Faster, and Better," *Marketing Management* (July/August 2009), pp. 18–23.

**58.** "Shrink Rapped," *Economist*, May 17, 2008, p. 80.

**59.** "U.S. Logistics Cost 10% of GDP," *Logistics Today*, June 26, 2008.

**60.** Pete Engardio, "Lean and Mean Gets Extreme," *BusinessWeek*, March 23 and 30, 2009, pp. 60–62; Traci Gregory, "ConMed Takes Lean Approach," *Central New York Business Journal*, May 22, 2009.

**61.** Daisuke Wakabayashi, "How Lean Manufacturing Can Backfire," *Wall Street Journal*, January 30, 2010; for some additional discussion of the downside of lean manufacturing, see Brian Hindo, "At 3M, A Struggle between Efficiency and Creativity," *BusinessWeek*, June 11, 2007.

**62.** The optimal order quantity is given by the formula $Q^* = 2DS/IC$, where $D$ = annual demand, $S$ = cost to place one order, and $I$ = annual carrying cost per unit. Known as the economic-order quantity formula, it assumes a constant ordering cost, a constant cost of carrying an additional unit in inventory, a known demand, and no quantity discounts. For further reading on this subject, see Richard J. Tersine, *Principles of Inventory and Materials Management,* 4th ed. (Upper Saddle River, NJ: Prentice Hall, 1994).

**63.** William C. Copacino, *Supply Chain Management* (Boca Raton, FL: St. Lucie Press, 1997), pp. 122–23.

**64.** "Shining Examples," *Economist: A Survey of Logistics*, June 17, 2006, pp. 4–6.

**65.** Renee DeGross, "Retailers Try eBay Overstocks, Returns for Sale Online," *Atlanta Journal-Constitution,* April 10, 2004.

**66.** Chuck Salter, "Savvy, with Hints of Guile and Resourcefulness," *Fast Company*, February 2007, p. 50; Heather Mcpherson, "Lots to Like about This Concept: As a Wine Négociant, Cameron Hughes Can Offer Premium Wines at Affordable Prices," *Knight Ridder Tribune Business News*, February 21, 2007, p. 1; Phaedrea Hise and Joanne Chen, "Sleeping with the Boss," *Forbes Small Business*, February 2008, pp. 68–78; Maureen Farrell, "Wine Workout," *Forbes*, March 30, 2009, pp. 64–65.

**67.** "Manufacturing Complexity," *Economist: A Survey of Logistics*, June 17, 2006, pp. 6–9.

**68.** Perry A. Trunick, "Nailing a Niche in Logistics," *Logistics Today*, March 4, 2008.

## Chapter 17


1. Ken Romanzi, "Reintroducing the Cranberry to America!" Talk at the Tuck School of Business at Dartmouth," January 7, 2010; "Breakaway Brands: Ocean Spray Tells It Straight from the Bog," *MediaPost*, October 9, 2006; Francis J. Kelly III and Barry Silverstein, *The Breakaway Brand* (New York: McGraw-Hill, 2005).
2. Xueming Luo and Naveen Donthu, "Marketing's Credibility: A Longitudinal Investigation of Marketing Communication Productivity and Shareholder Value," *Journal of Marketing* 70 (October 2006), pp. 70–91.
3. Margaret Coker, "Dubai Pulls Out the Stops—for Naming Metro Stations, Lines Offered as Vehicles," *Wall Street Journal*, August 8, 2008; Linda Childers, "Can't-Escape TV," *Fast Company*, July/August 2008, p. 46; Louise Story, "Anywhere the Eye Can See, It's Likely to See an Ad," *New York Times*, January 15, 2007; Laura Petrecca, "Product Placement—You Can't Escape It," *USA Today*, October 11, 2006.
4. Burt Helm, "Attention-Deficit Advertising," *BusinessWeek*, May 5, 2008, p. 50; "Motorola's 'Say Goodbye' Campaign at Hong Kong Airport," *MobiAD News*, February 20, 2008.
5. Vanessa L. Facenda, "Kimberly-Clark's Paper Trail Leads to Creative Marketing," *Brandweek*, January 14, 2008, p. 11.
6. Stuart Elliott, "Covering Many Bases for a Brand of Blue Jeans," *New York Times*, August 13, 2009; Giselle Tsirulnik, "Gap Finds Right Fit with Mobile for New Jeans Campaign," *Mobile Marketer*, October 5, 2009; "Gap Introduces America's Best-Fitting Premium Jeans," *PRNewswire*, August 13, 2009; Jean-Claude Larreche, "Gap Lacked Momentum, So Rightly Cut TV," *Advertising Age*, June 23, 2008, p. 26.
7. Some of these definitions are adapted from Peter D. Bennett, ed., *Dictionary of Marketing Terms* (Chicago: American Marketing Association, 1995).
8. Tom Duncan and Sandra Moriarty, "How Integrated Marketing Communication's 'Touch Points' Can Operationalize the Service-Dominant Logic," Robert F. Lusch and Stephen L. Vargo, eds., *The Service-Dominant Logic of Marketing: Dialog, Debate, and Directions* (Armonk, NY: M.E. Sharpe, 2006); Tom Duncan, *Principles of Advertising and IMC,* 2nd ed. (New York: McGraw-Hill/Irwin, 2005).
9. Noreen O'Leary, "Mint's Fresh Approach: Marketing on $700 a Year," *Brandweek*, October 12, 2009, p. 4; Coloribus Global Advertising Archive, www.coloribus.com, December 09, 2010.
10. Theresa Howard, "Multiplatform Ads Clean Up at Cannes," *USA Today*, June 29, 2009, p. 3B; Kate Nettleton, "Tribal DDB Amsterdam's 'Carousel' for Philips Scoops Cannes Lions 2009 Film Grand Prix," *Campaign*, June 29, 2009; Daniel Farey-Jones, "Philips Promotes Home Cinema Range with Online Film Premiere," *Campaign*, February 18, 2010.
11. For an alternate communications model developed specifically for advertising communications, see Barbara B. Stern, "A Revised Communication Model for Advertising: Multiple Dimensions of the Source, the Message, and the Recipient," *Journal of Advertising* (June 1994), pp. 5–15. For some additional perspectives, see Tom Duncan and Sandra E. Morarity, "A Communication-Based Marketing Model for Managing Relationships," *Journal of Marketing* 62 (April 1998), pp. 1–13.
12. Demetrios Vakratsas and Tim Ambler, "How Advertising Works: What Do We Really Know?" *Journal of Marketing* 63 (January 1999), pp. 26–43.
13. This section is based on the excellent text, John R. Rossiter and Larry Percy, *Advertising and Promotion Management,* 2nd ed. (New York: McGraw-Hill, 1997).
14. "GE Gets Smart with Energy Awareness," *Special Advertising Section to Adweek and Brandweek*, October 14, 2009; "GE Plucks an Online Winner with Smart Grid," *Special Advertising Section to Adweek and Brandweek*, October 14, 2009; "Smart Grid," *GE,* http://ge.ecomagination.com/smartgrid; "Augmented Reality: Real Meets Virtual," *BizTechTalk*, February 25, 2009.
15. James F. Engel, Roger D. Blackwell, and Paul W. Minard, *Consumer Behavior,* 9th ed. (Fort Worth, TX: Dryden, 2001).
16. John R. Rossiter and Larry Percy, *Advertising and Promotion Management,* 2nd ed. (New York: McGraw-Hill, 1997).
17. James F. Engel, Roger D. Blackwell, and Paul W. Minard, *Consumer Behavior,* 9th ed. (Fort Worth, TX: Dryden, 2001).
18. Ayn E. Crowley and Wayne D. Hoyer, "An Integrative Framework for Understanding Two-Sided Persuasion," *Journal of Consumer Research* 20 (March 1994), pp. 561–74.
19. C. I. Hovland, A. A. Lumsdaine, and F. D. Sheffield, *Experiments on Mass Communication,* vol. 3 (Princeton, NJ: Princeton University Press, 1949); Crowley and Hoyer, "An Integrative Framework for Understanding Two-Sided Persuasion." For an alternative viewpoint, see George E. Belch, "The Effects of Message Modality on One- and Two-Sided Advertising Messages," Richard P. Bagozzi and Alice M. Tybout, eds., *Advances in Consumer Research* (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 21–26.
20. Curtis P. Haugtvedt and Duane T. Wegener, "Message Order Effects in Persuasion: An Attitude Strength Perspective," *Journal of Consumer Research* 21 (June 1994), pp. 205–18; H. Rao Unnava, Robert E. Burnkrant, and Sunil Erevelles, "Effects of Presentation Order and Communication Modality on Recall and Attitude," *Journal of Consumer Research* 21 (December 1994), pp. 481–90.
21. Sternthal and Craig, *Consumer Behavior,* pp. 282–84. Sternthal and Craig, *Consumer Behavior: An Information Processing Perspective* (Englewood Cliffs, NJ: Prentice-Hall, 1982), pp. 282–84.

22. Michael R. Solomon, *Consumer Behavior,* 7th ed. (Upper Saddle River, NJ: Prentice Hall, 2007).
23. Some recent research on humor in advertising, for example, includes: Haseeb Shabbir and Des Thwaites, "The Use of Humor to Mask Deceptive Advertising: It's No Laughing Matter," *Journal of Advertising* 36 (Summer 2007), pp. 75–85; Thomas W. Cline and James J. Kellaris, "The Influence of Humor Strength and Humor Message Relatedness on Ad Memorability: A Dual Process Model," *Journal of Advertising* 36 (Spring 2007), pp. 55–67; H. Shanker Krishnan and Dipankar Chakravarti, "A Process Analysis of the Effects of Humorous Advertising Executions on Brand Claims Memory," *Journal of Consumer Psychology* 13 (2003), pp. 230–45.
24. "Follies," *Advertising Age*, December 14, 2009, p. 20.
25. Rik Pieters and Michel Wedel, "Attention Capture and Transfer in Advertising: Brand, Pictorial, and Text-Size Effects," *Journal of Marketing* 68 (April 2004), pp. 36–50.
26. Herbert C. Kelman and Carl I. Hovland, "Reinstatement of the Communication in Delayed Measurement of Opinion Change," *Journal of Abnormal and Social Psychology* 48 (July 1953), pp. 327–35.
27. David J. Moore, John C. Mowen, and Richard Reardon, "Multiple Sources in Advertising Appeals: When Product Endorsers Are Paid by the Advertising Sponsor," *Journal of the Academy of Marketing Science* 13 (Summer 1994), pp. 234–43.
28. C. E. Osgood and P. H. Tannenbaum, "The Principles of Congruity in the Prediction of Attitude Change," *Psychological Review* 62 (January 1955), pp. 42–55.
29. Brian Morrissey, "Traditional Ads Yield Social Traction," *Adweek*, May 16, 2010.
30. "Face-to-Face Report," American Business Media, January 2010; "John Deere Face-to-Face Campaign Races Past Competition," *Special Advertising Section to Adweek and Brandweek*, October 14, 2009; Gyro HSR, www.gyrohsr.com.
31. Suzanne Vranca, "New to the TV Lineup: A Flat-Panel Teaser LG Uses Ruse of Show to Market Its Screen," *Wall Street Journal*, April 29, 2008.
32. Adapted from G. Maxwell Ule, "A Media Plan for 'Sputnik' Cigarettes," *How to Plan Media Strategy* (American Association of Advertising Agencies, 1957 Regional Convention), pp. 41–52.
33. Thomas C. Kinnear, Kenneth L. Bernhardt, and Kathleen A. Krentler, *Principles of Marketing,* 6th ed. (New York: HarperCollins, 1995).
34. K. Sridhar Moorthy and Scott A. Hawkins, "Advertising Repetition and Quality Perceptions," *Journal of Business Research* 58 (March 2005), pp. 354–60; Amna Kirmani and Akshay R. Rao, "No Pain, No Gain: A Critical Review of the Literature on Signaling Unobservable Product Quality," *Journal of Marketing* 64 (April 2000), pp. 66–79; Amna Kirmani, "The Effect of Perceived Advertising Costs on Brand Perceptions," *Journal of Consumer Research* 17 (September 17, 1990), pp. 160–71; Amna Kirmani and Peter Wright, "Money Talks: Perceived Advertising Expense and Expected Product Quality," *Journal of Consumer Research* 16 (December 1989), pp. 344–53.
35. Demetrios Vakratsas and Tim Ambler, "How Advertising Works: What Do We Really Know?" *Journal of Marketing* 63 (January 1999), pp. 26–43.
36. Levitt, *Industrial Purchasing Behavior: A Study in Communication Effects* (Boston, MA: Harvard University Division of Research, 1965).
37. "Let's Build a Smarter Planet," *Effie Worldwide,* www.effie.org/winners/showcase/2010/; "IBM Smarter Planet Campaign from Ogilvy & Mather Wins Global Effie," *PRNewswire*, June 9, 2010; Jeffrey M. O'Brien, "IBM's Grand Plan to Save the Planet," *Fortune*, April 21, 2009.
38. Prasad A. Naik and Kalyan Raman, "Understanding the Impact of Synergy in Multimedia Communications," *Journal of Marketing Research* 40 (November 2003), pp. 375–88. See also, Prasad A. Naik, Kalyan Raman, and Russell S. Winer, "Planning Marketing-Mix Strategies in the Presence of Interaction Effects," *Marketing Science* 24 (January 2005), pp. 25–34.
39. Scott Neslin, *Sales Promotion*, MSI Relevant Knowledge Series (Cambridge, MA: Marketing Science Institute, 2002).
40. Markus Pfeiffer and Markus Zinnbauer, "Can Old Media Enhance New Media?" *Journal of Advertising Research* (March 2010), pp. 42–49.
41. Ellen Neuborne, "Ads That Actually Sell Stuff," *Business 2.0,* June 2004, p. 78.
42. Sreedhar Madhavaram, Vishag Badrinarayanan, and Robert E. McDonald, "Integrated Marketing Communication (IMC) and Brand Identity as Critical Components of Brand Equity Strategy," *Journal of Advertising* 34 (Winter 2005), pp. 69–80; Mike Reid, Sandra Luxton, and Felix Mavondo, "The Relationship between Integrated Marketing Communication, Market Orientation, and Brand Orientation," *Journal of Advertising* 34 (Winter 2005), pp. 11–23.
43. Don E. Schultz and Heidi Schultz, *IMC, The Next Generation: Five Steps for Delivering Value and Measuring Financial Returns* (New York: McGraw-Hill, 2003); Don E. Shultz, Stanley I. Tannenbaum, and Robert F. Lauterborn, *Integrated Marketing Communications: Putting It Together and Making It Work* (Lincolnwood, IL: NTC Business Books, 1992).
44. Bruce Horovitz, "Super Bowl Marketers Go All Out to Create Hype, Online Buzz," *USA Today*, February 8, 2010.


## Chapter 18


1. Dan Sewall, "Old Spice Rolls Out New Ads," *Associated Press*, July 1, 2010; Adam Tschorn, "Old Spice Ad Connects Women to Male Brand with a Wink," *Los Angeles Times*, March 6, 2010; Mary Elizabeth Williams, "Take That, Super Bowl," *Salon.com*, www.salon.com, February 22, 2010.
2. Paul F. Nunes and Jeffrey Merrihue, "The Continuing Power of Mass Advertising," *Sloan Management Review* (Winter 2007), pp. 63–69.

3. Jack Neff, "'Broken' Ad Model Holds Big Advantages for P&G," *Advertising Age*, March 5, 2007.
4. Russell H. Colley, *Defining Advertising Goals for Measured Advertising Results* (New York: Association of National Advertisers, 1961).
5. Wilfred Amaldoss and Chuan He, "Product Variety, Informative Advertising, and Price Competition," *Journal of Marketing Research* 47 (February 2010), pp. 146–56.
6. Dale Buss, "OnStar First Aid," *Brandchannel,* www.brandchannel.com, February 15, 2010; "OnStar Expands TV Campaign Ads Based on Real-Life Stories," *Road & Travel Magazine*, November 5, 2003.
7. "Responses to Comparative Advertising," *Journal of Consumer Research* 32 (March 2006), pp. 530–40; Dhruv Grewal, Sukumar Kavanoor, and James Barnes, "Comparative versus Noncomparative Advertising: A Meta-Analysis," *Journal of Marketing* 61 (October 1997), pp. 1–15; Randall L. Rose, Paul W. Miniard, Michael J. Barone, Kenneth C. Manning, and Brian D. Till, "When Persuasion Goes Undetected: The Case of Comparative Advertising," *Journal of Marketing Research* 30 (August 1993), pp. 315–30.
8. Rajesh Chandy, Gerard J. Tellis, Debbie MacInnis, and Pattana Thaivanich, "What to Say When: Advertising Appeals in Evolving Markets," *Journal of Marketing Research* 38 (November 2001); Gerard J. Tellis, Rajesh Chandy, and Pattana Thaivanich, "Decomposing the Effects of Direct Advertising: Which Brand Works, When, Where, and How Long?" *Journal of Marketing Research* 37 (February 2000), pp. 32–46; Peter J. Danaher, André Bonfrer, and Sanjay Dhar, "The Effect of Competitive Advertising," *Journal of Marketing Research* 45 (April 2008), pp. 211–25; Donald E. Schultz, Dennis Martin, and William P. Brown, *Strategic Advertising Campaigns* (Chicago: Crain Books, 1984), pp. 192–97.
9. Demetrios Vakratsas, Fred M. Feinberg, Frank M. Bass, and Gurumurthy Kalyanaram, "The Shape of Advertising Response Functions Revisited: A Model of Dynamic Probabilistic Thresholds," *Marketing Science* 23 (Winter 2004), pp. 109–19; for an excellent review, see Greg Allenby and Dominique Hanssens, "Advertising Response," Marketing Science Institute, *Special Report*, No. 05-200, 2005.
10. Leonard M. Lodish, Magid Abraham, Stuart Kalmenson, Jeanne Livelsberger, Beth Lubetkin, Bruce Richardson, and Mary Ellen Stevens, "How T.V. Advertising Works: A Meta-Analysis of 389 Real-World Split Cable T.V. Advertising Experiments," *Journal of Marketing Research* 32 (May 1995), pp. 125–39.
11. Greg Allenby and Dominique Hanssens, "Advertising Response," Marketing Science Institute, *Special Report*, No. 05-200, 2005; Jack Neff, "TV Doesn't Sell Package Goods," *Advertising Age,* May 24, 2004, pp. 1, 30.
12. Cleve Langton, "Searching for the Holy Global Ad Grail," *Brandweek*, June 5, 2006, p. 16.
13. Jeff Manning, "Got Milk?" *Associations Now,* July 1, 2006, pp. 56–61; Jeff Manning and Kevin Lane Keller, "Making Advertising Work: How Got Milk? Marketing Stopped a 20-Year Sales Decline," *Marketing Management* (January–February 2003); Jeff Manning, *Got Milk? The Book* (New York: Prima Lifestyles, 1999).
14. Eric Pfanner, "When Consumers Help, Ads Are Free," *New York Times*, June 22, 2009, p. B6; Elisabeth Sullivan, "H. J. Heinz: Consumers Sit in the Director's Chair for Viral Effort," *Marketing News*, February 10, 2008, p. 10; Louise Story, "The High Price of Creating Free Ads," *New York Times*, May 26, 2007; Laura Petrecca, "Madison Avenue Wants You! (or at Least Your Videos)," *USA Today*, June 21, 2007; Eric Pfanner, "Leave It to the Professionals? Hey, Let Consumers Make Their Own Ads," *New York Times*, August 4, 2006.
15. Ruth Lamperd, "Vegemite Product Renamed Vegemite Cheesybite after iSnack 2.0 was Dumped," *Herald Sun*, October 7, 2009; "Follies," *Advertising Age*, December 14, 2009, p. 20.
16. Daniel P. Amos, "How I Did It: Aflac's CEO Explains How He Fell for the Duck," *Harvard Business Review*, January–February 2010; Stuart Elliott, "Not Daffy or Donald, But Still Aflac's Rising Star," *New York Times*, April 22, 2009; Kathleen Sampey, "Q&A: Aflac CMO Herbert," *Adweek*, October 16, 2006; Ron Insana, "Insurance Business Just Ducky for AFLAC," *USA Today*, July 5, 2005; Chad Bray, "If It Quacks, It May Be an Insurance Ad," *Wall Street Journal,* April 2, 2003; Stuart Elliott, "Why a Duck? Because It Sells Insurance," *New York Times,* June 24, 2002.
17. "Scarborough Writes a Refreshing Headline for the Newspaper Industry: Three-Quarters of Adults Are Reading Newspapers, in Print or Online," *Scarborough Research,* www.scarborough.com; Joseph Plambeck, "Newspaper Circulation Falls Nearly 9%," *New York Times*, April 26, 2010.
18. Jeremy Mullman, "Breaking with Bottle Fires Up Absolut Sales," *Advertising Age*, February 18, 2008; Andrew McMains, "'Absolut World' Debuts," *Adweek*, April 27, 2007; Stuart Elliott, "In an 'Absolut World,' a Vodka Could Use the Same Ads for More than 25 Years," *New York Times*, April 27, 2007; Theresa Howard, "Absolut Gets into Spirit of Name Play with New Ads," *USA Today*, January 16, 2006.
19. "The Infinite Dial 2009," *Arbitron*, April 2009.
20. "Motel 6 Ad Earns Grand Prize at Radio Mercury Awards," Motel 6, www.motel6.com, July 1, 2009; "Motel 6 Receives Hermes and Silver GALAXY Awards for 2002 Advertising Campaigns," Business Editors/Travel Writers, *Business Wire,* November 22, 2002.
21. Kim Bartel Sheehan, *Controversies in Contemporary Advertising* (Thousand Oaks, CA: Sage, 2003).
22. Sarah Hills, "McNeil and Sugar Association Settle Splenda Dispute," *Food Navigator-usa.com*, www.foodnavigator-usa.com, November 18, 2008; James P. Miller, "Bitter Sweets Fight Ended," *Chicago*

*Tribune*, May 12, 2007; Avery Johnson, "How Sweet It Isn't: Maker of Equal Says Ads for J&J's Splenda Misled; Chemistry Lesson for Jurors," *Wall Street Journal*, April 6, 2007. For a discussion of the possible role of corrective advertising, see Peter Darke, Laurence Ashworth, and Robin J. B. Ritchie, "Damage from Corrective Advertising: Causes and Cures," *Journal of Marketing* 72 (November 2008), pp. 81–97.

**23.** For further reading, see Dorothy Cohen, *Legal Issues in Marketing Decision Making* (Cincinnati, OH: South-Western, 1995).

**24.** Jim Kavanagh, "Ad Council Gets Creative to Get Your Attention," *CNN*, www.cnn.com, September 2, 2009.

**25.** Schultz et al., *Strategic Advertising Campaigns* (Chicago: NTC/Contemporary Publishing Company, September 1994), p. 340.

**26.** Prashant Malaviya, "The Moderating Influence of Advertising Context on Ad Repetition Effects: The Role of Amount and Type of Elaboration," *Journal of Consumer Research* 34 (June 2007), pp. 32–40.

**27.** Elena Malykhina, "GEICO Poses 'Rhetorical Questions,'" *Brandweek*, December 28, 2009; Adam Armbruster, "GEICO Takes Varied Roads to Consumers," *Television Week*, March 12, 2007, p. 10; Rob Walker, "Pop-Culture Evolution," *New York Times Magazine*, April 15, 2007; *Yahoo Finance*, http://biz.yahoo.com/ic/10/10616.html.

**28.** Sam Jaffe, "Easy Riders," *American Demographics,* March 2004, pp. 20–23.

**29.** Max Chafkin, "Ads and Atmospherics," *Inc.,* February 2007.

**30.** Stephanie Clifford, "Billboards That Look Back," *New York Times*, May 31, 2008.

**31.** Abbey Klaassen and Andrew Hampp, "Inside Outdoor's Digital Makeover," *Advertising Age: Creativity*, June 14, 2010, p. 5.

**32.** Abbey Klaassen and Andrew Hampp, "Inside Outdoor's Digital Makeover," *Advertising Age: Creativity*, June 14, 2010, p. 5.

**33.** Jon Fine, "Where Are Advertisers? At the Movies," *BusinessWeek*, May 25, 2009, pp. 65–66; "Advertisers Go Outside to Play," *AdweekMedia*, March 9, 2009, p. 1; Zack O'Malley Greenburg, "Take Your Brand for a Ride," *Forbes*, March 2, 2009, p. 67.

**34.** Jeff Pelline, "New Commercial Twist in Corporate Restrooms," *San Francisco Chronicle,* October 6, 1986.

**35.** Brian Steinberg and Suzanne Vranica, "Prime-Time TV's New Guest Stars: Products," *Wall Street Journal,* January 13, 2004; Michael A. Wiles and Anna Danielova, "The Worth of Product Placement in Successful Films: An Event Study Analysis," *Journal of Marketing* 73 (July 2009), pp. 44–63; Siva K. Balasubramanian, James Karrh, and Hemant Patwardhan, "Audience Response to Product Placements: An Integrative Framework and Future Research Agenda," *Journal of Advertising* 35 (2006), pp. 115–41; Cristel A. Russell and Barbara Stern, "Consumers, Characters, and Products: A Balance Model of Sitcom Product Placement Effects," *Journal of Advertising* 35 (2006), pp.7–18; Cristel A. Russell and Michael Belch, "A Managerial Investigation into the Product Placement Industry," *Journal of Advertising Research* 45 (2005), pp. 73–92.

**36.** Stephanie Clifford, "Product Placements Acquire a Life of Their Own on Shows," *New York Times*, July 14, 2008; "FCC Opens Inquiry into Stealthy TV Product Placement," *Associated Press*, June 26, 2008; Chris Reidy, "Staples Gets an Office Encore," *Boston Globe*, November 4, 2006; James L. Johnston, "Branded Entertainment: The Old Is New Again and More Complicated Than Ever," *Journal of Sponsorship* 2 (February 2009), pp. 170–75.

**37.** Popai, www.popai.com, accessed August 22, 2010.

**38.** Ram Bezawada, S. Balachander, P. K. Kannan, and Venkatesh Shankar, "Cross-Category Effects of Aisle and Display Placements: A Spatial Modeling Approach and Insights," *Journal of Marketing* 73 (May 2009), pp. 99–117; Pierre Chandon, J. Wesley Hutchinson, Eric T. Bradlow, and Scott H. Young, "Does In-Store Marketing Work? Effects of the Number and Position of Shelf Facings on Brand Attention and Evaluation at the Point of Purchase," *Journal of Marketing* 73 (November 2009), pp. 1–17.

**39.** Bill Yackey, "Walmart Reveals 18-Month Results for SMART Network," *Digital Signage Today*, February 23, 2010; Mark Friedman, "Walmart's New In-Store Ads Turning Heads," *Arkansas Business*, September 22, 2008; Laura Petrecca, "Wal-Mart TV Sells Marketers Flexibility," *USA Today*, March 29, 2007.

**40.** Daniel Terdiman, "McDonald's Is Lead Sponsor of Olympics-Themed ARG, 'The Lost Ring,'" *CNET News*, March 6, 2008; Stephanie Clifford, "An Online Game So Mysterious Its Famous Sponsor Is Hidden," *New York Times*, April 1, 2008; Ben Arnoldy, "Wisdom of the Crowd Triumphs in Alternate Reality Games," *Christian Science Monitor*, March 26, 2008.

**41.** Brian Steinberg, "'Sunday Night Football' Remains Costliest TV Show," *Advertising Age*, October 26, 2009.

**42.** "4A's Television Production Cost Survey," *4A's*, www.aaaa.org, December 15, 2009.

**43.** For more on other media context effects, see Michael A. Kamins, Lawrence J. Marks, and Deborah Skinner, "Television Commercial Evaluation in the Context of Program-Induced Mood: Congruency versus Consistency Effects," *Journal of Advertising,* June 1991, pp. 1–14; see also, Jing Wang and Bobby J. Calder, "Media Transportation and Advertising," *Journal of Consumer Research* 33 (September 2006), pp. 151–62.

**44.** Kenneth R. Lord, Myung-Soo Lee, and Paul L. Sauer, "Program Context Antecedents of Attitude toward Radio Commercials," *Journal of the Academy of Marketing Science* 13 (Winter 1994), pp. 3–15; Kenneth R. Lord and Robert E. Burnkrant, "Attention versus Distraction: The Interactive Effect of Program

Involvement and Attentional Devices on Commercial Processing," *Journal of Advertising* (March 1993), pp. 47–60.

**45.** Roland T. Rust, *Advertising Media Models: A Practical Guide* (Lexington, MA: Lexington Books, 1986).

**46.** Hani I. Mesak, "An Aggregate Advertising Pulsing Model with Wearout Effects," *Marketing Science* 11 (Summer 1992), pp. 310–26; Fred M. Feinberg, "Pulsing Policies for Aggregate Advertising Models," *Marketing Science* 11 (Summer 1992), pp. 221–34.

**47.** David B. Montgomery and Alvin J. Silk, "Estimating Dynamic Effects of Market Communications Expenditures," *Management Science* (June 1972), pp. 485–501; Kristian S. Palda, *The Measurement of Cumulative Advertising Effect* (Upper Saddle River, NJ: Prentice Hall, 1964), p. 87.

**48.** Gerard J. Tellis, Rajesh K. Chandy, and Pattana Thaivanich, "Which Ad Works, When, Where, and How Often? Modeling the Effects of Direct Television Advertising," *Journal of Marketing Research* 37 (February 2000), pp. 32–46; Ajay Kalra and Ronald C. Goodstein, "The Impact of Advertising Positioning Strategies on Consumer Price Sensitivity," *Journal of Marketing Research* (May 1998), pp. 210–24; Anil Kaul and Dick R. Wittink, "Empirical Generalizations about the Impact of Advertising on Price Sensitivity and Price," *Marketing Science* 14 (Summer 1995), pp. G151–60; David Walker and Tony M. Dubitsky, "Why Liking Matters," *Journal of Advertising Research,* May–June 1994, pp. 9–18; Abhilasha Mehta, "How Advertising Response Modeling (ARM) Can Increase Ad Effectiveness," *Journal of Advertising Research* (May–June 1994), pp. 62–74; John Deighton, Caroline Henderson, and Scott Neslin, "The Effects of Advertising on Brand Switching and Repeat Purchasing," *Journal of Marketing Research* 31 (February 1994), pp. 28–43; Karin Holstius, "Sales Response to Advertising," *International Journal of Advertising* 9 (September 1990), pp. 38–56.

**49.** Nigel Hollis, "The Future of Tracking Studies," *Admap*, October 2004, pp. 151–53.

**50.** From Robert C. Blattberg and Scott A. Neslin, *Sales Promotion: Concepts, Methods, and Strategies* (Upper Saddle River, NJ: Prentice Hall, 1990). This text provides a detailed, analytical treatment of sales promotion. An comprehensive review of academic work on sales promotions can be found in Scott Neslin, "Sales Promotion," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 310–38.

**51.** Kusum Ailawadi, Karen Gedenk, and Scott A. Neslin, "Heterogeneity and Purchase Event Feedback in Choice Models: An Empirical Analysis with Implications for Model Building," *International Journal of Research in Marketing* 16 (September 1999), pp. 177–98. See also, Kusum L. Ailawadi, Karen Gedenk, Christian Lutzky, and Scott A. Neslin, "Decomposition of the Sales Impact of Promotion-Induced Stockpiling," *Journal of Marketing Research* 44 (August 2007); Eric T. Anderson and Duncan Simester, "The Long-Run Effects of Promotion Depth on New versus Established Customers: Three Field Studies," *Marketing Science* 23 (Winter 2004), pp. 4–20; Luc Wathieu, A. V. Muthukrishnan, and Bart J. Bronnenberg. "The Asymmetric Effect of Discount Retraction on Subsequent Choice," *Journal of Consumer Research* 31 (December 2004), pp. 652–65; Praveen Kopalle, Carl F. Mela, and Lawrence Marsh, "The Dynamic Effect of Discounting on Sales: Empirical Analysis and Normative Pricing Implications," *Marketing Science* 18 (Summer 1999), pp. 317–32.

**52.** Harald J. Van Heerde, Sachin Gupta, and Dick Wittink, "Is 75% of the Sales Promotion Bump Due to Brand Switching? No, Only 33% Is," *Journal of Marketing Research* 40 (November 2003), pp. 481–91; Harald J. Van Heerde, Peter S. H. Leeflang, and Dick R. Wittink, "The Estimation of Pre- and Postpromotion Dips with Store-Level Scanner Data," *Journal of Marketing Research* 37 (August 2000), pp. 383–95.

**53.** For a good summary of the research on whether promotion erodes the consumer franchise of leading brands, see Blattberg and Neslin, "Sales Promotion: The Long and Short of It,"*Marketing Letters* 1 (December 2004); See also, "Stephanie Rosenbloom, "In Recession, Even the Holdouts Use Coupons," *New York Times*, September 24, 2009. For a related topic, see Michael J. Barone and Tirthankar Roy, "Does Exclusivity Pay Off? Exclusive Price Promotions and Consumer Response," *Journal of Marketing* 74 (March 2010), pp. 121–32.

**54.** Robert George Brown, "Sales Response to Promotions and Advertising," *Journal of Advertising Research* (August 1974), pp. 36–37. Also see Kamel Jedidi, Carl F. Mela, and Sunil Gupta, "Managing Advertising and Promotion for Long-Run Profitability," *Marketing Science* 18 (Winter 1999), pp. 1–22; Carl F. Mela, Sunil Gupta, and Donald R. Lehmann, "The Long-Term Impact of Promotion and Advertising on Consumer Brand Choice," *Journal of Marketing Research* 34 (May 1997), pp. 248–61; Purushottam Papatla and Lakshman Krishnamurti, "Measuring the Dynamic Effects of Promotions on Brand Choice," *Journal of Marketing Research* 33 (February 1996), pp. 20–35.

**55.** "2010 REGGIE Awards Shopper Marketing: P&G Gain—Project Gainiac," *Promotion Marketing Association*, www.pmalink.org.

**56.** Magid M. Abraham and Leonard M. Lodish, "Getting the Most out of Advertising and Promotion," *Harvard Business Review,* May–June 1990, pp. 50–60. See also, Shuba Srinivasan, Koen Pauwels, Dominique Hanssens, and Marnik Dekimpe, "Do Promotions Benefit Manufacturers, Retailers, or Both?" *Management Science* 50 (May 2004), pp. 617–29.

**57.** Leonard M. Lodish, Magid Abraham, Stuart Kalmenson, Jeanne Livelsberger, Beth Lubetkin, Bruce Richardson, and Mary Ellen Stevens, "How T.V. Advertising Works: A Meta-Analysis of 389 Real World

Split Cable T.V. Advertising Experiments," *Journal of Marketing Research* 32 (May 1995), pp. 125–39.

**58.** Rebecca J. Slotegraaf and Koen Pauwels, "The Impact of Brand Equity Innovation on the Long-Term Effectiveness of Promotions," *Journal of Marketing Research* 45 (June 2008), pp. 293–306.

**59.** For a model for setting sales promotions objectives, see David B. Jones, "Setting Promotional Goals: A Communications Relationship Model," *Journal of Consumer Marketing* 11 (1994), pp. 38–49.

**60.** Kusum L. Ailawadi, Bari A. Harlam, Jacques Cesar, and David Trounce, "Promotion Profitability for a Retailer: The Role of Promotion, Brand, Category, and Store Characteristics," *Journal of Marketing Research* 43 (November 2006), pp. 518–36.

**61.** Emily Bryson York and Natalie Zmuda, "Sampling: The New Mass Media," *Advertising Age*, May 12, 2008, pp. 3, 56.

**62.** Sarah Skidmore, "Coupons Evolve for the Digital Age," *Associated Press*, August 30, 2009; "20 Most Popular Comparison Shopping Websites," *eBizMBA,* www.ebizmba.com, June 2010.

**63.** Miguel Gomez, Vithala Rao, and Edward McLaughlin, "Empirical Analysis of Budget and Allocation of Trade Promotions in the U.S. Supermarket Industry," *Journal of Marketing Research* 44 (August 2007); Norris Bruce, Preyas S. Desai, and Richard Staelin, "The Better They Are, the More They Give: Trade Promotions of Consumer Durables," *Journal of Marketing Research* 42 (February 2005), pp. 54–66.

**64.** Kusum L. Ailawadi and Bari Harlam, "An Empirical Analysis of the Determinants of Retail Margins: The Role of Store Brand Share," *Journal of Marketing* 68 (January 2004), pp. 147–66; Kusum L. Ailawadi, "The Retail Power-Performance Conundrum: What Have We Learned?" *Journal of Retailing* 77 (Fall 2001), pp. 299–318; Paul W. Farris and Kusum L. Ailawadi, "Retail Power: Monster or Mouse?" *Journal of Retailing* (Winter 1992), pp. 351–69; Koen Pauwels, "How Retailer and Competitor Decisions Drive the Long-Term Effectiveness of Manufacturer Promotions," *Journal of Retailing* 83 (2007), pp. 364–90.

**65.** James Bandler, "The Shadowy Business of Diversion," *Fortune*, August 17, 2009, p. 65; Rajiv Lal, John Little, and J. M. Vilas-Boas, "A Theory of Forward Buying, Merchandising, and Trade Deals," *Marketing Science* 15 (Winter 1996), pp. 21–37.

**66.** IBIS World USA, www.ibisworld.com; Noah Lim, Michael J. Ahearne, and Sung H. Ham, "Designing Sales Contests: Does the Prize Structure Matter?" *Journal of Marketing Research* 46 (June 2009), pp. 356–71.

**67.** "Kraft's Oreo Takes Super Reggie," *Promo*, March 12, 2009; Elaine Wong, "How Kraft's Double Stuf Oreo Launch Trumped Expectations," *Brandweek*, August 31, 2009; "Oreo Double Stuf Racing League (DSRL)," *Promotion Marketing Association*, www.pmalink.org.

**68.** Kurt H. Schaffir and H. George Trenten, *Marketing Information Systems* (New York: AMACOM, 1973), p. 81.

**69.** Joe A. Dodson, Alice M. Tybout, and Brian Sternthal, "Impact of Deals and Deal Retraction on Brand Switching," *Journal of Marketing Research* 15 (February 1978), pp. 72–81.

**70.** *IEG Sponsorship Report*, as quoted in "Sponsorship Spending Revised, Growth Cut in Half: IEG," *Promo*, June 18, 2009.

**71.** Philip Kotler, "Atmospherics as a Marketing Tool," *Journal of Retailing* (Winter 1973–1974), pp. 48–64.

**72.** Kathleen Kerwin, "When the Factory Is a Theme Park," *BusinessWeek,* May 3, 2004, p. 94; Vanessa O'Connell, "'You-Are-There' Advertising," *Wall Street Journal,* August 5, 2002.

**73.** Jeff Borden, "Tornado: Experiential Marketing Takes the Industry by Storm in 2008," *Marketing News*, January 15, 2008, pp. 23–26.

**74.** Michael Schmelling, "Creative Mischief," *Fast Company*, November 2008, pp. 134–38; "GE Profile Inflatable Product Replicas Hit Times Square," *Landmark Creations,* www.landmarkcreations.com; Laurie Sullivan, "GE Ads Show How to Lighten the Laundry Load," *Marketing Daily*, August 27, 2008.

**75.** "Personal Care Marketers: Who Does What," *IEG Sponsorship Report*, April 16, 2007, p. 4.

**76.** Bettina Cornwell, Michael S. Humphreys, Angela M. Maguire, Clinton S. Weeks, and Cassandra Tellegen, "Sponsorship-Linked Marketing: The Role of Articulation in Memory," *Journal of Consumer Research* 33 (December 2006), pp. 312–21.

**77.** Hilary Cassidy, "So You Want to Be an Olympic Sponsor?" *Brandweek*, November 7, 2005, pp. 24–28.

**78.** "Brands Suit Up for 'Iron Man 2,'" *Adweek*, May 14, 2010.

**79.** "BB&T Continues Sponsorship with Clint Bowyer, Richard Childress Racing," *SceneDaily*, January 14, 2010; "BB&T Puts Name on New Winston-Salem Ballpark," *Winston-Salem Journal*, February 24, 2010; "Bank's New Department, Deals Reflect Elevated Sponsorship Status," *IEG Sponsorship Report*, April 16, 2007, pp. 1, 8.

**80.** The Association of National Advertisers has a useful source: *Event Marketing: A Management Guide,* which is available at www.ana.net/bookstore.

**81.** T. Bettina Cornwell, Clinton S. Weeks, and Donald P. Roy, "Sponsorship-Linked Marketing: Opening the Black Box," *Journal of Advertising* 34 (Summer 2005).

**82.** Constantine von Hoffman, "Buying Up the Bleachers," *Brandweek*, February 19, 2007, pp. 18–21.

**83.** William L. Shankin and John Kuzma, "Buying That Sporting Image," *Marketing Management* (Spring 1992), pp. 65.

**84.** B. Joseph Pine and James H. Gilmore, *The Experience Economy: Work Is Theatre and Every Business a Stage* (Cambridge, MA: Harvard University Press, 1999).

**85.** "2006 Experiential Marketing Study," *Jack Morton,* www.jackmorton.com.

**86.** "Do We Have a Story for You!" *Economist*, January 21, 2006, pp. 57–58; Al Ries and Laura Ries, *The Fall of Advertising and the Rise of PR* (New York: HarperCollins, 2002).

**87.** "*PRWeek* Campaign of the Year," *PRWeek*, March 5, 2009; "Man Lives in IKEA," *Ketchum,* www.ketchum.com; "Man Lives in NYC IKEA Store," *Associated Press*, January 8, 2008.

**88.** "Ketchum and Dreyer's Win *PRWeek* Campaign of the Year Award," *PRNewswire*, March 12, 2010; "Dreyer's Slow Churned Dishes Out a Taste of Recovery with the Debut of 'Red, White and No More Blues' Flavor," *PRNewswire*, June 23, 2009; "Beat the Blues with a Taste of Recovery," *CLIO 2010*, www.clioawards.com.

**89.** Arthur M. Merims, "Marketing's Stepchild: Product Publicity," *Harvard Business Review,* November–December 1972, pp. 111–12. Also see Katherine D. Paine, "There Is a Method for Measuring PR," *Marketing News*, November 6, 1987, p. 5.

## Chapter 19

**1.** Elaine Wong, "Pepsi's Refresh Project Drives Social Buzz," *Brandweek*, June 9, 2010; Stuart Elliott, "Pepsi Invites the Public to Do Good," *New York Times*, February 1, 2010; Suzanne Vranica, "Pepsi Benches Its Drinks," *Wall Street Journal*, December 17, 2009.

**2.** The terms *direct-order marketing* and *direct-relationship marketing* were suggested as subsets of direct marketing by Stan Rapp and Tom Collins in *The Great Marketing Turnaround* (Upper Saddle River, NJ: Prentice Hall, 1990).

**3.** Ran Kivetz and Itamar Simonson, "The Idiosyncratic Fit Heuristic: Effort Advantage as a Determinant of Consumer Response to Loyalty Programs," *Journal of Marketing Research* 40 (November 2003), pp. 454–67; Ran Kivetz and Itamar Simonson, "Earning the Right to Indulge: Effort as a Determinant of Customer Preferences toward Frequency Program Rewards," *Journal of Marketing Research* 39 (May 2002), pp. 155–70.

**4.** www.the-dma.org homepage

**5.** L.L. Bean, www.llbean.com.

**6.** Stan Rapp and Thomas L. Collins, *Maximarketing* (New York: McGraw-Hill, 1987).

**7.** www.dma-echo.org; www.yellowtreehouse.co.nz; www.ameawards.com.

**8.** "DMA Releases 2010 Response Rate Trend Report," *Direct Marketing Association*, www.the-dma.org, June 15, 2010.

**9.** Bob Stone and Ron Jacobs, *Successful Direct Marketing Methods,* 8th ed. (New York: McGraw-Hill, 2007).

**10.** Edward L. Nash, *Direct Marketing: Strategy, Planning, Execution*, 4th ed. (New York: McGraw-Hill, 2000).

**11.** The *average customer longevity* (*N*) is related to the *customer retention rate* (*CR*). Suppose the company retains 80 percent of its customers each year. Then the average customer longevity is given by:
N = 1/(1 – CR) = 1/.2 = 5 years.

**12.** "MCM 100," *Multi Channel Merchant,* www.multichannelmerchant.com, July 2009.

**13.** "Industry Overview: Internet and Catalog Retailers," *Hoovers*, www.hoovers.com, accessed August 22, 2010.

**14.** "Biennial Report to Congress: Pursuant to the Do Not Call Registry Fee Extension Act of 2007," *Federal Trade Commission*, www.ftc.gov, December 2009.

**15.** Charles Duhigg, "Telemarketing Thieves Sharpen Their Focus on the Elderly," *New York Times*, May 20, 2007.

**16.** Tony Case, "Growing Up," *Interactive Quarterly,* April 19, 2004, pp. 32–34.

**17.** For example, see André Bonfrer and Xavier Drèze, "Real-Time Evaluation of E-mail Campaign Performance," *Marketing Science* 28 (March–April 2009), pp. 251–63.

**18.** Kenneth C. Wilbur and Yi Zhu, "Click Fraud," *Marketing Science* 28 (March–April 2009), pp. 293–308.

**19.** Ellen Byron, "Estée Lauder Tests Web-Ad Waters," *Wall Street Journal*, September 19, 2006.

**20.** Asim Ansari and Carl F. Mela, "E-Customization," *Journal of Marketing Research* 40 (May 2003), pp. 131–45.

**21.** Daniel Michaels and J. Lynn Lunsford, "Ad-Sales Woes Likely to Continue," *Wall Street Journal*, December 4, 2006; Jack Neff, "Axe Cuts Past Competitors, Claims Market Lead," *Advertising Age*, May 14, 2006; Byron Acohido, "Rich Media Enriching PC Ads," *USA Today,* February 25, 2004.

**22.** Stuart Elliott, "Letting Consumers Control Marketing: Priceless," *New York Times,* October 9, 2006; Elizabeth Holmes, "On MySpace, Millions of Users Make 'Friends' with Ads," *Wall Street Journal,* August 7, 2006; "2009 Gold Effie Winner: 'Whopper Freakout,'" Effie Awards, *Effie Worldwide*, www.effie.org.

**23.** Allen P. Adamson, *Brand Digital* (New York: Palgrave Macmillan, 2008).

**24.** John R. Hauser, Glen L. Urban, Guilherme Liberali, and Michael Braun, "Website Morphing," *Marketing Science* 28 (March–April 2009), pp. 202–23; Peter J. Danaher, Guy W. Mullarkey, and Skander Essegaier, "Factors Affecting Web Site Visit Duration: A Cross-Domain Analysis," *Journal of Marketing Research* 43 (May 2006), pp. 182–94; Philip Kotler, *According to Kotler* (New York: American Management Association, 2005).

**25.** Jeffrey F. Rayport and Bernard J. Jaworski, *e-commerce* (New York: McGraw-Hill, 2001), p. 116.

**26.** Bob Tedeschi, "E-Commerce Report," *New York Times,* June 24, 2002.

**27.** Jan-Benedict E. M. Steenkamp and Inge Geyskens, "How Country Characteristics Affect the Perceived Value of Web Sites," *Journal of Marketing* 70 (July 2006), pp. 136–50.

**28.** Jessi Hempel, "The Online Numbers Game," *Fortune*, September 3, 2007, p. 18.

**29.** Julia Angwin and Tom McGinty, "Sites Feed Personal Details to New Tracking Industry," *Wall Street Journal*, July 31, 2010.

**30.** *eMarketer,* www.emarketer.com, May 2010.

**31.** Emily Steel, "Marketers Take Search Ads Beyond Search Engines," *Wall Street Journal*, January 19, 2009.

**32.** Paula Andruss, "How to Win the Bidding Wars," *Marketing News*, April 1, 2008, p. 28; "Jefferson Graham, "To Drive Traffic to Your Site, You Need to Give Good Directions," *USA Today*, June 23, 2008.

**33.** Peter J. Danaher, Janghyuk Lee, and Laoucine Kerbache, "Optimal Internet Media Selection," *Marketing Science* 29 (March–April 2010), pp. 336–47; Puneet Manchanda, Jean-Pierre Dubé, Khim Yong Goh, and Pradeep K. Chintagunta, "The Effects of Banner Advertising on Internet Purchasing," *Journal of Marketing Research* 43 (February 2006), pp. 98–108.

**34.** Brian Morrissey, "Big Money Bet on Display Ad Tech," *Adweek*, August 1, 2010; Brian Morrissey, "Beefing Up Banner Ads," *Adweek NEXT*, February 15, 2010, pp. 10–11; Robert D. Hof, "The Squeeze on Online Ads," *BusinessWeek*, March 2, 2009, pp. 48–49; Emily Steel, "Web Sites Debate Best Values for Advertising Dollars," *Wall Street Journal*, August 13, 2009, p. B7.

**35.** Elisabeth Lewin, "Podcast Audience Growing Faster Than Podcast Advertising," *Podcasting News*, www.podcastingnews.com, May 13, 2009.

**36.** Natalie Zmuda, "How E-mail Became a Direct-Marketing Rock Star in Recession," *Advertising Age*, May 11, 2009, p. 27.

**37.** Piet Levy, "An E-motional Call to Action," *Marketing News*, April 30, 2010, p. 8.

**38.** Roger Cheng, "Mobile Ads Make Gains, But Pace Slows Sharply," *Wall Street Journal*, April 7, 2009; Mark Walsh, "Gartner: Mobile Advertising to Grow 74 percent In 2009," *MediaPost*, August 31, 2009; Amol Sharma, "Companies Vie for Ad Dollars on Mobile Web," *Wall Street Journal*, January 17, 2007; "Mobile Advertising: The Next Big Thing," *Economist*, October 7, 2007, pp. 73–74.

**39.** Giselle Tsirulnik, "Bank of America Uses Mobile Banners to Drive App Downloads," *Mobile Marketer*, September 4, 2009; Rita Chang, "Consumer Control Brings Brand Loyalty," *Advertising Age*, March 30, 2009, p. 26; Dan Butcher, "Bank of America Campaign Targets Students for Mobile Banking," *Mobile Marketer*, August 28, 2008; Mickey Alam Khan, "Bank of America Surpasses 1M Mobile Banking Customers," *Mobile Marketer*, June 13, 2008.

**40.** Brian Morrissey, "2009 Really Isn't the Year of Mobile. Here's Why," *Brandweek*, November 16, 2009, p. 6; Douglas MacMillan, Peter Burrows, and Spencer E. Ante, "The App Economy," *BusinessWeek*, November 2, 2009, pp. 44–49.

**41.** "VW Set for Launch in 8 Months," *WorldCarFans.com*, www.worldcarfans.com, March 20, 2007; Eleftheria Parpis, "Volkswagen's Public Polling Pays Off," *Adweek*, May 19, 2008; Andrew Grill, "Volkswagen Tiguan Mobile Advertising Case Study," *London Calling,* www.londoncalling.mobi, May 20, 2009.

**42.** Peter DaSilva, "Cellphone in New Role: Loyalty Card," *New York Times*, May 31, 2010.

**43.** Diana Ransom, "When the Customer Is in the Neighborhood," *Wall Street Journal*, May 17, 2010.

**44.** Don Clark and Nick Wingfield, "Intel, Microsoft Offer Smart Sign Technology," *Wall Street Journal*, January 12, 2010; Andrew Lavallee, "Unilever to Test Mobile Coupons in Trial at Supermarket, Cellphones Will Be the Medium for Discount Offers," *Wall Street Journal*, May 29, 2009; Bob Tedeschi, "Phone Smart Cents-Off Coupons and Other Special Deals, via Your Cellphone," *New York Times*, December 17, 2008.

**45.** Piet Levy, "Set Your Sites on Mobile," *Marketing News*, April 30, 2010, p.6; Tom Lowry, "Pandora: Unleashing Mobile-Phone Ads," *BusinessWeek*, June 1, 2009, pp. 52–53.

**46.** Elisabeth Sullivan, "The Tao of Mobile Marketing," *Marketing News*, April 30, 2010, pp. 16–20.

**47.** Loretta Chao, "Cell Phone Ads Are Easier Pitch in China Interactive Campaigns," *Wall Street Journal*, January 4, 2007.

**48.** Louise Story, "What We Talk About When We Talk About Brands," *New York Times*, November 24, 2006.

**49.** Robert V. Kozinets, Kristine de Valck, Andrea C. Wojnicki, and Sarah J. S. Wilner, "Networked Narratives: Understanding Word-of-Mouth Marketing in Online Communities," *Journal of Marketing* 74 (March 2010), pp. 71–89; David Godes and Dina Mayzlin, "Firm-Created Word-of-Mouth Communication: Evidence from a Field Test," *Marketing Science* 28 (July–August 2009), pp. 721–39.

**50.** Jon Swartz, "Small Firms Dive Into Social Media," *USA Today*, July 22, 2010, p. 3B.

**51.** Reena Jane, "How Intuit Makes a Social Network Pay," *Bloomberg BusinessWeek*, July 2, 2009; Justin Smith, "Intuit's 'Super Status Contest' Aims for Product Placement in Facebook Status Updates," *Inside Facebook*, www.insidefacebook.com, January 29, 2009; Christen Wegner, "How Intuit Stays Relevant Using Social Media," *KyleLacey.com*, www.kylelacy.com, March 3, 2010; Jon Swartz, "More Marketers Sign on to Social Media," *USA Today*, August 28, 2009, p. 1B.

**52.** *Effie Awards*, www.effie.org/downloads/2009_winners_list.pdf.

**53.** Heather Green, "It Takes a Web Village," *BusinessWeek*, September 4, 2006, p. 66; Paul Dwyer, *Measuring the Value of Word of Mouth and Its Impact in Consumer Communities*, MSI Report No. 06-118, *Marketing Science Institute*, Cambridge, MA.; Kelly K. Spors, "The Customer Knows Best," *Wall Street Journal*, July 13, 2009, p. R5.

**54.** Claire Cain Miller, "The Sweet Spot," *Forbes*, April 23, 2007, p. 41.

**55.** For an academic discussion of chat rooms, recommendation sites, and customer review sections online, see Dina Mayzlin, "Promotional Chat on the Internet," *Marketing Science* 25 (March–April 2006), pp. 155–63; and Judith Chevalier and Dina Mayzlin, "The Effect of Word of Mouth on Sales: Online Book Reviews," *Journal of Marketing Research* 43 (August 2006), pp. 345–54.

**56.** Stephen Baker, "Looking for a Blog in a Haystack," *BusinessWeek*, July 25, 2006, p. 38.

**57.** Heather Green, "The Big Shots of Blogdom," *BusinessWeek*, May 7, 2007; TreeHugger, www.treehugger.com/about.

**58.** Kim Hart, "Angry Customers Use Web to Shame Firms," *Washington Post*, July 5, 2006.

**59.** For a thorough review of relevant academic literature, see Christophe Van Den Bulte and Stefan Wuyts, *Social Networks and Marketing* (Marketing Science Institute Relevant Knowledge Series, Cambridge, MA, 2007), and for some practical considerations, see "A World of Connections: A Special Report on Social Networking," *Economist*, January 30, 2010.

**60.** Allen Adamson, "No Contest: Twitter and Facebook Can Both Play a Role in Branding," www.forbes.com, May 6, 2009.

**61.** "Profiting From Friendship," *Economist*, January 30, 2010, pp. 9–12.

**62.** "A Peach of Opportunity," *Economist*, January 30, 2010, pp. 9–12.

**63.** Claire Cain Miller, "The New Back Fence," *Forbes*, April 7, 2008; CafeMom, www.cafemom.com/about.

**64.** Michael Learmonth and Rupal Parekh, "How Influential Are Angry Bloggers? Ask Johnson & Johnson," *Financial Week*, November 19, 2008; Seth Godin, "We Feel Your Pain," *Seth's Blog*, November 17, 2008; Jim Edwards, "J&J Triggers Mommy War With Motrin 'Anti-Baby Sling' Ad," www.bnet.com, November 17, 2008.

**65.** Stephen Baker, "Beware Social Media Snake Oil," *Bloomberg BusinessWeek*, December 14, 2009, pp. 48–51.

**66.** Ralf van der Lans, Gerrit van Bruggen, Jehoshua Eliashberg, Berend Wierenga, "A Viral Branching Model for Predicting the Spread of Electronic Word of Mouth," *Marketing Science* 29 (March–April 2010), pp. 348–65; Dave Balter and John Butman, "Clutter Cutter," *Marketing Management* (July–August 2006), pp. 49–50.

**67.** Emanuel Rosen, *The Anatomy of Buzz* (New York: Currency, 2000).

**68.** George Silverman, *The Secrets of Word-of-Mouth Marketing* (New York: AMACOM, 2001); Emanuel Rosen, *The Anatomy of Buzz* (New York: Currency, 2000), chapter 12; "Viral Marketing," *Sales & Marketing Automation* (November 1999), pp. 12–14.

**69.** *Will It Blend?* www.willitblend.com; Blendtec, www.blendtec.com; Piet Levy, "I Tube, YouTube," *Marketing News*, March 30, 2009, p. 8; Phyllis Berman, "Food Fight," *Forbes*, October 13, 2008, p. 110; Rob Walker, "Mixing It Up," *New York Times*, August 24, 2008; Jon Fine, "Ready to Get Weird, Advertisers?" *BusinessWeek,* January 8, 2007, p. 24.

**70.** Renée Dye, "The Buzz on Buzz," *Harvard Business Review* (November–December 2000), p. 139.

**71.** Robert Berner, "I Sold It through the Grapevine," *BusinessWeek*, May 29, 2006, pp. 32–34.

**72.** Barbara Kiviat, "Word on the Street," *Time*, April 12, 2007; Dave Balter, "Rules of the Game," *Advertising Age Point,* December 2005, pp. 22–23; Scott Kirsner, "How Much Can You Trust Buzz?" *Boston Globe*, November 14, 2005; Linda Tischler, "What's the Buzz?" *Fast Company,* May 2004, pp. 76–77.

**73.** Matthew Creamer and Rupal Parekh, "Ideas of the Decade," *Advertising Age*, December 14, 2009.

**74.** Amar Cheema and Andrew M. Kaikati, "The Effect of Need for Uniqueness on Word of Mouth," *Journal of Marketing Research* 47 (June 2010), pp. 553–63.

**75.** Jacqueline Johnson Brown, Peter M. Reingen, and Everett M. Rogers, *Diffusion of Innovations,* 4th ed. (New York: Free Press, 1995); J. Johnson Brown and Peter Reingen, "Social Ties and Word-of-Mouth Referral Behavior," *Journal of Consumer Research* 14 (December 1987), pp. 350–62; Peter H. Riengen and Jerome B. Kernan, "Analysis of Referral Networks in Marketing: Methods and Illustration," *Journal of Marketing Research* 23 (November 1986), pp. 37–78.

**76.** Malcolm Gladwell, *The Tipping Point: How Little Things Can Make a Big Difference* (Boston: Little, Brown & Company, 2000).

**77.** Terry McDermott, "Criticism of Gladwell Reaches Tipping Point," *Columbia Journalism Review*, November 17, 2009; Clive Thompson, "Is the Tipping Point Toast?" *Fast Company*, February 1, 2008; Duncan Watts, *Six Degrees: The Science of a Connected Age* (New York: W.W. Norton, 2003).

**78.** Douglas Atkin, *The Culting of Brands: When Customers Become True Believers* (New York: Penguin, 2004); Marian Salzman, Ira Matathia, and Ann O'Reilly, *Buzz: Harness the Power of Influence and Create Demand* (New York: Wiley, 2003).

**79.** Bob Greenberg, "A Platform for Life," *Adweek NEXT*, September 14, 2009, p. 38.

**80.** Michael Trusov, Anand V. Bodapati, and Randolph E. Bucklin, "Determining Influential Users in Internet Social Networks," *Journal of Marketing Research* 47 (August 2010), pp. 643–58.

**81.** Dave Balter and John Butman, "Clutter Cutter," *Marketing Management* (July–August 2006), pp. 49–50; "Is There a Reliable Way to Measure Word-of-Mouth Marketing?" *Marketing NPV* 3 (2006), pp. 3–9.

**82.** Digital Buzz, www.digitalbuzzblog.com; Mashable, www.mashable.com; Atomic Ideas, www.atomicideas.com, all accessed August 22, 2010.

**83.** Keith Barry, "Fiesta Stars in Night of the Living Social Media Campaign," *Wired*, May 21, 2010; Matthew Dolan, "Ford Takes Online Gamble with New Fiesta," *Wall Street Journal*, April 8, 2009.

**84.** This section is based in part on an excellent summary, "Is There a Reliable Way to Measure Word-of-Mouth

Marketing?" *Marketing NPV* 3 (2006), pp. 3–9, available at www.marketingnpv.com.

**85.** Suzanne Vranica, "Social Media Draws a Crowd," *Wall Street Journal*, July 19, 2010; Jessi Hempel, "He Measures the Web," *Fortune*, November 9, 2009, pp. 94–98.

**86.** Adam L. Penenberg, "How Much Are You Worth to Facebook?" *Fast Company*, October 1, 2009.

**87.** Rick Lawrence, Prem Melville, Claudia Perlich, Vikas Sindhwani, Steve Meliksetian, Pei-Yun Hsueh, and Yan Liu, "Social Media Analytics," *OR/MS Today*, February 2010, pp. 26–30.

**88.** "Employment by major occupational group, 2008 and projected 2018," http://www.bls.gov/emp/ep_table_101.pdf.

**89.** John Bello, "Sell Like Your Outfit Is at Stake. It Is," *BusinessWeek Online,* February 5, 2004; John Bello, "The Importance of Sales for Entrepreneurs," *USA Today*, February 11, 2004; Jeanine Prezioso, "Lizard King's Story," *Fairfield County Business Journal*, December 10, 2001.

**90.** Shrihari Sridhar, Murali K. Mantrala, and Sönke Albers, "Personal Selling Elasticities: A Meta-Analysis," *Journal of Marketing Research* 47 (October 2010).

**91.** Adapted from Robert N. McMurry, "The Mystique of Super-Salesmanship," *Harvard Business Review*, March–April 1961, p. 114. Also see William C. Moncrief III, "Selling Activity and Sales Position Taxonomies for Industrial Sales Forces," *Journal of Marketing Research* 23 (August 1986), pp. 261–70.

**92.** Lawrence G. Friedman and Timothy R. Furey, *The Channel Advantage: Going to Marketing with Multiple Sales Channels* (Oxford, UK: Butterworth-Heinemann, 1999).

**93.** Michael Ahearne, Scott B. MacKenzie, Philip M. Podsakoff, John E. Mathieu, and Son K. Lam, "The Role of Consensus in Sales Team Performance," *Journal of Marketing Research* 47 (June 2010), pp. 458–69.

**94.** Ashwin W. Joshi, "Salesperson Influence on Product Development: Insights from a Study of Small Manufacturing Organizations," *Journal of Marketing* 74 (January 2010), pp. 94–107; Philip Kotler, Neil Rackham, and Suj Krishnaswamy, "Ending the War between Sales & Marketing," *Harvard Business Review*, July–August 2006, pp. 68–78; Timothy M. Smith, Srinath Gopalakrishna, and Rubikar Chaterjee, "A Three-Stage Model of Integrated Marketing Communications at the Marketing-Sales Interface," *Journal of Marketing Research* 43 (November 2006), pp. 546–79.

**95.** Michael Copeland, "Hits and Misses," *Business 2.0,* April 2004, p. 142.

**96.** "Sales Performance Benchmarks," *Go-to-Market Strategies*, June 5, 2007. For international tax implications in compensation, see Dominique Rouziès, Anne T. Coughlan, Erin Anderson, and Dawn Iacobucci, "Determinants of Pay Levels and Structures in Sales Organizations," *Journal of Marketing* 73 (November 2009), pp. 92–104.

**97.** Tony Ritigliano and Benson Smith, *Discover Your Sales Strengths* (New York: Random House Business Books, 2004).

**98.** Sonke Albers, "Sales-Force Management—Compensation, Motivation, Selection, and Training," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 248–66.

**99.** Nanette Byrnes, "Avon Calling—Lots of New Reps," *BusinessWeek,* June 2, 2003, pp. 53–54.

**100.** Michael R. W. Bommer, Brian F. O'Neil, and Beheruz N. Sethna, "A Methodology for Optimizing Selling Time of Salespersons," *Journal of Marketing Theory and Practice* (Spring 1994), pp. 61–75. See also, Lissan Joseph, "On the Optimality of Delegating Pricing Authority to the Sales Force," *Journal of Marketing* 65 (January 2001), pp. 62–70.

**101.** Dartnell Corporation, *30th Sales-Force Compensation Survey* (Chicago: Dartnell Corp., 1999). Other breakdowns show that 12.7 percent is spent in service calls, 16 percent in administrative tasks, 25.1 percent in telephone selling, and 17.4 percent in waiting/traveling. For analysis of this database, see Sanjog Misra, Anne T. Coughlan, and Chakravarthi Narasimhan, "Salesforce Compensation: An Analytical and Empirical Examination of the Agency Theoretic Approach, *Quantitative Marketing and Economics* 3 (March 2005), pp. 5–39.

**102.** Michael Ahearne, Son K. Lam, John E. Mathieu, and Willy Bolander, "Why Are Some Salespeople Better at Adapting to Organizational Change?" *Journal of Marketing* 74 (May 2010), pp. 65–79.

**103.** Willem Verbeke and Richard P. Bagozzi, "Sales-Call Anxiety: Exploring What It Means When Fear Rules a Sales Encounter," *Journal of Marketing* 64 (July 2000), pp. 88–101. See also, Douglas E. Hughes and Michael Ahearne, "Energizing the Reseller's Sales Force: The Power of Brand Identification," *Journal of Marketing* 74 (July 2010), pp. 81–96.

**104.** Gilbert A. Churchill Jr., Neil M. Ford, Orville C. Walker Jr., Mark W. Johnston, and Greg W. Marshall, *Sales-Force Management,* 9th ed. (New York: McGraw-Hill/Irwin, 2009). See also, Eric G. Harris, John C. Mowen, and Tom J. Brown, "Reexamining Salesperson Goal Orientations: Personality Influencers, Customer Orientation, and Work Satisfaction," *Journal of the Academy of Marketing Science* 33 (Winter 2005), pp. 19–35; Manfred Krafft, "An Empirical Investigation of the Antecedents of Sales-Force Control Systems," *Journal of Marketing* 63 (July 1999), pp. 120–34; Wujin Chu, Eitan Gerstner, and James D. Hess, "Costs and Benefits of Hard Sell," *Journal of Marketing Research* 32 (February 1995), pp. 97–102.

**105.** Noah Lim, Michael J. Ahearne, and Sung H. Ham, "Designing Sales Contests: Does the Prize Structure Matter?" *Journal of Marketing Research* 46 (June 2009), pp. 356–71.

**106.** Lisa Vaas, "Oracle Teaches Its Sales Force to Play Nice," *eWeek*, July 28, 2004; Lisa Vaas, "Oracle's Sales Force Reorg Finally Bears Fruit," *eWeek*, December 17, 2003; Ian Mount, "Out of Control," *Business 2.0,* August 2002, pp. 38–44.

**107.** Philip M. Posdakoff and Scott B. MacKenzie, "Organizational Citizenship Behaviors and Sales-Unit Effectiveness," *Journal of Marketing Research* 31 (August 1994), pp. 351–63. See also, Andrea L. Dixon, Rosann L. Spiro, and Magbul Jamil, "Successful and Unsuccessful Sales Calls: Measuring Salesperson Attributions and Behavioral Intentions," *Journal of Marketing* 65 (July 2001), pp. 64–78; Willem Verbeke and Richard P. Bagozzi, "Sales-Call Anxiety: Exploring What It Means When Fear Rules a Sales Encounter," *Journal of Marketing* 64 (July 2000), pp. 88–101.

**108.** Neil Rackham, *SPIN Selling* (New York: McGraw-Hill, 1988). Also see his *The SPIN Selling Fieldbook* (New York: McGraw-Hill, 1996); James Lardner, "Selling Salesmanship," *Business 2.0*, December 2002–January 2003, p. 66; Sharon Drew Morgen, *Selling with Integrity: Reinventing Sales through Collaboration, Respect, and Serving* (New York: Berkeley Books, 1999); Neil Rackham and John De Vincentis, *Rethinking the Sales Force* (New York: McGraw-Hill, 1996).

**109.** Some of the following discussion is based on a classic analysis in W. J. E. Crissy, William H. Cunningham, and Isabella C. M. Cunningham, *Selling: The Personal Force in Marketing* (New York: Wiley, 1977), pp. 119–29. For some contemporary perspective and tips, see Jia Lynn Yang, "How to Sell in a Lousy Economy," *Fortune*, September 29, 2008, pp. 101–6 and Jessi Hempel, "IBM's All-Star Salesman," *Fortune*, September 29, 2008, pp. 110–19.

**110.** Stephanie Clifford, "Putting the Performance in Sales Performance," *Inc.*, February 2007, pp. 87–95.

**111.** Joel E. Urbany, "Justifying Profitable Pricing," *Journal of Product & Brand Management* 10 (2001), pp.141–59.

**112.** Jia Lynn Yang, "How Can I Keep My Sales Team Productive in a Recession?" *Fortune*, March 2, 2009, p. 22.

**113.** V. Kumar, Rajkumar Venkatesan, and Werner Reinartz, "Performance Implications of Adopting a Customer-Focused Sales Campaign," *Journal of Marketing* 72 (September 2008), pp. 50–68; George R. Franke and Jeong-Eun Park, "Salesperson Adaptive Selling Behavior and Customer Orientation: A Meta-Analysis," *Journal of Marketing Research* 43 (November 2006), pp. 693–702; Richard G. McFarland, Goutam N. Challagalla, and Tasadduq A. Shervani, "Influence Tactics for Effective Adaptive Selling," *Journal of Marketing* 70 (October 2006), pp. 103–17.

## Chapter 20

**1.** Brad Stone, "Nintendo Wii to Add Netflix Service for Streaming Video," *New York Times*, January 13, 2010; Eric A. Taub, "Will Nothing Slow Wii?" *New York Times Bits Blog*, October 17, 2008; John Gaudiosi, "How the Wii Is Creaming the Competition," *Business 2.0*, April 25, 2007; Martin Fackler, "Putting the We Back in Wii," *New York Times*, June 8, 2007.

**2.** For some scholarly reviews, see Ely Dahan and John R. Hauser, "Product Development: Managing a Dispersed Process," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 179–222; Dipak Jain, "Managing New-Product Development for Strategic Competitive Advantage," Dawn Iacobucci, ed., *Kellogg on Marketing*, (New York: Wiley, 2001), pp. 130–48; Jerry Wind and Vijay Mahajan, "Issues and Opportunities in New-Product Development: An Introduction to the Special Issue," *Journal of Marketing Research* 34 (February 1997), pp. 1–12. For an overview of different industry approaches, see Frank T. Rothaermel and Andrew M. Hess, "Innovation Strategies Combined," *MIT Sloan Management Review* (Spring 2010), pp. 13–15.

**3.** Scott Sanderude, "Growth from Harvesting the Sky: The $200 Million Challenge," talk at Marketing Science Institute Conference: New Frontiers for Growth, Boston, MA, April 2005.

**4.** Stephen J. Carson, "When to Give Up Control of Outsourced New-Product Development," *Journal of Marketing* 71 (January 2007), pp. 49–66.

**5.** Elaine Wong, "P&G's '09 Success Hinged on Value, Affordable Luxury," *Brandweek*, March 22, 2010, p. 8.

**6.** For some academic discussion of the effects of new-product introductions on markets, see Harald J. Van Heerde, Carl F. Mela, and Puneet Manchanda, "The Dynamic Effect of Innovation on Market Structure," *Journal of Marketing Research* 41 (May 2004), pp. 166–83; and for a contrast with radically different new products, see Khaled Aboulnasr, Om Narasimhan, Edward Blair, and Rajesh Chandy, "Competitive Response to Radical Product Innovations," *Journal of Marketing* 72 (May 2008), pp. 94–110.

**7.** "Enabling Multifaceted Innovation," *IBM Global Business Services,* www-935.ibm.com/services/us/gbs/bus/pdf/g510-6310-executive-brief-enabling-multifaceted.pdf, 2006.

**8.** Shuba Srinivasan, Koen Pauwels, Jorge Silva-Risso, and Dominique M. Hanssens, "Product Innovations, Advertising and Stock Returns," *Journal of Marketing* 73 (January 2009), pp. 24–43; Alina B. Sorescu and Jelena Spanjol, "Innovation's Effect on Firm Value and Risk: Insights from Consumer Packaged Goods," *Journal of Marketing* 72 (March 2008), pp. 114–32; Sungwook Min, Manohar U. Kalwani, and William T. Robinson, "Market Pioneer and Early Follower Survival Risks: A Contingency Analysis of Really New versus Incrementally New Product-Markets," *Journal of Marketing* 70 (January 2006), pp. 15–33; C. Page Moreau, Arthur B. Markman, and Donald R. Lehmann, "'What Is It?' Category Flexibility and Consumers' Response to Really New Products," *Journal of Consumer Research* 27 (March 2001), pp. 489–98.

9. Stefan Wuyts, Shantanu Dutta, and Stefan Stremersch, "Portfolios of Interfirm Agreements in Technology-Intensive Markets: Consequences for Innovation and Profitability," *Journal of Marketing* 68 (April 2004), pp. 88–100; Aric Rindfleisch and Christine Moorman, "The Acquisition and Utilization of Information in New-Product Alliance: A Strength-of-Ties Perspective," *Journal of Marketing* 65 (April 2001), pp. 1–18. See also, Raghunath Singh Rao, Rajesh K. Chandy, and Jaideep C. Prabhu, "The Fruits of Legitimacy: Why Some New Ventures Gain More from Innovation Than Others," *Journal of Marketing* 72 (July 2008), pp. 58–75.
10. Gerard J. Tellis, Jaideep C. Prabhu, and Rajesh K. Chandy, "Radical Innovation across Nations: The Preeminence of Corporate Culture," *Journal of Marketing* 73 (January 2009), pp. 3–23.
11. Steve Hoeffler, "Measuring Preferences for Really New Products," *Journal of Marketing Research* 40 (November 2003), pp. 406–20; Glen Urban, Bruce Weinberg, and John R. Hauser, "Premarket Forecasting of Really New Products," *Journal of Marketing* 60 (January 1996), pp. 47–60.
12. Andy Grove, "Think Disruptive," *Condé Nast Portfolio*, December 2007, pp. 170–75; Ashish Sood and Gerard J. Tellis, "Technological Evolution and Radical Innovation," *Journal of Marketing* 69 (July 2005), pp. 152–68.
13. For more discussion, see Jakki Mohr, *Marketing of High-Technology Products and Innovations,* 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 2005).
14. Carol Matlack, "How Danone Turns Bacteria into Bucks," *BusinessWeek*, November 15, 2007, pp. 76–77; Jack Ewing, "The Bimmer, Plugged In," *BusinessWeek*, March 23 and 30, 2009, p. 78; Beth Kowitt, "Blackboard Rules the Schools," *Fortune*, November 9, 2009, p. 28.
15. Steve Hamm, "Speed Demons," *BusinessWeek*, March 27, 2006, pp. 69–76.
16. Christina Passariello, "Brand New Bag: Louis Vuitton Tries Modern Methods on Factory Lines," *Wall Street Journal*, October 9, 2006.
17. Gary Hamel, "W. L. Gore: Lessons from a Management Revolutionary," *Wall Street Journal*, March 18, 2010; "The World's Most Innovative Companies," *Fast Company*, March 2009; Brad Weiners, "Gore-Tex Tackles the Great Indoors," *Business 2.0,* April 2004, p. 32; Ann Harrington, "Who's Afraid of a New Product," *Fortune,* November 10, 2003, pp. 189–92.
18. Tim Brown, *Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation* (New York: HarperCollins, 2009).
19. Clayton M. Christensen, *Disrupting Class: How Disruptive Innovation Will Change the Way the World Learns* (New York: McGraw-Hill, 2008); Clayton M. Christensen, *The Innovator's Solution: Creating and Sustaining Successful Growth* (Boston: Harvard University Press, 2003); Clayton M. Christensen, *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* (Boston: Harvard University Press, 1997).
20. Ely Dahan and John R. Hauser, "Product Development: Managing a Dispersed Process," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 179–222.
21. Robert G. Cooper and Elko J. Kleinschmidt, *New Products: The Key Factors in Success* (Chicago: American Marketing Association, 1990).
22. Ibid., pp. 35–38.
23. Susumu Ogama and Frank T. Piller, "Reducing the Risks of New-Product Development," *MIT Sloan Management Review* 47 (Winter 2006), pp. 65–71; A.C. Nielsen, "New-Product Introduction—Successful Innovation/Failure: Fragile Boundary," A.C. Nielsen BASES and Ernst & Young Global Client Consulting, June 24, 1999; Deloitte and Touche, "Vision in Manufacturing Study," Deloitte Consulting and Kenan-Flagler Business School, March 6, 1998.
24. For more discussion, see Dipak Jain, "Managing New-Product Development for Strategic Competitive Advantage," Dawn Iacobucci, ed., *Kellogg on Marketing* (New York: Wiley, 2001).
25. Steve Hamm, "Speed Demons," *BusinessWeek*, March 27, 2006, pp. 69–76.
26. Tom McNichol, "A Start-Up's Best Friend? Failure," *Business 2.0,* March 2007, pp. 39–41.
27. Thomas N. Burton, "By Learning from Failures Lilly Keeps Drug Pipelines Full," *Wall Street Journal,* April 21, 2004.
28. Amy Barrett, "J&J: Reinventing How It Invents," *BusinessWeek*, April 17, 2006, pp. 60–61.
29. Virginia Gardiner, "Dyson Airblade," *Dwell*, March 10, 2010; Reena Jana, "Dyson's Air Multiplier: Flaw as Function," *Bloomberg BusinessWeek*, October 12, 2009; Chuck Salter, "Failure Doesn't Suck," *Fast Company,* May 2007, p. 44.
30. Vijay Govindrajan and Chris Trimble, "Stop the Innovation Wars," *Harvard Business Review*, July–August 2010, pp. 76–83; Doug Ayers, Robert Dahlstrom, and Steven J. Skinner, "An Exploratory Investigation of Organizational Antecedents to New-Product Success," *Journal of Marketing Research* 34 (February 1997), pp. 107–16; David S. Hopkins, *Options in New-Product Organization* (New York: Conference Board, 1974).
31. Brian Hindo, "Rewiring Westinghouse," *BusinessWeek*, May 19, 2008, pp. 48–49.
32. Danielle Sacks, Chuck Salter, Alan Deutschman, and Scott Kirsner, "Innovation Scouts," *Fast Company*, May 2007, p. 90; "Ongoing Innovation: Tom Malloy on Sustaining the Relevance and Impact of Adobe's Advanced Technology Labs," *Knowledge@Wharton,* March 21, 2007; Shantanu Narayen, "Connecting the Dots Isn't Enough," *New York Times,* July 18, 2009.
33. Lisa C. Troy, Tanat Hirunyawipada, and Audhesh K. Paswan, "Cross-Functional Integration and New Product Success: An Empirical Investigation of the Findings," *Journal of Marketing* 72 (September 2008), pp. 132–46; Rajesh Sethi, Daniel C. Smith, and C.

Whan Park, "Cross-Functional Product Development Teams, Creativity, and the Innovativeness of New Consumer Products," *Journal of Marketing Research* 38 (February 2001), pp. 73–85.

**34.** Robert G. Cooper, *Winning at New Products: Accelerating the Process from Idea to Launch* (New York: Perseus Publishing, 2001); See also, Robert G. Cooper, "Stage-Gate Systems: A New Tool for Managing New Products," *Business Horizons,* May–June 1990, pp. 44–54; Robert G. Cooper, "The NewProd System: The Industry Experience," *Journal of Product Innovation Management* 9 (June 1992), pp. 113–27.

**35.** Robert G. Cooper, *Product Leadership: Creating and Launching Superior New Products* (New York: Perseus Books, 1998).

**36.** Rajesh Sethi and Zafar Iqbal, "Stage-Gate Controls, Learning Failure, and Adverse Effect on Novel New Products," *Journal of Marketing* 72 (January 2008), pp. 118–34.

**37.** Ely Dahan and John R. Hauser, "Product Development: Managing a Dispersed Process," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 179–222.

**38.** Another alternative approach to the funnel process advocates "rocketing." See, David Nichols, *Return on Ideas* (West Sussex, England: Wiley, 2007).

**39.** Michael Zedalis, "Deploying Stage-Gate on a Global Scale—Critical Elements That Drive Performance" and Charles Gagnon, "Driving Value Creation with the Right Portfolio Mix," talks given at Stage-Gate Leadership Summit 2007.

**40.** John Hauser, Gerard J. Tellis, and Abbie Griffin, "Research on Innovation: A Review and Agenda for Marketing Science," *Marketing Science* 25 (November–December 2006), pp. 687–717.

**41.** Byron Acohido, "Microsoft Cultures Creativity in Unique Lab," *USA Today*, July 11, 2007; Erich Joachimsthaler, *Hidden in Plain Sight: How to Find and Execute Your Company's Next Big Growth Strategy* (Boston: Harvard Business School Press, 2007); Subin Im and John P. Workman Jr., "Market Orientation, Creativity, and New-Product Performance in High-Technology Firms," *Journal of Marketing* 68 (April 2004), pp. 114–32.

**42.** Erich Joachimsthaler, *Hidden in Plain Sight: How to Find and Execute Your Company's Next Big Growth Strategy* (Boston: Harvard Business School Publishing, 2007).

**43.** Henry Chesbrough, *Open Business Models: How to Thrive in the New-Innovation Landscape* (Boston: Harvard University Press, 2006); Eric Von Hippel, *Democratizing Innovation* (Cambridge, MA: MIT Press, 2005); Burt Helm, "Inside a White-Hot Idea Factory," *BusinessWeek*, January 15, 2005, pp. 72–73; C.K. Prahalad and Venkat Ramaswamy, *The Future of Competition: Cocreating Unique Value with Customers* (Boston: Harvard University Press, 2004); Henry Chesbrough, *Open Innovation: The New Imperative for Creating and Profiting from Technology* (Boston: Harvard University Press, 2003).

**44.** Bruce Horovitz, "Marketers Zooming in on Your Daily Routines," *USA Today*, April 30, 2007; Ashwin W. Joshi and Sanjay Sharma, "Customer Knowledge Development: Antecedents and Impact on New-Product Performance," *Journal of Marketing* 68 (October 2004), pp. 47–59.

**45.** Abbie J. Griffin and John Hauser, "The Voice of the Customer," *Marketing Science* 12 (Winter 1993), pp. 1–27.

**46.** Miho Inada, "Tokyo Café Targets Trend Makers," *Wall Street Journal*, August 24, 2008.

**47.** Peter C. Honebein and Roy F. Cammarano, "Customers at Work," *Marketing Management* 15 (January–February 2006), pp. 26–31; Peter C. Honebein and Roy F. Cammarano, *Creating Do-It-Yourself Customers: How Great Customer Experiences Build Great Companies* (Mason, OH: Texere Southwestern Educational Publishing, 2005).

**48.** Jeff Howe, *Crowdsourcing: Why the Power of the Crowd Is Driving the Future of Business* (New York, Crown Business, 2008).

**49.** Guido Jouret, "Inside Cisco's Search for the Next Big Idea," *Harvard Business Review*, September 2009, pp. 43–45; Anya Kamentz, "The Power of the Prize," *Fast Company*, May 2008, pp. 43–45; Cisco, www.cisco.com/web/solutions/iprize/index.html.

**50.** Patricia Seybold, *Outside Innovation: How Your Customers Will Codesign Your Company's Future* (New York: Collins, 2006).

**51.** Helena Yli-Renko and Ramkumar Janakiraman, "How Customer Portfolio Affects New Product Development in Technology-Based Firms, *Journal of Marketing* 72 (September 2008), pp. 131–48; Donna L. Hoffman, Praveen K. Kopalle, and Thomas P. Novak, "The 'Right' Consumers for Better Concepts: Identifying and Using Consumers High in Emergent Nature to Further Develop New Product Concepts," *Journal of Marketing Research* 47 (October 2010), in press.

**52.** Pioneering work in this area is represented by Eric von Hippel, "Lead Users: A Source of Novel Product Concepts," *Management Science* 32 (July 1986), pp. 791–805. Also see Eric von Hippel, *The Sources of Innovation* (New York: Oxford University Press, 1988); Eric von Hippel, *Democratizing Innovation* (Cambridge, MA: MIT Press, 2005); and Pamela D. Morrison, John H. Roberts and David F. Midgley, "The Nature of Lead Users and Measurement of Leading Edge Status," *Research Policy* 33 (2004), pp. 351–62.

**53.** John W. Heinke Jr. and Chun Zhang, "Increasing Supplier-Driven Innovation," *MIT Sloan Management Review* (Winter 2010), pp. 41–46; Eric (Er) Fang, "Customer Participation and the Trade-Off Between New Product Innovativeness and Speed to Market," *Journal of Marketing* 72 (July 2008), pp. 90–104. Note that this research also shows that customer involvement can also slow the development process if a high level of interaction and coordination is required across stages.

**54.** Kevin Zheng Zhou, Chi Kin (Bennett) Yim, and David K. Tse, "The Effects of Strategic Orientations on Technology- and Market-Based Breakthrough

Innovations," *Journal of Marketing* 69 (April 2005), pp. 42–60; Michael Treacy, "Ignore the Consumer," *Advertising Age Point* (September 2005), pp. 15–19.

**55.** Sharon Machlis, "Innovation and the 20% Solution," *Computerworld*, February 2, 2009.

**56.** "The World's Fifty Most Innovative Companies," Special Report, *BusinessWeek*, May 9, 2007.

**57.** Darren W. Dahl and Page Moreau, "The Influence and Value of Analogical Thinking during New-Product Ideation," *Journal of Marketing Research* 39 (February 2002), pp. 47–60; Michael Michalko, *Cracking Creativity: The Secrets of Creative Genius* (Berkeley, CA: Ten Speed Press, 1998); James M. Higgins, *101 Creative Problem-Solving Techniques* (New York: New Management, 1994).

**58.** Philip Kotler and Fernando Trias de Bes, *Lateral Marketing: New Techniques for Finding Breakthrough Ideas* (New York: Wiley, 2003).

**59.** NBC Research, "Friends," *Program Test Report,* May 27, 1994; and NBC's Failing Grade for "Friends," *The Smoking Gun*. May 10, 2004, www.smokinggun.com.

**60.** Olivier Toubia and Laurent Florès, "Adaptive Idea Screening Using Consumers," *Marketing Science* 26 (May–June 2007), pp. 342–60; Melanie Wells, "Have It Your Way," *Forbes*, February 14, 2005.

**61.** David L. Alexander, John G. Lynch Jr., and Qing Wang, "As Time Goes By: Do Cold Feet Follow Warm Intentions for Really New Versus Incrementally New Products," *Journal of Marketing Research* 45 (June 2008), pp. 307–19; Steve Hoeffler, "Measuring Preferences for Really New Products," *Journal of Marketing Research* 40 (November 2003), pp. 406–20.

**62.** Min Zhao, Steve Hoeffler, and Darren W. Dahl, "The Role of Imagination-Focused Visualization on New Product Evaluation," *Journal of Marketing Research* 46 (February 2009), pp. 46–55; Raquel Castano, Mita Sujan, Manish Kacker, Harish Sujan, "Managing Customer Uncertainty in the Adoption of New Products: Temporal Distance and Mental Stimulation," *Journal of Marketing Research* 45 (June 2008), pp. 320–36; Dahl and Moreau, "The Influence and Value of Analogical Thinking during New-Product Ideation," *Journal of Marketing Research* 39; Michelle L. Roehm and Brian Sternthal, "The Moderating Effect of Knowledge and Resources on the Persuasive Impact of Analogies," *Journal of Consumer Research* 28 (September 2001), pp. 257–72; Darren W. Dahl, Amitava Chattopadhyay, and Gerald J. Gorn, "The Use of Visual Mental Imagery in New-Product Design," *Journal of Marketing Research* 36 (February 1999), pp. 18–28.

**63.** Steve Hamm, "Speed Demons," *BusinessWeek*, March 27, 2006, pp. 69–76.

**64.** Jon Fortt, "Heavy Duty Computing," *Fortune*, March 2, 2009, pp. 34–36.

**65.** For additional information, also see David Bakken and Curtis L. Frazier, "Conjoint Analysis: Understanding Consumer Decision Making," Rajiv Grover and Marco Vriens, eds., *The Handbook of Marketing Research* (Thousand Oaks, CA: Sage, 2006); Vithala R. Rao and John R. Hauser, "Conjoint Analysis, Related Modeling, and Application," Yoram Wind and Paul E. Green, eds., *Market Research and Modeling: Progress and Prospects: A Tribute to Paul Green* (New York: Springer, 2004), pp. 141–68; Jordan J. Louviere, David A. Hensher, and Joffre D. Swait, *Stated Choice Models: Analysis and Applications* (New York: Cambridge University Press, 2000); Paul E. Green and V. Srinivasan, "Conjoint Analysis in Marketing: New Developments with Implications for Research and Practice," *Journal of Marketing* 54 (October 1990), pp. 3–19; *Sawtooth Software*. For another approach, see Young-Hoon Park, Min Ding and Vithala R. Rao, "Eliciting Preference for Complex Products: A Web-Based Upgrading Method," *Journal of Marketing Research* 45 (October 2008), pp. 562–74.

**66.** Jerry Wind, Paul Green, Douglas Shifflet, and Marsha Scarbrough, "Courtyard by Marriott: Designing a Hotel Facility with Consumer-Based Marketing Models," *Interfaces* 19 (January–February 1989), pp. 25–47; For another interesting application, see Paul E. Green, Abba M. Krieger, and Terry Vavra, "Evaluating EZ-Pass: Using Conjoint Analysis to Assess Consumer Response to a New Tollway Technology," *Marketing Research* (Summer 1999), pp. 5–16.

**67.** The full-profile example was taken from Paul E. Green and Yoram Wind, "New Ways to Measure Consumers' Judgments," *Harvard Business Review,* July–August 1975, pp. 107–17.

**68.** Peter N. Golder and Gerald J. Tellis, "Will It Ever Fly? Modeling the Takeoff of Really New Consumer Durables," *Marketing Science* 16 (Summer 1997), pp. 256–70; Glen L. Urban, Bruce D. Weinberg, and John R. Hauser, "Premarket Forecasting of Really New Products," *Journal of Marketing* 60 (January 1996), pp. 47–60; Robert Blattberg and John Golany, "Tracker: An Early Test-Market Forecasting and Diagnostic Model for New-Product Planning," *Journal of Marketing Research* 15 (May 1978), pp. 192–202.

**69.** Roger A. Kerin, Michael G. Harvey, and James T. Rothe, "Cannibalism and New-Product Development," *Business Horizons*, October 1978, pp. 25–31.

**70.** The present value ($V$) of a future sum ($I$) to be received $t$ years from today and discounted at the interest rate ($r$) is given by $V = I_t/(1 + r)t$. Thus $4,716,000/(1.15)$^5$ = $2,345,000.

**71.** John Hauser, "House of Quality," *Harvard Business Review,* May–June 1988, pp. 63–73; Customer-driven engineering is also called "quality function deployment." See also, Lawrence R. Guinta and Nancy C. Praizler, *The QFD Book: The Team Approach to Solving Problems and Satisfying Customers through Quality Function Deployment* (New York: AMACOM, 1993); and V. Srinivasan, William S. Lovejoy, and David Beach, "Integrated Product Design for Marketability and Manufacturing," *Journal of Marketing Research* 34 (February 1997), pp. 154–63.

**72.** Tom Peters, *The Circle of Innovation* (New York: Vintage, 1999), p. 96. For more general discussion, see also, Sethi, "New Product Quality and Product Development Teams," *Journal of Marketing* 64 (April 2000), pp. 1–14; Moorman and Miner, "The Convergence of Planning and Execution Improvisation in New-Product Development," pp. 1–20; MacChavan and Graver, "From Embedded Knowledge to Embodied Knowledge," pp. 1–12.

**73.** Kevin J. Clancy, Peter C. Krieg, and Marianne McGarry Wolf, *Marketing New Products Successfully: Using Simulated Test Marketing Methodology* (New York: Lexington Books, 2005); Glen L. Urban, John R. Hauser, and Roberta A. Chicos, "Information Acceleration: Validation and Lessons from the Field," *Journal of Marketing Research* 34 (February 1997), pp. 143–53; V. Mahajan and Jerry Wind, "New Product Models: Practice, Shortcomings, and Desired Improvements," *Journal of Product Innovation Management* 9 (June 1992), pp. 129–39.

**74.** Eyal Biyalogorsky, William Boulding, and Richard Staelin, "Stuck in the Past: Why Managers Persist with New-Product Failures," *Journal of Marketing* 70 (April 2006), pp. 108–21.

**75.** Rajesh Chandy, Brigette Hopstaken, Om Narasimhan, and Jaideep Prabhu, "From Invention to Innovation: Conversion Ability in Product Development," *Journal of Marketing Research* 43 (August 2006), pp. 494–508.

**76.** Remco Prins and Peter C. Verhoef, "Marketing Communication Drivers of Adoption Timing of a New E-Service among Existing Customers," *Journal of Marketing* 71 (April 2007), pp. 169–83.

**77.** For further discussion, see Feryal Erhun, Paulo Conçalves, and Jay Hopman, "The Art of Managing New Product Transitions," *MIT Sloan Management Review* 48 (Spring 2007), pp. 73–80; Yuhong Wu, Sridhar Balasubramanian, and Vijay Mahajan, "When Is a Preannounced New Product Likely to Be Delayed?" *Journal of Marketing* 68 (April 2004), pp. 101–13; Raji Srinivasan, Gary L. Lilien, and Arvind Rangaswamy, "First in First out? The Effects of Network Externalities on Pioneer Survival," *Journal of Marketing* 68 (January 2004), pp. 41–58; Barry L. Bayus, Sanjay Jain, and Ambar Rao, "Truth or Consequences: An Analysis of Truth or Vaporware and New-Product Announcements," *Journal of Marketing Research* 38 (February 2001), pp. 3–13; Thomas S. Robertson, Jehoshua Eliashberg, and Talia Rymon, "New-Product Announcement Signals and Incumbent Reactions," *Journal of Marketing* 59 (July 1995), pp. 1–15; Frank H. Alpert and Michael A. Kamins, "Pioneer Brand Advantages and Consumer Behavior: A Conceptual Framework and Propositional Inventory," *Journal of the Academy of Marketing Science* 22 (Summer 1994), pp. 244–336; Robert J. Thomas, "Timing: The Key to Market Entry," *Journal of Consumer Marketing* 2 (Summer 1985), pp. 77–87.

**78.** Yvonne van Everdingen, Dennis Folk, and Stefan Stremersch, "Modeling Global Spillover in New Product Takeoff," *Journal of Marketing Research* 46 (October 2009), pp. 637–52; Katrijn Gielens and Jan-Benedict E. M. Steenkamp, "Drivers of Consumer Acceptance of New Packaged Goods: An Investigation across Products and Countries," *International Journal of Research in Marketing* 24 (June 2007), pp. 97–111; Marc Fischer, Venkatesh Shankar, and Michael Clement, "Can a Late Mover Use International Market Entry Strategy to Challenge the Pioneer?" Marketing Science Institute Working Paper 05-118, Cambridge, MA; Venkatesh Shankar, Gregory S. Carpenter, and Lakshman Krishnamukthi, "Late Mover Advantages: How Innovative Late Entrants Outsell Pioneers," *Journal of Marketing Research* 35 (February 1998), pp. 54–70.

**79.** Philip Kotler and Gerald Zaltman, "Targeting Prospects for a New Product," *Journal of Advertising Research* (February 1976), pp. 7–20.

**80.** Mark Leslie and Charles A. Holloway, "The Sales Learning Curve," *Harvard Business Review,* July–August 2006, pp. 114–23.

**81.** For details, see Keith G. Lockyer, *Critical Path Analysis and Other Project Network Techniques* (London: Pitman, 1984); see also; Arvind Rangaswamy and Gary L. Lilien, "Software Tools for New-Product Development," *Journal of Marketing Research* 34 (February 1997), pp. 177–84.

**82.** The following discussion leans heavily on Everett M. Rogers, *Diffusion of Innovations* (New York: Free Press, 1962). Also see his third edition, published in 1983.

**83.** C. Page Moreau, Donald R. Lehmann, and Arthur B. Markman, "Entrenched Knowledge Structures and Consumer Response to New Products," *Journal of Marketing Research* 38 (February 2001), pp. 14–29.

**84.** John T. Gourville, "Eager Sellers & Stony Buyers," *Harvard Business Review,* June 2006, pp. 99–106.

**85.** Chuan-Fong Shih and Alladi Venkatesh, "Beyond Adoption: Development and Application of a Use-Diffusion Model," *Journal of Marketing* 68 (January 2004), pp. 59–72.

**86.** Michal Herzenstein, Steven S. Posavac, and J. Joško Brakuz, "Adoption of New and Really New Products: The Effects of Self-Regulation Systems and Risk Salience," *Journal of Marketing Research* 44 (May 2007), pp. 251–60; Christophe Van den Bulte and Yogesh V. Joshi, "New-Product Diffusion with Influentials and Imitators," *Marketing Science* 26 (May–June 2007), pp 400–21; Steve Hoeffler, "Measuring Preferences for Really New Products," *Journal of Marketing Research* 40 (November 2003), pp. 406–20.

**87.** Everett M. Rogers, *Diffusion of Innovations* (New York: Free Press, 1962), p. 192; Geoffrey A. Moore, *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers* (New York: HarperBusiness, 1999); For an interesting application with services, see Barak Libai, Eitan Muller, and Renana Peres, "The Diffusion of Services," *Journal of Marketing Research* 46 (April 2009), pp. 163–75.

**88.** A. Parasuraman and Charles L. Colby, *Techno-Ready Marketing* (New York: Free Press, 2001); Jakki Mohr, *Marketing of High-Technology Products and Innovations* (Upper Saddle River, NJ: Prentice Hall, 2001).

**89.** Jordan Robertson, "How Nike Got Street Cred," *Business 2.0,* May 2004, pp. 43–46.

**90.** Cliff Edwards, "Will Souping Up TiVo Save It?" *BusinessWeek,* May 17, 2004, pp. 63–64; Cliff Edwards, "Is TiVo's Signal Still Fading?" *BusinessWeek,* September 10, 2001, pp. 72–74.

**91.** Fareena Sultan, John U. Farley, and Donald R. Lehman, "Reflection on 'A Meta-Analysis of Applications of Diffusion Models,'" *Journal of Marketing Research* 33 (May 1996), pp. 247–49; Vijay Mahajan, Eitan Muller, and Frank M. Bass, "Diffusion of New Products: Empirical Generalizations and Managerial Uses," *Marketing Science* 14 (Summer 1995), pp. G79–G89; Minhi Hahn, Sehoon Park, and Andris A. Zoltners, "Analysis of New-Product Diffusion Using a Four-Segment Trial-Repeat Model," *Marketing Science* 13 (Summer 1994), pp. 224–47; Hubert Gatignon and Thomas S. Robertson, "A Propositional Inventory for New Diffusion Research," *Journal of Consumer Research* 11 (March 1985), pp. 849–67.

## Chapter 21

**1.** Mehul Srivastava, "What the Nano Means to India," *BusinessWeek*, May 11, 2009, pp. 60–61; Steve Hamm, "IBM vs. Tata: Which Is More American?" *BusinessWeek*, May 5, 2008, p. 28; Manjeet Kirpalani, "Tata: The Master of The Gentle Approach," *BusinessWeek*, February 25, 2008, pp. 64–66; Kevin Maney, "Model T(ata)," *Condé Nast Portfolio*, February 2008, pp. 35–36; David Welch and Nandini Lakshman, "My Other Car Is a Tata," *BusinessWeek*, January 14, 2008, pp. 33–34; Robyn Meredith, "The Next People's Car," *Forbes*, April 16, 2007, pp. 70–74; Pete Engardo, "The Last Rajah," *BusinessWeek*, August 13, 2007, pp. 46–51.

**2.** Michael Elliott, "The New Global Opportunity, *Fortune*, July 5, 2010, pp. 96–102.

**3.** Alex Taylor III, "The New Motor City," *Fortune*, October 27, 2008, pp. 166–172.

**4.** David Kiley, "Baseball, Apple Pie . . . and Mihindra?" *BusinessWeek*, November 5, 2007, pp. 61–63.

**5.** Michael Arndt, "Invasion of the Guatemalan Chicken," *Bloomberg BusinessWeek*, March 22 and 29, 2010, pp. 72–73.

**6.** Michael E. Porter, *Competitive Strategy* (New York: Free Press, 1980), p. 275.

**7.** Alex Taylor III, "Hyundai Smokes the Competition," *Fortune*, January 18, 2010, pp. 62–71; Moon Ihlwan and David Kiley, "Hyundai Gains with Marketing Blitz, *BusinessWeek*, September 17, 2009; Moon Ihlwan and David Kiley," "Hyundai Floors It in the U.S.," *BusinessWeek*, February 27, 2009, pp. 30–31.

**8.** Charles P. Wallace, "Charge!" *Fortune,* September 28, 1998, pp. 189–96; World Trade Organization, www.wto.org.

**9.** For a comprehensive treatment, see Philip R. Cateora, Mary C. Gilly, and John L. Graham, *International Marketing* (New York: McGraw-Hill/Irwin, 2009).

**10.** "US Export Fact Sheet," *International Trade Administration,* http:// trade.gov/press/press_releases/2009/export-factsheet_021109.pdf.

**11.** Jan Johanson and Finn Wiedersheim-Paul, "The Internationalization of the Firm," *Journal of Management Studies* 12 (October 1975), pp. 305–22.

**12.** Michael R. Czinkota and Ilkka A. Ronkainen, *International Marketing,* 9th ed. (Cincinnati, OH: South-Western Cengage Learning, 2010).

**13.** For a thorough review of academic research on global marketing, see Johny K. Johansson, "Global Marketing: Research on Foreign Entry, Local Marketing, Global Management," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 457–83. Also see Johny K. Johansson, *Global Marketing,* 5th ed. (New York: McGraw-Hill, 2009). For some global marketing research issues, see C. Samuel Craig and Susan P. Douglas, *International Marketing Research,* 3rd ed. (Chichester, UK: John Wiley & Sons, 2005).

**14.** Marc Gunther, "The World's New Economic Landscape," *Fortune*, July 26, 2010, pp. 105–106.

**15.** According to the *CIA World Factbook* (www.cia.gov/library/publications/the-world-factbook/ index.html), there are 34 developed countries: Andorra, Australia, Austria, Belgium, Bermuda, Canada, Denmark, Faroe Islands, Finland, France, Germany, Greece, Holy See, Iceland, Ireland, Israel, Italy, Japan, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States. They note that DCs are similar to the new International Monetary Fund (IMF) term "*advanced economies*" that adds Hong Kong, South Korea, Singapore, and Taiwan but drops Malta, Mexico, South Africa, and Turkey.

**16.** Satish Shankar, Charles Ormiston, Nicolas Bloch, Robert Schaus, and Vijay Vishwanath, "How to Win in Emerging Markets," *MIT Sloan Management Review* (April 2008).

**17.** "Kraft Revamps Developing Markets after Cadbury," *Reuters*, June 30, 2010; Ned Douthat, "Tupperware Seals Up Growth in Emerging Markets," *Forbes*, www.forbes.com, April 21, 2010.

**18.** Tom Mulier and Shin Pei, "Nestle's $28.1 Billion Payday Gives Google-Size Cash," *Bloomberg BusinessWeek*, June 30, 2010.

**19.** "World Population to Exceed 9 Billion by 2050," press release, *United Nations*, www.un.org, March 11, 2009; "2008 World Population Data Sheet," *Population Reference Bureau*, www.pbr.org.

**20.** Adapted from Vijay Mahajan, Marcos V. Pratini De Moraes, and Jerry Wind, "The Invisible Global Market," *Marketing Management* (Winter 2000), pp. 31–35. See also, Joseph Johnson and Gerard J. Tellis, "Drivers of Success for Market Entry into China and India," *Journal of Marketing* 72 (May 2008), pp. 1–13; Tarun Khanna and Krishna G. Palepu, "Emerging Giants: Building

World-Class Companies in Developing Countries," *Harvard Business Review,* October 2006, pp. 60–69.

**21.** C. K. Prahalad, *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits* (Upper Saddle River, NJ: Wharton School Publishing, 2005); Niraj Dawar and Amitava Chattopadhyay, "Rethinking Marketing Programs for Emerging Markets," *Long Range Planning* 35 (October 2002).

**22.** Bart J. Bronnenberg, Jean-Pierre Dubé, and Sanjay Dhar, "Consumer Packaged Goods in the United States: National Brands, Local Branding," *Journal of Marketing Research* 44 (February 2007), pp. 4–13; Bart J. Bronnenberg, Jean-Pierre Dubé, and Sanjay Dhar, "National Brands, Local Branding: Conclusions and Future Research Opportunities," *Journal of Marketing Research* 44 (February 2007), pp. 26–28; Bart J. Bronnenberg, Sanjay K. Dhar, and Jean-Pierre Dubé, "Brand History, Geography, and the Persistence of CPG Brand Shares," *Journal of Political Economy* 117 (February 2009), pp. 87–115.

**23.** David Michael and Arindam Bhattacharya, "The BCG 50 Local Dynamos: How Dynamic RDE-Based Companies Are Mastering Their Home Markets—and What MNCs Need to Learn from Them," Boston Consulting Group, *BCG Report*, March 2008; "The Stay-at-Home Giants," *Economist*, March 15, 2008, p. 78; "In Emerging Markets 'Local Dynamos' Are Challenging Big Multinationals," *Manufacturing & Technology News*, April 17, 2008.

**24.** Manjeet Kripalani, "Finally, Coke Gets It Right," *BusinessWeek,* February 10, 2003, p. 47; Manjeet Kripalani, "Battling for Pennies in India's Villages," *BusinessWeek,* June 10, 2002, p. 22.

**25.** Carlos Niezen and Julio Rodriguez, "Distribution Lessons from Mom and Pop," *Harvard Business Review*, April 2008; "Sweet Surrender: Can Kraft's Cadbury Acquisition Help It Tap the Indian Market?" *Knowledge@Wharton,* February 25, 2010.

**26.** Clayton M. Christensen, Stephen Wunker, and Hari Nair, "Innovation vs. Poverty," *Forbes*, October 13, 2008.

**27.** Ellen Byron, "P&G's Global Target: Shelves of Tiny Stores," *Wall Street Journal*, July 16, 2007; "Not So Fizzy," *Economist,* February 23, 2002, pp. 66–67; Rajeev Batra, Venkatram Ramaswamy, Dana L. Alden, Jan-Benedict E. M. Steenkamp, and S. Ramachander, "Effects of Brand Local and Nonlocal Origin on Consumer Attitudes in Developing Countries," *Journal of Consumer Psychology* 9 (2000), pp. 83–95.

**28.** Bruce Einhorn, "Grudge Match in China," *BusinessWeek*, April 2, 2007, pp. 42–43; Russell Flannery, "Watch Your Back," *Forbes*, April 23, 2007, pp. 104–5; Steve Hamm and Dexter Roberts, "China's First Global Capitalist," *BusinessWeek*, December 11, 2006, pp. 52–57; "The Fast and the Furious," *Economist*, November 25, 2006, pp. 63–64.

**29.** Jenny Mero, "John Deere's Farm Team," *Fortune*, April 14, 2008, pp. 119–24.

**30.** Peter J. Williamson and Ming Zeng, "Value for Money Strategies for Recessionary Times," *Harvard Business Review*, March 2009, pp. 66–74; Vikram Skula, "Business Basics at the Base of the Pyramid," *Harvard Business Review*, June 2008, pp. 53–57.

**31.** Johny K. Johansson, "Global Marketing: Research on Foreign Entry, Local Marketing, Global Management," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 457–83.

**32.** Jennifer Cirillo, "Western Europe Is Buzzing," *Beverage World*, June 2010, pp. 22–24.

**33.** Bernard Condon, "Babble Rouser," *Forbes*, August 11, 2008, pp. 72–77.

**34.** Bechtel, www.bechtel.com/overview.html; Jack Ewing, "Bechtel Drives a Highway through the Heart of Transylvania," *BusinessWeek*, January 7, 2008.

**35.** For an academic review, see Leonidas C. Leonidou, Constantine S. Katsikeas, and Nigel F. Piercy, "Identifying Managerial Influences on Exporting: Past Research and Future Directions," *Journal of International Marketing* 6 (Summer 1998), pp. 74–102.

**36.** Karen Cho, "KFC China's Recipe for Success," *Forbes India*, October 28, 2009; "Brands annual report 2009," *Yum!* www.yum.com/annualreport/pdf/2009AnnualReport. pdf; Michael Arndt and Dexter Roberts, "A Finger-Lickin' Good Time in China," *BusinessWeek*, October 30, 2006, p. 50; "Cola down Mexico Way," *Economist,* October 11, 2003, pp. 69–70.

**37.** Claudia H. Deutsch, "The Venturesome Giant," *New York Times*, October 5, 2007.

**38.** Vikram Mahidhar, Craig Giffi, and Ajit Kambil with Ryan Alvanos, "Rethinking Emerging Market Strategies," *Deloitte Review*, Issue 4, 2009.

**39.** "Burgers and Fries a la Francaise," *Economist,* April 17, 2004, pp. 60–61; Johny K. Johansson, "Global Marketing: Research on Foreign Entry, Local Marketing, Global Management," Bart Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 457–83; Shaoming Zou and S. Tamer Cavusgil, "The GMS: A Broad Conceptualization of Global Marketing Strategy and Its Effect on Firm Performance," *Journal of Marketing* 66 (October 2002), pp. 40–56; "What Makes a Company Great?" *Fortune,* October 26, 1998, pp. 218–26; Bernard Wysocki Jr., "The Global Mall: In Developing Nations, Many Youths Splurge, Mainly on U.S. Goods," *Wall Street Journal,* June 26,1997; David M. Szymanski, Sundar G. Bharadwaj, and P. Rajan Varadarajan, "Standardization versus Adaptation of International Marketing Strategy: An Empirical Investigation," *Journal of Marketing* 57 (October 1993), pp.1–17; Theodore Levitt, "The Globalization of Markets," *Harvard Business Review,* May–June 1983, pp. 92–102.

**40.** Gail Edmondson, "Skoda Means Quality. Really," *BusinessWeek*, October 1, 2007, p. 46. Some of the more popular jokes from the past: "How do you double the value of a Škoda? Fill up the gas tank." "What do you call a Skoda with a sunroof? A dumpster." and "Why do you need a rear-window defroster on a Skoda? To keep your hands warm when pushing it."

**41.** For some research method issues in adapting surveys to different cultures, see Martijn G. de Jong, Jan-Benedict E. M. Steenkamp, and Bernard P. Veldkamp, “A Model for the Construction of Country-Specific Yet Internationally Comparable Short-Form Marketing Scales,” *Marketing Science* 28 (July–August 2009), pp. 674–89.

**42.** Nigel Hollis, *The Global Brand* (New York: Palgrave Macmillan, 2008); Nigel Hollis, “Going Global? Better Think Local Instead,” *Brandweek*, December 1, 2008, p. 14.

**43.** “U.S. Soft Drink Consumption on the Decline,” *Reuters,* August 24, 2009; *The Economist: Pocket World in Figures* (Profile Books: London, 2009).

**44.** For some recent examples, see Ana Valenzuela, Barbara Mellers, and Judi Stebel, “Pleasurable Surprises: A Cross-Cultural Study of Consumer Responses to Unexpected Incentives,” *Journal of Consumer Research* 36 (February 2010), pp. 792–805; Tuba Üstüner and Douglas B. Holt, “Toward a Theory of Status Consumption in Less Industrialized Countries,” *Journal of Consumer Research* 37 (June 2010), pp. 37–56; Praveen K. Kopalle, Donald R. Lehmann, and John U. Farley, “Consumer Expectations and Culture: The Effect of Belief in Karma in India,” *Journal of Consumer Research* 37 (August 2010), pp. 251–63.

**45.** Geert Hofstede, *Culture’s Consequences* (Beverley Hills, CA: Sage, 1980).

**46.** D. A. Aaker and Erich Joachimsthaler, “The Lure of Global Branding,” *Harvard Business Review*, 37 (November 1999), pp. 137–44.

**47.** For some in-depth treatments of branding in Asia in particular, see S. Ramesh Kumar, *Marketing & Branding: The Indian Scenario* (Delhi: Pearson Education, 2007); Martin Roll, *Asian Brand Strategy: How Asia Builds Strong Brands* (New York: Palgrave MacMillan, 2006); Paul Temporal, *Branding in Asia: The Creation, Development, and Management of Asian Brands for the Global Market* (Singapore: John Wiley & Sons, 2001).

**48.** Michael Arnt, “Knock Knock, It’s Your Big Mac,” *BusinessWeek*, July 23, 2007, p. 36; Lulu Raghavan, “Lessons from the Maharaja Mac: Five Rules for Entering the Indian Market,” *Landor Associates*, www.landor.com, December 2007.

**49.** Deepa Chandrasekaran and Gerard J. Tellis, “Global Takeoff of New Products: Culture, Wealth, or Vanishing Differences?” *Marketing Science* 27 (September–October 2008), pp. 844–60.

**50.** Leila Abboud, “Philips Widens Marketing Push in India,” *Wall Street Journal*, March 20, 2009.

**51.** Walter J. Keegan and Mark C. Green, *Global Marketing*, 4th ed. (Upper Saddle River, NJ: Prentice Hall, 2005); Warren J. Keegan, *Global Marketing Management,* 7th ed. (Upper Saddle River, NJ: Prentice Hall, 2002).

**52.** Paulo Prada and Bruce Orwall, “A Certain ‘Je Ne Sais Quoi’ at Disney’s New Park,” *Wall Street Journal,* March 12, 2003.

**53.** Ralf van der Lans, Joseph A. Cote, Catherine A. Cole, Siew Meng Leong, Ale Smidts, Pamela W. Henderson, Christian Bluemelhuber, Paul A. Bottomley, John R. Doyle, Alexander Fedorikhin, Janakiraman Moorthy, B. Ramaseshan, and Bernd H. Schmitt,” Cross-National Logo Evaluation Analysis: An Individual-Level Approach,” *Marketing Science* 28 (September–October 2009), pp. 968–85.

**54.** F. C. (Frank) Hong, Anthony Pecotich, and Clifford J. Shultz II, “Language Constraints, Product Attributes, and Consumer Perceptions in East and Southeast Asia,” *Journal of International Marketing* 10 (June 2002), pp. 29–45.

**55.** Mark Lasswell, “Lost in Translation,” *Business 2.0,* August 2004, pp. 68–70; Richard P. Carpenter and the *Globe* Staff, “What They Meant to Say Was . . .,” *Boston Globe,* August 2, 1998.

**56.** For an interesting distinction based on the concept of global consumer culture positioning, see Dana L. Alden, Jan-Benedict E. M. Steenkamp, and Rajeev Batra, “Brand Positioning through Advertising in Asia, North America, and Europe: The Role of Global Consumer Culture,” *Journal of Marketing* 63 (January 1999), pp. 75–87.

**57.** Thomas J. Madden, Kelly Hewett, and Martin S. Roth, “Managing Images in Different Cultures: A Cross-National Study of Color Meanings and Preferences,” *Journal of International Marketing* 8 (Winter 2000), pp. 90–107; Zeynep Gürhan-Canli and Durairaj Maheswaran, “Cultural Variations in Country-of-Origin Effects,” *Journal of Marketing Research* 37 (August 2000), pp. 309–17.

**58.** Geoffrey Fowler, Brian Steinberg, and Aaron O. Patrick, “Globalizing Apple’s Ads,” *Wall Street Journal*, March 1, 2007; Joan Voight, “Best Campaign of the Year: Apple “Mac vs. PC,” *Adweek*, July 17, 2007.

**59.** See, for example, Haksin Chan, Lisa C. Wan, and Leo Y. M. Shin, “The Contrasting Effects of Culture on Consumer Tolerance: Interpersonal Face and Impersonal Fate,” *Journal of Consumer Research* 36 (August 2009), pp. 292–304.

**60.** Aradhna Krishna and Rohini Ahluwalia, “Language Choice in Advertising to Bilinguals: Asymmetric Effects for Multinationals versus Local Firms,” *Journal of Consumer Research* 35 (December 2008), pp. 692–705.

**61.** Normandy Madden, “Crossing Borders by Building Relationships,” *Advertising Age*, October 13, 2008, p. 32.

**62.** Preeti Khicha, “Building Brands in Rural India,” *Brandchannel,* www.brandchannel.com, October 8, 2007.

**63.** John L. Graham, Alma T. Mintu, and Waymond Rogers, “Explorations of Negotiations Behaviors in Ten Foreign Cultures Using a Model Developed in the United States,” *Management Science* 40 (January 1994), pp. 72–95.

**64.** Price perceptions may differ too, see Lisa E. Bolton, Hean Tat Keh, and Joseph W. Alba, “How Do Price Fairness Perceptions Differ Across Culture?” *Journal of Marketing Research* 47 (June 2010), pp. 564–76.

**65.** David Pierson, "Beijing Loves IKEA—But Not for Shopping," *Los Angeles Times*, August 25, 2009; Mei Fong, "IKEA Hits Home in China: The Swedish Design Giant, Unlike Other Retailers, Slashes Prices for the Chinese," *Wall Street Journal,* March 3, 2006, p. B1.

**66.** Companies often fight back, however, and legally contest the imposition of any duties. After several years, the Chinese government was eventually able to overturn the duties slapped on the off-road tire makers. See "Commerce Finds Unfair Dumping of Off-Road Tires from China," *International Trade Association*, February 6, 2008; "Ministry: China Pleased U.S. Overturned Duties on its Off-Road Tires," *People's Daily*, August 17, 2010.

**67.** AGMA, "KPMG/AGMA Survey Projects Global 'Global Market' of $58 Billion for Information Technology Manufacturers," *KPMG,* www.kpmg.com, December 11, 2008.

**68.** David Blanchard, "Just in Time—How to Fix a Leaky Supply Chain," *IndustryWeek,* May 1, 2007.

**69.** Kersi D. Antia, Mark E. Bergen, Shantanu Dutta, and Robert J. Fisher, "How Does Enforcement Deter Gray Market Incidence?" *Journal of Marketing* 70 (January 2006), pp. 92–106; Matthew B. Myers and David A. Griffith, "Strategies for Combating Gray Market Activity," *Business Horizons* 42 (November–December 1999), pp. 2–8.

**70.** Brian Grow, Chi-Chu Tschang, Cliff Edwards, and Brian Burnsed, "Dangerous Fakes," *BusinessWeek*, October 8, 2008; Brian Burnsed, "The Most Counterfeited Products," *Businessweek,* www.businessweek. com, October 8, 2008.

**71.** "IPR Seizure Statistics," *US Department of Homeland Security,* www.cbp.gov/xp/cgov/trade/priority_trade/ipr/pubs/seizure/, December 9, 2010.

**72.** Eric Shine, "Faking Out the Fakers," *BusinessWeek,* June 4, 2007, pp. 76–80.

**73.** Deborah Kong, "Smart Tech Fights Fakes," *Business 2.0*, March 2007, p. 30.

**74.** David Arnold, "Seven Rules of International Distribution," *Harvard Business Review,* November–December 2000, pp. 131–37.

**75.** Ibid.

**76.** Katrijn Gielens, Linda M. Van De Gucht, Jan-Benedict E.M. Steenkamp, and Marnik G. Dekimpe, "Dancing with a Giant: The Effect of Wal-Mart's Entry into the United Kingdom on the Performance of European Retailers," *Journal of Marketing Research* 45 (October 2008), pp. 519–34.

**77.** Noreen O'Leary, "Infiniti Plays Up Japanese Heritage in Global Campaign," *Brandweek*, February 15, 2010, p. 5.

**78.** "The Shock of Old," *Economist,* July 13, 2002, p. 49.

**79.** "From Fantasy Worlds to Food," *Economist*, November 11, 2006, p. 73; "A New Sort of Beauty Contest," *Economist*, November 11, 2006, p. 68.

**80.** Flora Bagenal and John Harlow, "Borat Make Benefit Kazakh Tourist Boom," *Sunday Times*, December 3, 2006; Lisa Minot, "Borat Causes Tourism Boom," *The Sun*, March 5, 2007; "Borat 'Boosted Kazakh Tourism,'" *ABC News*, www.abc.net.au, November 13, 2008.

**81.** Jim Rendon, "When Nations Need a Little Marketing," *New York Times,* November 23, 2003.

**82.** Joanna Kakissis, "Vacationers Rethink Greece Amid Debt Crisis," *National Public Radio*, www.npr.org, June 22, 2010; Elena Becatoros, "Greece's Tourism Industry Under Threat," *MSNBC*, www.msnbc.com, June 15, 2010.

**83.** Zeynep Gurhan-Canli and Durairaj Maheswaran, "Cultural Variations in Country-of-Origin Effects," *Journal of Marketing Research* 37 (August 2000), pp. 309–17. For some different related issues, see also Lily Dong and Kelly Tian, "The Use of Western Brands in Asserting Chinese National Identity," *Journal of Consumer Research* 36 (October 2009), pp. 504–23; Yinlong Zhang and Adwait Khare, "The Impact of Accessible Identities on the Evaluation of Global versus Local Products," *Journal of Consumer Research* 36 (October 2009), pp. 524–37; Rohit Varman and Russell W. Belk, "Nationalism and Ideology in an Anticonsumption Movement," *Journal of Consumer Research* 36 (December 2009), pp. 686–700.

**84.** Douglas B. Holt, John A. Quelch, and Earl L. Taylor, "How Global Brands Compete," *Harvard Business Review* 82, September 2004, pp. 68–75; Jan-Benedict E. M. Steenkamp, Rajeev Batra, and Dana L. Alden, "How Perceived Brand Globalness Creates Brand Value," *Journal of International Business Studies* 34 (January 2003), pp. 53–65.

**85.** Gürhan-Canli and Maheswaran "Cultural Variations in Country-of-Origin Effects"; Johny K. Johansson, "Global Marketing: Research on Foreign Entry, Local Marketing, Global Management," Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 457–83; "Old Wine in New Bottles," *Economist,* February 21, 1998, p. 45; Johny K. Johansson, "Determinants and Effects of the Use of 'Made in' Labels," *International Marketing Review (UK)* 6 (January 1989), pp. 47–58; Warren J. Bilkey and Erik Nes, "Country-of-Origin Effects on Product Evaluations," *Journal of International Business Studies* 13 (Spring–Summer 1982), pp. 89–99.

**86.** Kimberly Weisul, "Why More Are Buying into 'Buy Local,'" *Bloomberg BusinessWeek*, March 1, 2010, pp. 57–60.

**87.** Jathon Sapsford and Norihiko Shirouzo, "Mom, Apple Pie and . . . Toyota?" *Wall Street Journal*, May 11, 2006.

**88.** Kenneth Hein, "Emerging Markets Still Like U.S. Brands," *Brandweek,* April 16, 2007, p. 4.

**89.** For additional discussion, see "Strengthening Brand America," *The Burghard Group*, www.strengtheningbrandamerica.com, December 9, 2010.

**90.** Joel Backaler, "Haier: A Chinese Company That Innovates," *China Tracker*, www.forbes.com, June 17, 2010; Zhang Ruimin, "Voices from China," *Forbes*, September 28, 2009.

**91.** Rajdeep Grewal, Murali Chandrashekaran, and F. Robert Dwyer, "Navigating Local Environments with

Global Strategies: A Contingency Model of Multinational Subsidiary Performance," *Marketing Science* 27 (September–October 2008), pp. 886–902. Christopher A. Bartlett and Sumantra Ghoshal, *Managing across Borders* (Cambridge, MA: Harvard Business School Press, 1989).

**92.** Moon Ihlwan, "The Foreigners at the Top of LG," *BusinessWeek*, December 22, 2008, pp. 56–57.

**93.** Jim Murphy, "The Jack's Eye-View on Marketing a Global Brand Locally," talk given at *The Beverage Forum*, New York, NY, May 20, 2009.

**94.** Betsy McKay, "Coke Hunts for Talent to Re-Establish Its Marketing Might," *Wall Street Journal,* March 6, 2002.

**95.** David Kiley, "Ghosn Hits the Accelerator," *BusinessWeek*, May 1, 2008.

## Chapter 22

**1.** Mark Borden and Anya Kamentz, "The Prophet CEO," *Fast Company*, September 2008, pp. 126–29; Tara Weiss, "Special Report: Going Green," *Forbes.com.* Forbes.com, July 3, 2007; Matthew Grimm, "Progressive Business," *Brandweek*, November 28, 2005, pp. 16–26; Kate Galbraith, "Timberland's New Footprint: Recycled Tires," *New York Times,* April 3, 2009; Aman Singh, "Timberland's Smoking Ban: Good Corporate Citizenship or Overkill?" *Forbes,* June 3, 2010; Amy Cortese, "Products; Friend of Nature? Let's See Those Shoes," *New York Times,* March 6, 2007; Timberland, www.timberland.com.

**2.** Christopher Vollmer, *Always On: Advertising, Marketing, and Media in an Era of Consumer Control* (New York: McGraw-Hill, 2008).

**3.** For additional analysis and discussion, see Philip Kotler, Hermawan Karatajaya, and Iwan Setiawan, *Marketing 3.0: From Products to Consumers to the Human Spirit* (Hoboken, NJ: Wiley, 2010).

**4.** Devin Leonard, "The New Abnormal," *Bloomberg BusinessWeek*, August 2–August 10, 2010, pp. 50–55; Noreen O'Leary, "CMOs Face New Reality," *Adweek*, August 11, 2010.

**5.** John Gerzema and Michael D'Antonio, *Spend Shift: How the Post-Crisis Values Revolution Is Changing the Way We Buy, Sell, and Live* (San Francisco: Jossey-Bass, 2010).

**6.** John A. Quelch and Katherine E. Jocz, *Greater Good: How Good Marketing Makes for Better Democracy* (Boston, MA: Harvard Business School Press, 2007).

**7.** Clay Chandler, "Full Speed Ahead," *Fortune,* February 7, 2005, pp. 78–84; "What You Can Learn from Toyota," *Business 2.0,* January–February 2005, pp. 67–72; Keith Naughton, "Red, White, and Bold," *Newsweek,* April 25, 2005, pp. 34–36.

**8.** For some thoughtful academic perspectives on marketing strategy and tactics, see *Kellogg on Integrated Marketing,* Dawn Iacobucci and Bobby Calder, eds. (New York: Wiley, 2003); and *Kellogg on Marketing,* Dawn Iacobucci, ed. (New York: Wiley, 2001).

**9.** For a broad historical treatment of marketing thought, see D. G. Brian Jones and Eric H. Shaw, "A History of Marketing Thought," Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 39–65; for more specific issues related to the interface between marketing and sales, see Christian Homburg, Ove Jensen, and Harley Krohmer, "Configurations of Marketing and Sales: A Taxonomy," *Journal of Marketing* 72 (March 2008), pp. 133–54.

**10.** Frederick E. Webster Jr., "Expanding Your Network," *Marketing Management* (Fall 2010), pp. 16–23; Frederick E. Webster Jr., Alan J. Malter, and Shankar Ganesan, "Can Marketing Regain Its Seat at the Table?" *Marketing Science Institute Report No. 03-113* (Cambridge, MA: Marketing Science Institute, 2003); Frederick E. Webster Jr., "The Role of Marketing and the Firm," Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 39–65.

**11.** Jan Wieseke, Michael Ahearne, Son K. Lam, and Rolf van Dick, "The Role of Leaders in Internal Marketing," *Journal of Marketing* 73 (March 2009), pp. 123–45; Hamish Pringle and William Gordon, *Beyond Manners: How to Create the Self-Confident Organisation to Live the Brand* (West Sussex, England: John Wiley & Sons, 2001); John P. Workman Jr., Christian Homburg, and Kjell Gruner, "Marketing Organization: An Integrative Framework of Dimensions and Determinants," *Journal of Marketing* 62 (July 1998), pp. 21–41.

**12.** Grant McKracken, *Chief Culture Officer: How to Create a Living Breathing Corporation* (New York: Basic Books, 2009).

**13.** Todd Guild, "Think Regionally, Act Locally: Four Steps to Reaching the Asian Consumer," *McKinsey Quarterly* 4 (September 2009), pp. 22–30.

**14.** "State and Country Quick Facts," *U.S. Census Bureau*, http://quickfacts.census.gov/qfd/states/12/12086.html.

**15.** "Category Management Goes beyond Grocery," *Cannondale Associates White Paper,* www.cannondaleassoc.com, February 13, 2007; Laurie Freeman, "P&G Widens Power Base: Adds Category Managers," *Advertising Age*; Michael J. Zenor, "The Profit Benefits of Category Management," *Journal of Marketing Research* 31 (May 1994), pp. 202–13; Gerry Khermouch, "Brands Overboard," *Brandweek,* August 22, 1994, pp. 25–39; Zachary Schiller, "The Marketing Revolution at Procter & Gamble," *BusinessWeek,* July 25, 1988, pp. 72–76.

**16.** For some further reading on the origins of category management, see Robert Dewar and Don Shultz, "The Product Manager, an Idea Whose Time Has Gone," *Marketing Communications* (May 1998), pp. 28–35; George S. Low and Ronald A. Fullerton, "Brands, Brand Management, and the Brand Manager System: A Critical Historical Evaluation," *Journal of Marketing Research* 31 (May 1994), pp. 173–90; Michael J. Zanor, "The Profit Benefits of Category Management," *Journal of Marketing Research* 31 (May 1994), pp. 202–13.

**17.** D. Gail Fleenor, "The Next Space Optimizer," *Progressive Grocer*, March 2009.

**18.** Larry Selden and Geoffrey Colvin, *Angel Customers & Demon Customers* (New York: Portfolio [Penguin], 2003).

**19.** For an in-depth discussion of issues around implementing a customer-based organization on which much of this paragraph is based, see George S. Day, “Aligning the Organization with the Market,” *MIT Sloan Management Review* 48 (Fall 2006), pp. 41–49.

**20.** Frederick E. Webster Jr., “The Role of Marketing and the Firm,” Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 39–65.

**21.** For research on the prevalence of CMOs, see Pravin Nath and Vijay Mahajan, “Chief Marketing Officers: A Study of Their Presence in Firms’ Top Management Teams,” *Journal of Marketing* 72 (January 2008), pp. 65–81. For more discussion on the importance of CMOs, see David A. Aaker, *Spanning Silos: The New CMO Imperative* (Boston: Harvard Business School Press, 2008).

**22.** For some classic perspectives, see Benson P. Shapiro, “Can Marketing and Manufacturing Coexist?” *Harvard Business Review*, September– October 1977, pp. 104–14. Also see Robert W. Ruekert and Orville C. Walker Jr., “Marketing’s Interaction with Other Functional Units: A Conceptual Framework with Other Empirical Evidence,” *Journal of Marketing* 51 (January 1987), pp. 1–19.

**23.** For more on creativity, see Pat Fallon and Fred Senn, *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage* (Boston: Harvard Business School Press, 2006); Bob Schmetterer, *Leap: A Revolution in Creative Business Strategy* (Hoboken, NJ: Wiley, 2003); Jean-Marie Dru, *Beyond Disruption: Changing the Rules in the Marketplace* (Hoboken, NJ: Wiley, 2002); Michael Michalko, *Cracking Creativity: The Secrets of Creative Genius* (Berkeley, CA: Ten Speed Press, 1998); James M. Higgins, *101 Creative Problem-Solving Techniques* (New York: New Management Publishing, 1994); and all the books by Edward DeBono.

**24.** Gary Hamel, *Leading the Revolution* (Boston: Harvard Business School Press, 2000).

**25.** Jagdish N. Sheth, *The Self-Destructive Habits of Good Companies . . . And How to Break Them* (Upper Saddle River, NJ: Wharton School Publishing, 2007).

**26.** William L. Wilkie and Elizabeth S. Moore, “Marketing’s Relationship to Society,” Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing* (London: Sage, 2002), pp. 1–38.

**27.** “Special Report: Corporate Social Responsibility,” *Economist,* January 17, 2008. For a broader academic perspective, see Michael E. Porter and Mark R. Kramer, “Strategy & Society,” *Harvard Business Review* (December 2006): 78–82; Clayton M. Christensen, Heiner Baumann, Rudy Ruggles, and Thomas M. Stadtler, “Disruption Innovation for Social Change,” *Harvard Business Review* (December 2006): 94–101.

**28.** Walmart, http://walmartstores.com/Sustainability/7951.aspx; Monte Burke, “Mr. Green Jeans,” *Forbes*, May 24, 2010; Brian Grow, “The Debate over Doing Good,” *BusinessWeek*, August 15, 2005, pp. 76–78.

**29.** Brian Grow, “The Debate over Doing Good,” *BusinessWeek,* August 15, 2005.

**30.** MaryLou Costa, “P&G Marketing Boss Urges Brands to Move Beyond Traditional Advertising,” *Marketing Week*, June 24, 2010; Elaine Wong, “P&G Shows Its Softer Side with Downy Cause Effort,” *Brandweek*, February 1, 2010, p. 6; Elaine Wang, “P&G Throws Values into Value Equation,” *Brandweek*, March 9, 2009, p. 5.

**31.** Raj Sisodia, David B. Wolfe, and Jag Sheth, *Firms of Endearment: How World-Class Companies Profit from Passion and Purpose* (Upper Saddle River, NJ: Wharton School Publishing, 2007).

**32.** Gary Hirshberg, *Stirring It Up: How to Make Money and Save the World* (New York: Hyperion, 2008); Marc Gunther, “Stonyfield Stirs Up the Yogurt Market, *Fortune.* www.cnnmoney.com, January 4, 2008; Melanie D. G. Kaplan, “Stonyfield Farm CEO: How an Organic Yogurt Business Can Scale,” *SmartPlanet*, www.smartplanet.com, May 17, 2010.

**33.** Elisabeth Sullivan, “Play by the New Rules,” *Marketing News*, November 30, 2009, pp. 5–9; For further reading, see Dorothy Cohen, *Legal Issues in Marketing Decision Making* (Cincinnati, OH: South-Western College Publishing, 1995).

**34.** Sarah Ellison, “Kraft Limits on Kids’ Ads May Cheese Off Rivals,” *Wall Street Journal*, January 13, 2005.

**35.** Shelby D. Hunt and Scott Vitell, “The General Theory of Marketing Ethics: A Retrospective and Revision,” John Quelch and Craig Smith, eds., *Ethics in Marketing* (Chicago: Irwin, 1992).

**36.** “Distrust, Discontent, Anger and Partisan Rancor,” *The Pew Research for the People & the Press*, April 18, 2010.

**37.** Ronald Alsop, “How a Boss’s Deeds Buff a Firm’s Reputation,” *Wall Street Journal,* January 31, 2007.

**38.** Mary Jo Hatch and Majken Schultz, *Taking Brand Initiative: How Companies Can Align Strategy, Culture, and Identity through Corporate Branding* (San Francisco: Jossey-Bass, 2008); Majken Schultz, Yun Mi Antorini, and Fabian F. Csaba, *Corporate Branding: Purpose, People, and Process* (Køge, Denmark: Copenhagen Business School Press, 2005); Ronald J. Alsop, *The 18 Immutable Laws of Corporate Reputation: Creating, Protecting, and Repairing Your Most Valuable Asset* (New York: Free Press, 2004); Marc Gunther, “Tree Huggers, Soy Lovers, and Profits,” *Fortune,* June 23, 2003, pp. 98–104; Ronald J. Alsop, “Perils of Corporate Philanthropy,” *Wall Street Journal,* January 16, 2002.

**39.** Emily Steel, “Nestlé Takes a Beating on Social-Media Sites,” *Wall Street Journal*, March 29, 2010, p. B5; Mya Frazier, “Going Green? Plant Deep Roots,” *Advertising Age*, April 30, 2007, pp. 1, 54–55.

**40.** Scott Kirsner, “An Environmental Quandary Percolates at Green Mountain Coffee Roasters,” *Boston Globe*, January 3, 2010; Natalie Zmuda, “Green Mountain

Takes on Coffee Giants Cup by Cup," *Advertising Age*, June 1, 2009, p. 38.

**41.** Angela M. Eikenberry, "The Hidden Cost of Cause Marketing," *Stanford Social Innovation Review* (Summer 2009); Aneel Karnani, "The Case Against Corporate Social Responsibility," *Wall Street Journal*, August 23, 2010.

**42.** Sandra O'Loughlin, "The Wearin' o' the Green," *Brandweek*, April 23, 2007, pp. 26–27. For a critical response, see also, John R. Ehrenfield, "Feeding the Beast," *Fast Company*, December 2006–January 2007, pp. 42–43.

**43.** Pete Engardio, "Beyond the Green Corporation," *BusinessWeek*, January 29, 2007, pp. 50–64.

**44.** Global 100, www.global100.org.

**45.** Pete Engardio, "Beyond the Green Corporation," *BusinessWeek*, January 29, 2007, pp. 50–64.

**46.** Noreen O' Leary, "Marketer of the Year: Jessica Buttimer," *Next*, September 14, 2009, p. 32; Jack Neff, "Marketing 50: Green Works (Jessica Buttimer), *Advertising Age*, November 17, 2008, p. S-2; Elaine Wong, "CPGs Watch as Clorox Crashes the Green Party," *Brandweek*, April 21, 2008, p. 13; Anya Kamenetz, "Cleaning Solution," *Fast Company*, September 2008, pp. 121–25.

**47.** David Roberts, "Another Inconvenient Truth," *Fast Company*, March 2008, p. 70; Melanie Warner, "P&G's Chemistry Test," *Fast Company*, July/August 2008, pp. 71–74.

**48.** Mark Dolliver, "Thumbs Down on Corporate Green Efforts," *Adweek*, August 31, 2010; Betsy Cummings, "A Green Backlash Gains Momentum," *Brandweek*, March 3, 2008, p. 6; Michael Hopkins, "What the 'Green' Consumer Wants," *MIT Sloan Management Review* (Summer 2009), pp. 87–89. For some related consumer research, see Julie R. Irwin and Rebecca Walker Naylor, "Ethical Decisions and Response Mode Compatibility: Weighting of Ethical Attributes in Consideration Sets Formed by Excluding versus Including Product Alternatives," *Journal of Marketing Research* 46 (April 2009), pp. 234–46.

**49.** Jack Neff, "Green-Marketing Revolution Defies Economic Downturn," *Advertising Age*, April 20, 2009, pp. 1, 23; Ram Nidumolu, C. K. Prahalad, and M. R. Rangaswami, "Why Sustainability Is Now the Key Driver of Innovation," *Harvard Business Review*, September 2009, p. 57.

**50.** John A. Quelch and Nathalie Laidler-Kylander, *The New Global Brands: Managing Non-Government Organizations in the 21st Century* (Mason, OH: South-Western, 2006); Philip Kotler and Nancy Lee, *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause* (New York: Wiley, 2005); Lynn Upshaw, *Truth: The New Rules for Marketing in a Skeptical World* (New York: AMACOM, 2007).

**51.** Newman's Own Foundation, www.newmansown foundation.org; Paul Newman and A. E. Hotchner, *Shameless Exploitation in Pursuit of the Common Good: The Madcap Business Adventure by the Truly Oddest Couple* (Waterville, ME: Thorndike Press, 2003).

**52.** "U.S. Charitable Giving Falls 3.6 Percent in 2009 to $303.75 Billion," *Giving USA 2010 Report,* June 9, 2010.

**53.** Robert Berner, "Smarter Corporate Giving," *BusinessWeek*, November 28, 2005, pp. 68–76; Craig N. Smith, "Corporate Social Responsibility: Whether or How?" *California Management Review* 45 (Summer 2003), pp. 52–76.

**54.** Larry Chiagouris and Ipshita Ray, "Saving the World with Cause-Related Marketing," *Marketing Management* 16 (July–August 2007), pp. 48–51; Hamish Pringle and Marjorie Thompson, *Brand Spirit: How Cause-Related Marketing Builds Brands* (New York: Wiley, 1999); Sue Adkins, *Cause-Related Marketing: Who Cares Wins* (Oxford, England: Butterworth-Heinemann, 1999); "Marketing, Corporate Social Initiatives, and the Bottom Line," Marketing Science Institute Conference Summary, *MSI Report No. 01-106,* 2001.

**55.** Rajan Varadarajan and Anil Menon, "Cause-Related Marketing: A Co-Alignment of Marketing Strategy and Corporate Philanthropy," *Journal of Marketing* 52 (July 1988), pp. 58–74.

**56.** Minette Drumwright and Patrick E. Murphy, "Corporate Societal Marketing," Paul N. Bloom and Gregory T. Gundlach, eds., *Handbook of Marketing and Society* (Thousand Oaks, CA: Sage, 2001), pp. 162–83. See also, Minette Drumwright, "Company Advertising with a Social Dimension: The Role of Noneconomic Criteria," *Journal of Marketing* 60 (October 1996), pp. 71–87.

**57.** C. B. Bhattacharya, Sankar Sen and Daniel Korschun, "Using Corporate Social Responsibility to Win the War for Talent," *MIT Sloan Management Review* 49 (January 2008), pp. 37–44; Xueming Luo and C. B. Bhattacharya, "Corporate Social Responsibility, Customer Satisfaction, and Market Value," *Journal of Marketing* 70 (October 2006), pp. 1–18; Pat Auger, Paul Burke, Timothy Devinney, and Jordan J. Louviere, "What Will Consumers Pay for Social Product Features?" *Journal of Business Ethics* 42 (February 2003), pp. 281–304; Dennis B. Arnett, Steve D. German, and Shelby D. Hunt, "The Identity Salience Model of Relationship Marketing Success: The Case of Nonprofit Marketing," *Journal of Marketing* 67 (April 2003), pp. 89–105; C. B. Bhattacharya and Sankar Sen, "Consumer-Company Identification: A Framework for Understanding Consumers' Relationships with Companies," *Journal of Marketing* 67 (April 2003), pp. 76–88; Sankar Sen and C. B. Bhattacharya, "Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility," *Journal of Marketing Research* 38 (May 2001), pp. 225–44.

**58.** Paul N. Bloom, Steve Hoeffler, Kevin Lane Keller, and Carlos E. Basurto, "How Social-Cause Marketing Affects Consumer Perceptions," *MIT Sloan Management Review* (Winter 2006), pp. 49–55; Carolyn J. Simmons and Karen L. Becker-Olsen, "Achieving Marketing

Objectives through Social Sponsorships," *Journal of Marketing* 70 (October 2006), pp. 154–69; Guido Berens, Cees B. M. van Riel, and Gerrit H. van Bruggen, "Corporate Associations and Consumer Product Responses: The Moderating Role of Corporate Brand Dominance," *Journal of Marketing* 69 (July 2005), pp. 35–48; Donald R. Lichtenstein, Minette E. Drumwright, and Bridgette M. Braig, "The Effect of Social Responsibility on Customer Donations to Corporate-Supported Nonprofits," *Journal of Marketing* 68 (October 2004), pp. 16–32; Stephen Hoeffler and Kevin Lane Keller, "Building Brand Equity through Corporate Societal Marketing," *Journal of Public Policy and Marketing* 21 (Spring 2002), pp. 78–89. See also, Special Issue: Corporate Responsibility, *Journal of Brand Management* 10, nos. 4–5 (May 2003).

**59.** Mark R. Forehand and Sonya Grier, "When Is Honesty the Best Policy? The Effect of Stated Company Intent on Consumer Skepticism," *Journal of Consumer Psychology* 13 (2003), pp. 349–56; Dwane Hal Dean, "Associating the Corporation with a Charitable Event through Sponsorship: Measuring the Effects on Corporate Community Relations," *Journal of Advertising* 31 (Winter 2002), pp. 77–87.

**60.** Susan Perry, "KFC-Komen 'Buckets for the Cure' Campaign Raises Questions," *MinnPost.com.* www.minnpost.com, April 20, 2010; Chuck English, "Cause Splash vs. Cause Marketing," *Doing Good for Business*, www.doinggoodforbusiness.wordpress.com, May 17, 2010; Nancy Schwartz, "Busted Nonprofit Brand: Anatomy of a Corporate Sponsorship Meltdown (Case Study)," *Getting Attention!* www.gettingattention.org, April 28, 2010.

**61.** "Nike Announces Global Expansion of LIVESTRONG Product Collection as Lance Armstrong Rides for Hope," *Nike.* www.nike.com, June 30, 2010; Reena Jana, "Nike Goes Green. Very Quietly," *BusinessWeek*, June 22, 2009, p. 56.

**62.** Mya Frazier, "Costly Red Campaign Reaps Meager $18 Million," *Advertising Age*, March 5, 2007; Viewpoint: Bobby Shriver, "CEO: Red's Raised Lots of Green," *Advertising Age*, March 12, 2007; Michelle Conlin, "Shop (in the Name of Love)," *BusinessWeek*, October 2, 2006, p. 9.

**63.** Todd Cohen, "Corporations Aim for Strategic Engagement," *Philanthropy Journal*, September 20, 2006; John A. Quelch and Nathalie Laidler-Kylander, *The New Global Brands: Managing Non-Governmental Organizations in the 21st Century* (Cincinnati, OH: South-Western, 2005).

**64.** Ronald J. Alsop, *The 18 Immutable Laws of Corporate Reputation: Creating, Protecting, and Repairing Your Most Valuable Asset* (New York: Free Press, 2004), p. 125.

**65.** Ronald McDonald House Charities, www.rmhc.org.

**66.** Susan Orenstein, "The Selling of Breast Cancer," *Business 2.0*, February 2003, pp. 88–94; H. Meyer, "When the Cause Is Just," *Journal of Business Strategy* 20 (November–December 1999), pp. 27–31.

**67.** Christine Bittar, "Seeking Cause and Effect," *Brandweek,* November 11, 2002, pp. 18–24.

**68.** Paula Andruss, "'Think Pink' Awareness Much Higher Than Threat," *Marketing News*, February 15, 2006, pp. 14–16; Jessi Hempel, "Selling a Cause, Better Make It Pop," *BusinessWeek*, February 13, 2006, p. 75; Elizabeth Woyke, "Prostate Cancer's Higher Profile," *BusinessWeek*, October 9, 2006, p. 14.

**69.** One Sight, www.onesight.org.

**70.** Christina Binkley, "Charity Gives Shoe Brand Extra Shine," *Wall Street Journal*, April 1, 2010; "How I Got Started . . . Blake Mycoskie, Founder of TOMS Shoes," *Fortune*, March 22, 2010, p. 72; Dan Heath and Chip Heath, "An Arms Race of Goodness," *Fast Company*, October 2009, pp. 82–83; Toms, www.toms.com/movement-one-for-one.

**71.** Philip Kotler and Nancy Lee, *Social Marketing: Influencing Behaviors for Good* (Thousand Oaks, CA: Sage, 2008); Alan Andreasen, *Social Marketing in the 21st Century* (Thousand Oaks, CA: Sage, 2006); Michael L. Rothschild, "Carrots, Sticks, and Promises: A Conceptual Framework for the Management of Public Health and Social Issue Behaviors," *Journal of Marketing* 63 (October 1999), pp. 24–37.

**72.** See Michael L. Rothschild, "Carrots, Sticks, and Promises: A Conceptual Framework for the Management of Public Health and Social Issue Behaviors," *Journal of Marketing* 63 (October 1999), pp. 24–37. For an application, see Sekar Raju, Priyali Rajagopal, and Timothy J. Gilbride, "Marketing Healthful Eating to Children: The Effectiveness of Incentives, Pledges, and Competitions," *Journal of Marketing* 74 (May 2010), pp. 93–106.

**73.** For some relevant recent academic research on developing social marketing programs, see Deborah A. Small and Nicole M. Verrochi, "The Face of Need: Facial Emotion Expression on Charity Advertisements," *Journal of Marketing Research* 46 (December 2009), pp. 777–87; Katherine White and John Peloza, "Self-Benefit versus Other-Benefit Marketing Appeals: Their Effectiveness in Generating Charitable Support," *Journal of Marketing* 73 (July 2009), pp. 109–24; Merel Van Diepen, Bas Donkers and Philip Hans Franses, "Dynamic and Competitive Effects of Direct Mailings: A Charitable Giving Application," *Journal of Marketing Research* 46 (February 2009), pp. 120–33; Jen Shang, Americus Reed II, and Rachel Croson, "Identity Congruency Effects on Donations," *Journal of Marketing Research* 45 (June 2008), pp. 351–61.

**74.** For more on developing and implementing marketing plans, see H. W. Goetsch, *Developing, Implementing, and Managing an Effective Marketing Plan* (Chicago: NTC Business Books, 1993). See also, Thomas V. Bonoma, *The Marketing Edge: Making Strategies Work* (New York: Free Press, 1985). Much of this section is based on Bonoma's work.

**75.** For other examples, see Paul W. Farris, Neil T. Bendle, Phillip E. Pfeifer, and David J. Reibstein, *Marketing*

*Metrics: 50+ Metrics Every Executive Should Master* (Upper Saddle River, NJ: Wharton School Publishing, 2006); John Davis, *Measuring Marketing: 103 Key Metrics Every Marketer Needs* (Hoboken, NJ: Wiley, 2006).

**76.** Sam R. Goodman, *Increasing Corporate Profitability* (New York: Ronald Press, 1982), chapter 1. See also, Bernard J. Jaworski, Vlasis Stathakopoulos, and H. Shanker Krishnan, "Control Combinations in Marketing: Conceptual Framework and Empirical Evidence," *Journal of Marketing* 57 (January 1993), pp. 57–69.

**77.** Philip Kotler, William Gregor, and William Rodgers, "The Marketing Audit Comes of Age," *Sloan Management Review* 30 (Winter 1989), pp. 49–62; Frederick Reichheld, *The Loyalty Effect* (Boston: Harvard Business School Press, 1996) discusses attrition of the figures.

**78.** Useful checklists for a marketing self-audit can be found in Aubrey Wilson, *Aubrey Wilson's Marketing Audit Checklists* (London: McGraw-Hill, 1982); Mike Wilson, *The Management of Marketing* (Westmead, England: Gower Publishing, 1980). A marketing audit software program is described in Ben M. Enis and Stephen J. Garfein, "The Computer-Driven Marketing Audit," *Journal of Management Inquiry* 1 (December 1992), pp. 306–18.

**79.** Philip Kotler, William Gregor, and William Rodgers, "The Marketing Audit Comes of Age," *Sloan Management Review* 30 (Winter 1989), pp. 49–62.

**80.** Alfred R. Oxenfeldt, "How to Use Market-Share Measurement," *Harvard Business Review*, January–February 1969, pp. 59–68.

**81.** There is a one-half chance that a successive observation will be higher or lower. Therefore, the probability of finding six successively higher values is given by 1/2 to the sixth, or 1/64.

**82.** Alternatively, companies need to focus on factors affecting shareholder value. The goal of marketing planning is to increase shareholder value, which is the present value of the future income stream created by the company's present actions. Rate-of-return analysis usually focuses on only one year's results. See, Alfred Rapport, *Creating Shareholder Value*, rev. ed. (New York: Free Press, 1997).

**83.** For additional reading on financial analysis, see Peter L. Mullins, *Measuring Customer and Product-Line Profitability* (Washington, DC: Distribution Research and Education Foundation, 1984).

**84.** Robin Cooper and Robert S. Kaplan, "Profit Priorities from Activity-Based Costing," *Harvard Business Review*, May–June 1991, pp. 130–35; for a recent application to shipping, see Tom Kelley, "What Is the *Real* Cost: How to Use Lifecycle Cost Analysis for an Accurate Comparison," *Beverage World*, January 2010, pp. 50–51.

## Appendix

**1.** Background information and market data adapted from "Gartner Says Worldwide Mobile Phones Sales Grew 35 Percent in Third Quarter 2010; Smartphone Sales Increased 96 Percent," press release, November 18, 2010, www.gartner.com; Joseph Palenchar, "Smartphone Sales Rise as Selection Grows," *TWICE*, June 21, 2010; Sascha Segan, "Motorola RAZR2: The RAZR2 Cuts Four Ways," *PC Magazine,* October 2, 2007, pp. 32–33; Walter S. Mossberg, "Apple's iPod Touch Is a Beauty of a Player Short on Battery Life," *Wall Street Journal,* September 20, 2007, p. B1; "Roam If You Want To," *PC World,* September 2007, p. 134; Sascha Segam, "Exclusive: One RAZR2, Four Ways to Cut It," *PC Magazine Online,* August 13, 2007, www.pcmag.com; "Apple Unlikely to Budge Anytime Soon on iPhone Pricing," *InformationWeek,* July 26, 2007; "Smartphones Get Smarter, Thanks in Part to the iPhone," *InformationWeek,* July 21, 2007; "Nine Alternatives to Apple's iPhone,"*InformationWeek,* June 28, 2007; "Hospital Uses PDA App for Patient Transport," *Health Data Management,* June 2007, p. 14; Jessica E. Vascellaro and Pui-Wing Tam, "RIM's New Gear Fuels Profit Surge; Palm Sputters," *Wall Street Journal,* June 29, 2007, p. B4; "Smart Phones Force Dell from Handhelds," *MicroScope,* April 23, 2007; "2005 PDA Shipments Set Record," *Business Communications Review,* April 2006, p. 6; "Smartphone Market Grows Fast Despite Challenges," *Appliance,* March 2006, p. 16.

*This page intentionally left blank*

# Glossary

## A

**activity-based cost (ABC)** accounting procedures that can quantify the true profitability of different activities by identifying their actual costs.

**adoption** an individual's decision to become a regular user of a product.

**advertising** any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

**advertising objective** a specific communications task and achievement level to be accomplished with a specific audience in a specific period of time.

**anchoring and adjustment heuristic** when consumers arrive at an initial judgment and then make adjustments of their first impressions based on additional information.

**arm's-length price** the price charged by other competitors for the same or a similar product.

**aspirational groups** groups a person hopes or would like to join.

**associative network memory model** a conceptual representation that views memory as consisting of a set of nodes and interconnecting links where nodes represent stored information or concepts and links represent the strength of association between this information or concepts.

**attitude** a person's enduring favorable or unfavorable evaluation, emotional feeling, and action tendencies toward some object or idea.

**augmented product** a product that includes features that go beyond consumer expectations and differentiate the product from competitors.

**available market** the set of consumers who have interest, income, and access to a particular offer.

**availability heuristic** when consumers base their predictions on the quickness and ease with which a particular example of an outcome comes to mind.

**average cost** the cost per unit at a given level of production; it is equal to total costs divided by production.

## B

**backward invention** reintroducing earlier product forms that can be well adapted to a foreign country's needs.

**banner ads (Internet)** small, rectangular boxes containing text and perhaps a picture to support a brand.

**basic product** what specifically the actual product is.

**belief** a descriptive thought that a person holds about something.

**brand** a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

**brand architecture** *see* branding strategy.

**brand-asset management team (BAMT)** key representatives from functions that affect the brand's performance.

**brand associations** all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node.

**brand audit** a consumer-focused exercise that involves a series of procedures to assess the health of the brand, uncover its sources of brand equity, and suggest ways to improve and leverage its equity.

**brand awareness** consumers' ability to identify the brand under different conditions, as reflected by their brand recognition or recall performance.

**brand community** a specialized community of consumers and employees whose identification and activities focus around the brand.

**brand contact** any information-bearing experience a customer or prospect has with the brand, the product category, or the market that relates to the marketer's product or service.

**brand development index (BDI)** the index of brand sales to category sales.

**brand dilution** when consumers no longer associate a brand with a specific product or highly similar products or start thinking less favorably about the brand.

**brand elements** those trademarkable devices that serve to identify and differentiate the brand such as a brand name, logo, or character.

**brand equity** the added value endowed to products and services.

**brand extension** a company's use of an established brand to introduce a new product.

**brand image** the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory.

**brand knowledge** all the thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brand.

**brand line** all products, original as well as line and category extensions, sold under a particular brand name.

**brand mix** the set of all brand lines that a particular seller makes available to buyers.

**brand personality** the specific mix of human traits that may be attributed to a particular brand.

**brand portfolio** the set of all brands and brand lines a particular firm offers for sale to buyers in a particular category.

**brand promise** the marketer's vision of what the brand must be and do for consumers.

**brand-tracking studies** collect quantitative data from consumers over time to provide consistent, baseline information about how brands and marketing program are performing.

**brand valuation** an estimate of the total financial value of the brand.

**brand value chain** a structured approach to assessing the sources and outcomes of brand equity and the manner in which marketing activities create brand value.

**branded** entertainment using sports, music, arts, or other entertainment activities to build brand equity.

**branded variants** specific brand lines uniquely supplied to different retailers or distribution channels.

**branding** endowing products and services with the power of a brand.

**branding strategy** the number and nature of common and distinctive brand elements applied to the different products sold by the firm.

**breakeven analysis** a means by which management estimates how many units of the product the company would have to sell to break even with the given price and cost structure.

**brick-and-click** existing companies that have added an online site for information and/or e-commerce.

**business database** complete information about business customers' past purchases; past volumes, prices, and profits.

**business market** all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others.

## C

**capital items** long-lasting goods that facilitate developing or managing the finished product.

**captive products** products that are necessary to the use of other products, such as razor blades or film.

**category extension** using the parent brand to brand a new product outside the product category currently served by the parent brand.

**category membership** the products or sets of products with which a brand competes and which function as close substitutes.

**cause-related marketing** marketing that links a firm's contributions to a designated cause to customers' engaging directly or indirectly in revenue-producing transactions with the firm.

**channel conflict** when one channel member's actions prevent the channel from achieving its goal.

**channel coordination** when channel members are brought together to advance the goals of the channel, as opposed to their own potentially incompatible goals.

**channel power** the ability to alter channel members' behavior so that they take actions they would not have taken otherwise.

**club membership programs** programs open to everyone who purchases a product or service, or limited to an affinity group of those willing to pay a small fee.

**co-branding (**also **dual branding** or **brand bundling)** two or more well-known brands are combined into a joint product or marketed together in some fashion.

**cohorts** groups of individuals born during the same time period who travel through life together.

**communication adaptation** changing marketing communications programs for each local market.

**communication-effect research** determining whether an ad is communicating effectively.

**company demand** the company's estimated share of market demand at alternative levels of company marketing effort in a given time period.

**company sales forecast** the expected level of company sales based on a chosen marketing plan and an assumed marketing environment.

**competitive advantage** a company's ability to perform in one or more ways that competitors cannot or will not match.

**company sales potential** the sales limit approached by company demand as company marketing effort increases relative to that of competitors.

**conformance quality** the degree to which all the produced units are identical and meet the promised specifications.

**conjoint analysis** a method for deriving the utility values that consumers attach to varying levels of a product's attributes.

**conjunctive heuristic** the consumer sets a minimum acceptable cutoff level for each attribute and chooses the first alternative that meets the minimum standard for all attributes.

**consumer behavior** the study of how individuals, groups, and organizations elect, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

**consumer involvement** the level of engagement and active processing undertaken by the consumer in responding to a marketing stimulus.

**consumerist movement** an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers.

**consumption system** the way the user performs the tasks of getting and using products and related services.

**containerization** putting the goods in boxes or trailers that are easy to transfer between two transportation modes.

**contractual sales force** manufacturers' reps, sales agents, and brokers, who are paid a commission based on sales.

**convenience goods** goods the consumer purchases frequently, immediately, and with a minimum of effort.

**conventional marketing channel** an independent producer, wholesaler(s), and retailer(s).

**core benefit** the service or benefit the customer is really buying.

**core competency** attribute that (1) is a source of competitive advantage in that it makes a significant contribution to perceived customer benefits, (2) has applications in a wide variety of markets, (3) is difficult for competitors to imitate.

**core values** the belief systems that underlie consumer attitudes and behavior, and that determine people's choices and desires over the long term.

**corporate culture** the shared experiences, stories, beliefs, and norms that characterize an organization.

**corporate retailing** corporately owned retailing outlets that achieve economies of scale, greater purchasing power, wider brand recognition, and better-trained employees.

**countertrade** offering other items in payment for purchases.

**critical path scheduling (PS)** network planning techniques to coordinate the many tasks in launching a new product.

**cues** stimuli that determine when, where, and how a person responds.

**culture** the fundamental determinant of a person's wants and behavior.

**customer-based brand equity** the differential effect that brand knowledge has on a consumer response to the marketing of that brand.

**customer churn** high customer defection.

**customer consulting** data, information systems, and advice services that the seller offers to buyers.

**customer database** an organized collection of comprehensive information about individual customers or prospects that is current, accessible, and actionable for marketing purposes.

**customer equity** the sum of lifetime values of all customers.

**customer lifetime value (CLV)** the net present value of the stream of future profits expected over the customer's lifetime purchases.

**customer mailing list** a set of names, addresses, and telephone numbers.

**customer-management organization** deals with individual customers rather than the mass market or even market segments.

**customer perceived value (CPV)** the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives.

**customer-performance scorecard** how well the company is doing year after year on particular customer-based measures.

**customer profitability analysis (CPA)** a means of assessing and ranking customer profitability through accounting techniques such as activity-based costing (ABC).

**customer relationship management (CRM)** the process of carefully managing detailed information about individual customers and all customer "touch points" to maximize loyalty.

**customer training** training the customer's employees to use the vendor's equipment properly and efficiently.

**customer value analysis** report of the company's strengths and weaknesses relative to various competitors.

**customer-value hierarchy** five product levels that must be addressed by marketers in planning a market offering.

**customerization** combination of operationally driven mass customization with customized marketing in a way that empowers consumers to design the product and service offering of their choice.

## D

**data mining** the extracting of useful information about individuals, trends, and segments from the mass of data.

**data warehouse** a collection of current data captured, organized, and stored in a company's contact center.

**database marketing** the process of building, maintaining, and using customer databases and other databases for the purpose of contacting, transacting, and building customer relationships.

**declining demand** consumers begin to buy the product less frequently or not at all.

**deep metaphors** basic frames or orientations that consumers have toward the world around them.

**delivery** how well the product or service is delivered to the customer.

**demand chain planning** the process of designing the supply chain based on adopting a target market perspective and working backward.

**demand-side method** identifying the effect sponsorship has on consumers' brand knowledge.

**design** the totality of features that affect how a product looks, feels, and functions to a consumer.

**direct (company) sales force** full- or part-time paid employees who work exclusively for the company.

**direct marketing** the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

**direct-order marketing** marketing in which direct marketers seek a measurable response, typically a customer order.

**direct product profitability (DDP)** a way of measuring a product's handling costs from the time it reaches the warehouse until a customer buys it in the retail store.

**discrimination** the process of recognizing differences in sets of similar stimuli and adjusting responses accordingly.

**display ads** small, rectangular boxes containing text and perhaps a picture to support a brand.

**dissociative groups** those groups whose values or behavior an individual rejects.

**distribution programming** building a planned, professionally managed, vertical marketing system that meets the needs of both manufacturer and distributors.

**drive** a strong internal stimulus impelling action.

**dual adaptation** adapting both the product and the communications to the local market.

**dumping** situation in which a company charges either less than its costs or less than it charges in its home market, in order to enter or win a market.

**durability** a measure of a product's expected operating life under natural or stressful conditions.

## E

**e-business** the use of electronic means and platforms to conduct a company's business.

**e-commerce** a company or site offers to transact or facilitate the selling of products and services online.

**elimination-by-aspects heuristic** situation in which the consumer compares brands on an attribute selected probabilistically, and brands are eliminated if they do not meet minimum acceptable cutoff levels.

**environmental threat** a challenge posed by an unfavorable trend or development that would lead to lower sales or profit.

**ethnographic research** a particular observational research approach that uses concepts and tools from anthropology and other social science disciplines to provide deep cultural understanding of how people live and work.

**everyday low pricing (EDLP)** in retailing, a constant low price with few or no price promotions and special sales.

**exchange** the process of obtaining a desired product from someone by offering something in return.

**exclusive distribution** severely limiting the number of intermediaries, in order to maintain control over the service level and outputs offered by resellers.

**expectancy-value model** consumers evaluate products and services by combining their brand beliefs—positive and negative—according to their weighted importance.

**expected product** a set of attributes and conditions buyers normally expect when they purchase this product.

**experience curve (learning curve)** a decline in the average cost with accumulated production experience.

**experimental research** the most scientifically valid research designed to capture cause-and-effect relationships by eliminating competing explanations of the observed findings.

## F

**fad** a craze that is unpredictable, short-lived, and without social, economic, and political significance.

**family brand** situation in which the parent brand is already associated with multiple products through brand extensions.

**family of orientation** parents and siblings.

**family of procreation** spouse and children.

**features** things that enhance the basic function of a product.

**fixed costs (overhead)** costs that do not vary with production or sales revenue.

**flexible market offering** (1) a naked solution containing the product and service elements that all segment members value, and (2) discretionary options that some segment members value.

**focus group** a gathering of six to ten people who are carefully selected based on certain demographic, psychographic, or other considerations and brought together to discuss various topics of interest.

**forecasting** the art of anticipating what buyers are likely to do under a given set of conditions.

**form** the size, shape, or physical structure of a product.

**forward invention** creating a new product to meet a need in another country.

**frequency programs (FPs)** designed to provide rewards to customers who buy frequently and in substantial amounts.

**full demand** consumers are adequately buying all products put into the marketplace.

## G

**generics** unbranded, plainly packaged, less expensive versions of common products such as spaghetti, paper towels, and canned peaches.

**global firm** a firm that operates in more than one country and captures R&D, production, logistical, marketing, and financial advantages in its costs and reputation that are not available to purely domestic competitors.

**global industry** an industry in which the strategic positions of competitors in major geographic or national markets are fundamentally affected by their overall global positions.

**goal formulation** the process of developing specific goals for the planning period.

**going-rate pricing** price based largely on competitors' prices.

**gray market** branded products diverted from normal or authorized distribution channels in the country of product origin or across international borders.

## H

**hedonic bias** when people have a general tendency to attribute success to themselves and failure to external causes.

**heuristics** rules of thumb or mental shortcuts in the decision process.

**high-low pricing** charging higher prices on an everyday basis but then running frequent promotions and special sales.

**holistic marketing concept** a concept based on the development, design, and implementation of marketing programs, processes, and activities that recognizes their breadth and interdependencies.

**horizontal marketing system** two or more unrelated companies put together resources or programs to exploit an emerging market opportunity.

**hub-and-spoke system** product-management organization where brand or product manager is figuratively at the center, with spokes leading to various departments representing working relationships.

**hybrid channels** use of multiple channels of distribution to reach customers in a defined market.

## I

**image** the set of beliefs, ideas, and impressions a person holds regarding an object.

**industry** a group of firms that offer a product or class of products that are close substitutes for one another.

**informational appeal** elaborates on product or service attributes or benefits.

**ingredient branding** a special case of co-branding that involves creating brand equity for materials, components, or parts that are necessarily contained within other branded products.

**innovation** any good, service, or idea that is perceived by someone as new.

**innovation diffusion process** the spread of a new idea from its source of invention or creation to its ultimate users or adopters.

**installation** the work done to make a product operational in its planned location.

**institutional market** schools, hospitals, nursing homes, prisons, and other institutions that must provide goods and services to people in their care.

**integrated logistics systems (ILS)** materials management, material flow systems, and physical distribution, abetted by information technology (IT).

**integrated marketing** mixing and matching marketing activities to maximize their individual and collective efforts.

**integrated marketing channel system** the strategies and tactics of selling through one channel reflect the strategies and tactics of selling through one or more other channels.

**integrated marketing communications (IMC)** a concept of marketing communications planning that recognizes the added value of a comprehensive plan.

**intensive distribution** the manufacturer placing the goods or services in as many outlets as possible.

**internal branding** activities and processes that help to inform and inspire employees.

**internal marketing** an element of holistic marketing, is the task of hiring, training, and motivating able employees who want to serve customers well.

**interstitials** advertisements, often with video or animation, that pop up between changes on a Web site.

**irregular demand** consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.

## J

**jobbers** small-scale wholesalers who sell to small retailers.

**joint venture** a company in which multiple investors share ownership and control.

## L

**latent demand** consumers may share a strong need that cannot be satisfied by an existing product.

**lean manufacturing** producing goods with minimal waste of time, materials, and money.

**learning** changes in an individual's behavior arising from experience.

**lexicographic heuristic** a consumer choosing the best brand on the basis of its perceived most important attribute.

**licensed product** one whose brand name has been licensed to other manufacturers who actually make the product.

**life-cycle cost** the product's purchase cost plus the discounted cost of maintenance and repair less the discounted salvage value.

**life stage** a person's major concern, such as going through a divorce, going into a second marriage, taking care of an older parent, deciding to cohabit with another person, deciding to buy a new home, and so on.

**lifestyle** a person's pattern of living in the world as expressed in activities, interests, and opinions.

**line extension** the parent brand is used to brand a new product that targets a new market segment within a product category currently served by the parent brand.

**line stretching** a company lengthens its product line beyond its current range.

**long-term memory (LTM)** a permanent repository of information.

**loyalty** a commitment to rebuy or repatronize a preferred product or service.

## M

**maintenance and repair** the service program for helping customers keep purchased products in good working order.

**market** various groups of customers.

**market-buildup method** identifying all the potential buyers in each market and estimating their potential purchases.

**market-centered organizations** companies that are organized along market lines.

**market demand** the total volume of a product that would be bought by a defined customer group in a defined geographical area in a defined time period in a defined marketing environment under a defined marketing program.

**market forecast** the market demand corresponding to the level of industry marketing expenditure.

**market logistics** planning the infrastructure to meet demand, then implementing and controlling the physical flows or materials and final goods from points of origin to points of use, to meet customer requirements at a profit.

**market-management organization** a market manager supervising several market-development managers, market specialists, or industry specialists and draw on functional services as needed.

**market opportunity analysis (MOA)** system used to determine the attractiveness and probability of success.

**market partitioning** the process of investigating the hierarchy of attributes consumers examine in choosing a brand if they use phased decision strategies.

**market penetration index** a comparison of the current level of market demand to the potential demand level.

**market-penetration pricing** pricing strategy where prices start low to drive higher sales volume from price-sensitive customers and produce productivity gains.

**market potential** the limit approached by market demand as industry marketing expenditures approach infinity for a given marketing environment.

**market share** a higher level of selective demand for a product.

**market-skimming pricing** pricing strategy where prices start high and are slowly lowered over time to maximize profits from less price-sensitive customers.

**marketer** someone who seeks a response (attention, a purchase, a vote, a donation) from another party, called the prospect.

**marketing** 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.

**marketing audit** a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities.

**marketing channel system** the particular set of marketing channels employed by a firm.

**marketing channels** sets of interdependent organizations involved in the process of making a product or service available for use or consumption.

**marketing communications** the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about products and brands that they sell.

**marketing communications mix** advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, and personal selling.

**marketing concept** is to find not the right customers for your products, but the right products for your customers

**marketing decision support system (MDSS)** a coordinated collection of data, systems, tools, and techniques with supporting software and hardware by which an organization gathers and interprets relevant information from business and the environment and turns it into a basis for marketing action.

**marketing funnel** identifies the percentage of the potential target market at each stage in the decision process, from merely aware to highly loyal.

**marketing implementation** the process that turns marketing plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives.

**marketing information system (MIS)** people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute information to marketing decision makers.

**marketing insights** diagnostic information about how and why we observe certain effects in the marketplace, and what that means to marketers.

**marketing intelligence system** a set of procedures and sources managers use to obtain everyday information about developments in the marketing environment.

**marketing management** the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

**marketing metrics** the set of measures that helps firms to quantify, compare, and interpret their marketing performance.

**marketing network** the company and its supporting stakeholders, with whom it has built mutually profitable business relationships.

**marketing opportunity** an area of buyer need and interest in which there is a high probability that a company can profitably satisfy that need.

**marketing plan** written document that summarizes what the marketer has learned about the marketplace, indicates how the firm plans to reach its marketing objectives, and helps direct and coordinate the marketing effort.

**marketing public relations (MPR)** publicity and other activities that build corporate or product image to facilitate marketing goals.

**marketing research** the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.

**markup** pricing an item by adding a standard increase to the product's cost.

**mass customization** the ability of a company to meet each customer's requirements

**master brand** situation in which the parent brand is already associated with multiple products through brand extensions.

**materials and parts** goods that enter the manufacturer's product completely.

**media selection** finding the most cost-effective media to deliver the desired number and type of exposures to the target audience.

**megatrends** large social, economic, political, and technological changes that are slow to form, and once in place, have an influence for seven to ten years or longer.

**membership groups** groups having a direct influence on a person.

**memory encoding** how and where information gets into memory.

**memory retrieval** how and from where information gets out of memory.

**mental accounting** the manner by which consumers code, categorize, and evaluate financial outcomes of choices.

**microsales analysis** examination of specific products and territories that fail to produce expected sales.

**microsite** a limited area on the Web managed and paid for by an external advertiser/company.

**mission statements** statements that organizations develop to share with managers, employees, and (in many cases) customers.

**mixed bundling** the seller offers goods both individually and in bundles.

**motive** a need aroused to a sufficient level of intensity to drive us to act.

**multichannel marketing** a single firm uses two or more marketing channels to reach one or more customer segments.

**multitasking** doing two or more things at the same time.

## N

**negative demand** consumers who dislike the product and may even pay to avoid it.

**net price analysis** analysis that encompasses company list price, average discount, promotional spending, and co-op advertising to arrive at net price.

**noncompensatory models** in consumer choice, when consumers do not simultaneously consider all positive and negative attribute considerations in making a decision.

**nonexistent demand** consumers who may be unaware of or uninterested in the product.

## O

**opinion leader** the person in informal, product-related communications who offers advice or information about a specific product or product category.

**ordering ease** how easy it is for the customer to place an order with the company.

**organization** a company's structures, policies, and corporate culture.

**organizational buying** the decision-making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers.

**overall market share** the company's sales expressed as a percentage of total market sales.

**overfull demand** more consumers would like to buy the product than can be satisfied.

## P

**packaging** all the activities of designing and producing the container for a product.

**paid search** marketers bid on search terms, when a consumer searches for those words using Google, Yahoo!, or Bing, the marketer's ad will appear on the results page, and advertisers pay only if people click on links.

**parent brand** an existing brand that gives birth to a brand extension.

**partner relationship management (PRM)** activities the firm undertakes to build mutually satisfying long-term relations with key partners such as suppliers, distributors, ad agencies, and marketing research suppliers.

**pay-per-click ads** *see* paid search.

**penetrated market** the set of consumers who are buying a company's product.

**perceived value** the value promised by the company's value proposition and perceived by the customer.

**perception** the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world.

**performance marketing** understanding the financial and nonfinancial returns to business and society from marketing activities and programs.

**performance quality** the level at which the product's primary characteristics operate.

**personal communications channels** two or more persons communicating directly face-to-face, person-to-audience, over the telephone, or through e-mail.

**personal influence** the effect one person has on another's attitude or purchase probability.

**personality** a set of distinguishing human psychological traits that lead to relatively consistent responses to environmental stimuli.

**place advertising (**also **out-of-home advertising)** ads that appear outside of home and where consumers work and play.

**point-of-purchase (P-O-P)** the location where a purchase is made, typically thought of in terms of a retail setting.

**points-of-difference (PODs)** attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand.

**points-of-parity (POPs)** attribute or benefit associations that are not necessarily unique to the brand but may in fact be shared with other brands.

**positioning** the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market.

**potential market** the set of consumers who profess a sufficient level of interest in a market offer.

**potential product** all the possible augmentations and transformations the product or offering might undergo in the future.

**price discrimination** a company sells a product or service at two or more prices that do not reflect a proportional difference in costs.

**price escalation** an increase in the price of a product due to added costs of selling it in different countries.

**primary groups** groups with which a person interacts continuously and informally, such as family, friends, neighbors, and coworkers.

**principle of congruity** psychological mechanism that states that consumers like to see seemingly related objects as being as similar as possible in their favorability.

**private label brand** brands that retailers and wholesalers develop and market.

**product** anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, person, places, properties, organizations, information, and ideas.

**product adaptation** altering the product to meet local conditions or preferences.

**product assortment** the set of all products and items a particular seller offers for sale.

**product concept** proposes that consumers favor products offering the most quality, performance, or innovative features.

**product invention** creating something new via product development or other means.

**product map** competitors' items that are competing against company X's items.

**product mix** *see* product assortment.

**product-mix pricing** the firm searches for a set of prices that maximizes profits on the total mix.

**product-penetration percentage** the percentage of ownership or use of a product or service in a population.

**product system** a group of diverse but related items that function in a compatible manner.

**production concept** holds that consumers prefer products that are widely available and inexpensive.

**profitable customer** a person, household, or company that over time yields a revenue stream that exceeds by an acceptable amount the company's cost stream of attracting, selling, and servicing that customer.

**prospect** a purchase, a vote, or a donation by a prospective client.

**prospect theory** when consumers frame decision alternatives in terms of gains and losses according to a value function.

**psychographics** the science of using psychology and demographics to better understand consumers.

**public** any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives.

**public relations (PR)** a variety of programs designed to promote or protect a company's image or its individual products.

**publicity** the task of securing editorial space—as opposed to paid space—in print and broadcast media to promote something.

**pull strategy** when the manufacturer uses advertising and promotion to persuade consumers to ask intermediaries for the product, thus inducing the intermediaries to order it.

**purchase probability scale** a scale to measure the probability of a buyer making a particular purchase.

**pure bundling** a firm only offers its products as a bundle.

**pure-click** companies that have launched a Web site without any previous existence as a firm.

**push strategy** when the manufacturer uses its sales force and trade promotion money to induce intermediaries to carry, promote, and sell the product to end users.

## Q

**quality** the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.

**questionnaire** a set of questions presented to respondents.

## R

**reference groups** all the groups that have a direct or indirect influence on a person's attitudes or behavior.

**reference prices** pricing information a consumer retains in memory that is used to interpret and evaluate a new price.

**relationship marketing** building mutually satisfying long-term relationships with key parties, in order to earn and retain their business.

**relative market share** market share in relation to a company's largest competitor.

**reliability** a measure of the probability that a product will not malfunction or fail within a specified time period.

**repairability** a measure of the ease of fixing a product when it malfunctions or fails.

**representativeness heuristic** when consumers base their predictions on how representative or similar an outcome is to other examples.

**retailer (**or **retail store)** any business enterprise whose sales volume comes primarily from retailing.

**retailing** all the activities in selling goods or services directly to final consumers for personal, nonbusiness use.

**risk analysis** a method by which possible rates of returns and their probabilities are calculated by obtaining estimates for uncertain variables affecting profitability.

**role** the activities a person is expected to perform.

## S

**sales analysis** measuring and evaluating actual sales in relation to goals.

**sales budget** a conservative estimate of the expected volume of sales, used for making current purchasing, production, and cash flow decisions.

**sales promotion** a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

**sales quota** the sales goal set for a product line, company division, or sales representative.

**sales-variance analysis** a measure of the relative contribution of different factors to a gap in sales performance.

**satisfaction** a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations.

**scenario analysis** developing plausible representations of a firm's possible future that make different assumptions about forces driving the market and include different uncertainties.

**secondary groups** groups that tend to be more formal and require less interaction than primary groups, such as religious, professional, and trade-union groups.

**selective attention** the mental process of screening out certain stimuli while noticing others.

**selective distortion** the tendency to interpret product information in a way that fits consumer perceptions.

**selective distribution** the use of more than a few but less than all of the intermediaries who are willing to carry a particular product.

**selective retention** good points about a product that consumers like are remembered and good points about competing products are forgotten.

**selling concept** holds that consumers and businesses, if left alone, won't buy enough of the organization's products.

**served market** all the buyers who are able and willing to buy a company's product.

**served market share** a company's sales expressed as a percentage of the total sales to its served market.

**service** any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

**share penetration index** a comparison of a company's current market share to its potential market share.

**shopping goods** goods that the consumer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price, and style.

**short-term memory (STM)** a temporary repository of information.

**social classes** homogeneous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interests, and behavior.

**social marketing** marketing done by a nonprofit or government organization to further a cause, such as "say no to drugs."

**specialty goods** goods with unique characteristics or brand identification for which enough buyers are willing to make a special purchasing effort.

**sponsorship** financial support of an event or activity in return for recognition and acknowledgment as the sponsor.

**stakeholder-performance scorecard** a measure to track the satisfaction of various constituencies who have a critical interest in and impact on the company's performance.

**status** one's position within his or her own hierarchy or culture.

**straight extension** introducing a product in a foreign market without any change in the product.

**strategic brand management** the design and implementation of marketing activities and programs to build, measure, and manage brands to maximize their value.

**strategic business units (SBUs)** a single business or collection of related businesses that can be planned separately from the rest of the company, with its own set of competitors and a manager who is responsible for strategic planning and profit performance.

**strategic group** firms pursuing the same strategy directed to the same target market.

**strategic marketing plan** laying out the target markets and the value proposition that will be offered, based on analysis of the best market opportunities.

**strategy** a company's game plan for achieving its goals.

**style** a product's look and feel to the buyer.

**sub-brand** a new brand combined with an existing brand.

**subculture** subdivisions of a culture that provide more specific identification and socialization, such as nationalities, religions, racial groups, and geographical regions.

**subliminal perception** receiving and processing subconscious messages that affect behavior.

**supersegment** a set of segments sharing some exploitable similarity.

**supplies and business services** short-term goods and services that facilitate developing or managing the finished product.

**supply chain management (SCM)** procuring the right inputs (raw materials, components, and capital equipment), converting them efficiently into finished products, and dispatching them to the final destinations.

**supply-side methods** approximating the amount of time or space devoted to media coverage of an event, for example, the number of seconds the brand is clearly visible on a television screen or the column inches of press clippings that mention it.

## T

**tactical marketing plan** marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service.

**target costing** deducting the desired profit margin from the price at which a product will sell, given its appeal and competitors' prices.

**target market** the part of the qualified available market the company decides to pursue.

**target-return pricing** determining the price that would yield the firm's target rate of return on investment (ROI).

**telemarketing** the use of telephone and call centers to attract prospects, sell to existing customers, and provide service by taking orders and answering questions.

**total costs** the sum of the fixed and variable costs for any given level of production.

**total customer benefit** the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering because of the product, service, people, and image.

**total customer cost** the bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs.

**total customer value** the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering.

**total market potential** the maximum sales available to all firms in an industry during a given period, under a given level of industry marketing effort and environmental conditions.

**total quality management** an organization-wide approach to continuously improving the quality of all the organization's processes, products, and services.

**tracking studies** collecting information from consumers on a routine basis over time.

**transaction** a trade of values between two or more parties: A gives X to B and receives Y in return.

**transfer** in the case of gifts, subsidies, and charitable contributions: A gives X to B but does not receive anything tangible in return.

**transfer price** the price a company charges another unit in the company for goods it ships to foreign subsidiaries.

**transformational appeal** elaborates on a nonproduct-related benefit or image.

**trend** a direction or sequence of events that has some momentum and durability.

**two-part pricing** a fixed fee plus a variable usage fee.

**tying agreements** agreement in which producers of strong brands sell their products to dealers only if dealers purchase related products or services, such as other products in the brand line.

## U

**unsought goods** those the consumer does not know about or does not normally think of buying, like smoke detectors.

**unwholesome demand** consumers may be attracted to products that have undesirable social consequences.

## V

**value chain** a tool for identifying ways to create more customer value.

**value-delivery network (supply chain)** a company's supply chain and how it partners with specific suppliers and distributors to make products and bring them to markets.

**value-delivery system** all the expectancies the customer will have on the way to obtaining and using the offering.

**value network** a system of partnerships and alliances that a firm creates to source, augment, and deliver its offerings.

**value pricing** winning loyal customers by charging a fairly low price for a high-quality offering.

**value proposition** the whole cluster of benefits the company promises to deliver.

**variable costs** costs that vary directly with the level of production.

**venture team** a cross-functional group charged with developing a specific product or business.

**vertical integration** situation in which manufacturers try to control or own their suppliers, distributors, or other intermediaries.

**vertical marketing system (VMS)** producer, wholesaler(s), and retailer(s) acting as a unified system.

**viral marketing** using the Internet to create word-of-mouth effects to support marketing efforts and goals.

## W

**warranties** formal statements of expected product performance by the manufacturer.

**wholesaling** all the activities in selling goods or services to those who buy for resale or business use.

## Y

**yield pricing** situation in which companies offer (1) discounted but limited early purchases, (2) higher-priced late purchases, and (3) the lowest rates on unsold inventory just before it expires.

## Z

**zero-level channel (direct-marketing channel)** a manufacturer selling directly to the final customer.

*This page intentionally left blank*

# Image Credits

**Chapter 1**
page 2: Newscom; page 4: Newscom; page 6: Getty Images, Inc./Frank Micelotta; page 7 (top): Alamy Images/ Walter Bibikow/Jon Arnold Images Ltd.; page 7 (bottom): Courtesy of U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) and the Ad Council; page 13: Jim Schafer/Jim Schafer Location Photography, Inc.; page 14: AP Wide World Photos; page 15: Courtesy of H. J. Heinz Company; page 21: Courtesy of Snowshoe Mountain Resort; page 24: Courtesy of Ben & Jerry's Homemade Inc.; page 29: Hugh Threlfall/Alamy Images Royalty Free; page 30: Stanislaw Tokarski/Shutterstock

**Chapter 2**
page 32: Reproduced with permission of Yahoo! Inc. © 2010 Yahoo! Inc. Yahoo!, the Yahoo! logo and IT'S Y!OU are trademarks of Yahoo!; page 35: Courtesy of Pratt & Whitney; page 36: David Duprey/AP Wide World Photos; page 40: Courtesy of American Apparel, Inc.; page 41: Courtesy of Liz Claiborne Inc.; page 43: Bloomberg/Getty Images, Inc.; page 44 (top): Universal Pictures/Album/Newscom; page 44 (bottom): Humberto Olarte Cupas/Alamy Images; page 47: Justin Sullivan/Getty Images, Inc.-Getty News; page 50: Courtesy of Loanbright.com; page 51: Dove moisturizing cream, Dove is a Unilever brand; page 53: David Pearson/Alamy; page 57: MTP/ Alamy Images; page 58: Imagebroker/Alamy Images Royalty Free

**Chapter 3**
page 66: Andy Kropa/Redux Pictures; page 69: Courtesy of The Michigan Economic Development Corporation; page 70: Bloomberg/Getty Images, Inc.; page 71: Bloomberg/Getty Images, Inc.; page 73: Getty Images, Inc.; page 76: Photographer: Morad Bouchakour. Courtesy of General Electric Company; page 78: Starwood Hotels & Resorts; page 80 (left): Ben Baker/Redux Pictures; page 80 (right): Peter DaSilva/The New York Times/ Redux Pictures; page 81: Reed Saxon/AP Wide World Photos; page 83: Michelle Pemberton/ Indianapolis Star/Rapport Press/Newscom; page 84: Blend Images/Alamy Images; page 93: James M. Phelps, Jr./Shutterstock; page 94: Chris Howes/Wild Places Photography/Alamy Images

**Chapter 4**
Page 96: Courtesy of Kimberly-Clark. Svan Scooter used courtesy of Svan of Sweden AB; page 98: Christopher Schall/ Impact Photo; page 100: EyesWideOpen/Contributor/ Getty Images, Inc.-Liaison; page 101: Photographer Paul Elledge. Courtesy of Bank of America Corporation; page 103: Courtesy of Nottingham-Spirk; page 107: Erich Schlegel/The New York Times/Redux Pictures; page 109: Charles Sturge/Alamy Images; page 113: Courtesy of Frito-Lay, Inc.; page 114: Charles Sturge/Alamy Images; page 116: Courtesy of Servus Credit Union, Ltd.; page 119: Michael Halberstadt/Alamy Images; page 120: UpperCut Images/Alamy Images Royalty Free

**Chapter 5**
page 122: Jae C. Hong/AP Wide World Photos; page 124: Bloomberg/Contributor/Getty Images, Inc.-Bloomberg News; page 126: Seth Perlman/AP Wide World Photos; page 128: Courtesy of Volvo Car Corporation; page 132: Associated Press/Rick Feld/AP; page 138: The BURGER KING® trademarks and advertisements are used with permission from Burger King Corporation; page 139: Courtesy of Amy's Kitchen, Inc.; page 142: Courtesy of Tri-Union Seafoods, LLC; page 148: PSL Images/Alamy Images; page 149: ICP/Alamy Images

**Chapter 6**
page 150: AP Wide World Photos; page 154: Courtesy of Hot Topic, Inc.; page 156 (top): Adrian Buck/Alamy Images; page 156 (bottom): Courtesy of Snap Fitness; page 158: Courtesy of Joie de Vivre Hospitality, Inc.; page 164 (top): Woolite® is a registered trademark of Reckitt Benckiser Inc.; page 164 (bottom): Courtesy of State Farm Mutual Automobile Insurance Co.; page 169: AP Photo/Douglas C. Pizac; page 171: Paramount Pictures/Photoshot Archive Creative; page 173: Courtesy of Savers, Inc.; page 177: John Eder/Image Bank/Getty Images; page 178: D. Hurst/Alamy Images; page 180: Archimage/ Alamy Images

**Chapter 7**
page 182: Bloomberg/Getty Images, Inc.; page 184: Courtesy of Navistar, Inc.; page 187: Courtesy of NetApp, Inc.; page 190: Courtesy of SAS Institute, Inc. Copyright © 2010 SAS Institute, Inc., Cary, NC, USA; page 191: Newscom; page 193: SuperStock, Inc.; page 195: age fotostock/SuperStock; page 197: Courtesy of Ritchie Bros. Auctioneers; page 202: Courtesy of Tellabs; page 205: Courtesy of Chapman Kelly; page 208: digitallife/Alamy Images; page 210: Clynt Garnham/Alamy Images

**Chapter 8**
page 212: Ramona Settle/Alamy Images; page 217 (top): Courtesy of Avon Products, Inc.; page 217 (bottom): David L. Moore-California/Alamy Images; page 219: Courtesy of Procter & Gamble; page 220: Getty Images, Inc./Jeff Gross-Staff/ Getty Images Sports; page 221 (top): © Joe Giron/Corbis All Rights Reserved; page 221 (bottom): Getty Images, Inc.; page 222: Alamy/Juhn Lund/ Drew Kelly/Blend Images; page 223: UPI; page 225: Naum Kazhdan/The New York Times/ Redux Pictures; page 227: Mike Groll/AP Wide World Photos; page 231: Ross D. Franklin/Associated Press/AP; page 234 (top): © The Procter & Gamble Company. Used by permission; page 234 (bottom): Courtesy of Toms of Maine; page 237: ICP/Alamy Images; page 238: Max Earey/ Shutterstock

**Chapter 9**
page 240: © Smith/Retna Ltd./ Corbis All Rights Reserved; page 242: Kristoffer Tripplaar/ Alamy Images; page 243: Bloomberg/Contributor/Getty Images, Inc.-Bloomberg News; page 244: Cameron Spencer/ Staff/Getty Images, Inc.; page 245: H. Lorren Au Jr./Orange County Register/MCT/ Newscom; page 249: Courtesy of MasterCard Worldwide. Photograph © Julian Wolkenstein/Bransch; page 250: Courtesy of 42Below; page 251 (top): John Kuntz/The Plain Dealer/AP Associated Press; page 251 (bottom): Courtesy of Darden Restaurants, Inc.; page 253: AP Photo/Keystone, Arno Balzarinl; page 259 (top): Courtesy of Discovery Communications, Inc.; page 259 (bottom): Jeremy Noble/Flickr; page 262: Courtesy of United Technologies Corporation; page 264: © 2010 Crayola. Oval Logo®, Chevron® design, Serpentine® design, Color Wonder®, Twistables® and Color Explosion® are registered trademarks; Smile design™, Pip-Squeaks™, Color Switchers™ and Glow Explosion™ are trademarks of Crayola. © Disney. © Disney/ Pixar; page 269: PSL Images/ Alamy Images; page 271: Paul Prescott/Shutterstock

**Chapter 10**
page 274: Amanda Kamen; page 276: Newscom; page 277: Imagebrokers/Photoshot; page 281: © 2010 Visa Corporation. Courtesy of Visa International, Lew'lara/TBWA, and Timothy Hogan. Photographer: Alexandre Catan; page 282: Jeff Greenberg/Alamy Images; page 285 (top): Newscom; page 285 (bottom): Matt Stroshane/ Bloomberg/Getty Images, Inc.-Getty News; page 288: James F. Quinn/Chicago Tribune/ Newscom; page 289: Courtesy of Progressive Casualty Insurance Company; page 293 (top): AP Photo/Mark Lennihan; page 293 (bottom): Alex Polvi; page 295: Alex Segre/Alamy Images; page 296: Richard Levine/Alamy Images

**Chapter 11**
page 298: Newscom; page 301: Hannah Morse; page 302: Amanda Kamen; page 304: Kim Karpeles/Alamy Images; page 306: Courtesy of Ariat International, Inc.; page 307: Pepsi-Cola Company; page 308: Bloomberg/Getty Images, Inc.;

page 309: Courtesy of Zippo Manufacturing Company; page 310: Courtesy of Digicel Group; page 312: ICP/Alamy Images; page 314: Courtesy of AB Electrolux; page 318: Reproduced by kind permission of Sainsbury's Supermarkets Ltd.; page 319: Courtesy of General Electric Company. Photograph by Benedict Redgrove; page 321: Adriano Castelli/Shutterstock; page 322: Scott Prokop/Shutterstock

**Chapter 12**

page 324: Feng Li/Getty Images, Inc.-Getty News; page 327: Courtesy of Jamestown Container Companies; page 329: Sean Gallup/Getty Images, Inc.-Getty News; page 330: Monica Rueda/AP Wide World Photos; page 332: UpperCut Images/Superstock Royalty Free; page 333: Courtesy of Bang and Olufsen; page 335: Courtesy of Sub-Zero, Inc.; page 336: Courtesy of Michelin North America, Inc.; page 342: Michael Perez/Philadelphia Inquirer/MCT/Newscom; page 343: Matt Cardy/Getty Images, Inc.-Getty News; page 345: Courtesy Mohawk Industries. Carpet made with DuPont™ Sorona®; page 347: Courtesy of Sara Lee Corporation; page 348: Mary Altaffer/AP Wide World Photos; page 350: Woodsy/Shutterstock; page 352: Jose Gil/Shutterstock

**Chapter 13**

page 354: Holandaluz Vincent de Vries/Alamy Images; page 356: Courtesy of Zipcar; page 359 (left): Michael Caulfield/Getty Images-WireImage.com; page 359 (right): Kevin Mazur/Getty Images/Time Life Pictures; page 361: John Raoux/AP Wide World Photos; page 362 (top): Eric Piermont/Getty Images, Inc. AFP; page 362 (bottom): MajaPhoto/Dreamstime LLC-Royalty Free; page 363: Courtesy of JetBlue Airways Corporation; page 369: Courtesy of Schneider National, Inc.; page 370: Karen Ballard/Redux for Fast Company; page 371: Courtesy of USAA; page 379: Kristoffer Tripplaar/Alamy Images; page 380: Kristoffer Tripplaar/Alamy Images

**Chapter 14**

page 382: Dorothea Schmid/laif/Redux; page 385: Sandra Hoyn/laif/Redux; page 388: © Corbis All Rights Reserved; page 389 (top, left): Andre Jenny/Alamy Images; page 389 (top, right): Kristoffer Tripplaar/Alamy Images; page 389 (bottom, left): Stu/Alamy Images; page 389 (bottom, right): Chuck Franklin/Alamy Images; page 390: Alex Segre/Alamy Images; page 394: Hiroko Masuike/The New York Times; page 397: Courtesy of Parker Hannifin Corporation; page 399: Courtesy of Kenworth Truck Company; page 401: Gordon M. Grant/The New York Times; page 407: Chris Warde-Jones/Bloomberg via Getty Images; page 411: goldenangel/Shutterstock; page 412: Carlos E. Santa Maria/Shutterstock

**Chapter 15**

page 414: Justin Sullivan/Getty Images, Inc.-Getty News; page 417: Courtesy REI; page 418: Courtesy of Nautilus, Inc.; page 421 (top): Courtesy of RedEnvelope®; page 421 (bottom): Courtesy of WM GreenOps LLC.; page 422: Philip Scalia/Alamy Images; page 424: Jackson Lowen/The New York Times; page 425: Courtesy of STIHL Incorporated; page 430: Hemis/Alamy Images; page 431: Graham Jepson/Alamy Images; page 434: Richard Levine/Alamy Images; page 436: Paul Sakuma/AP Wide World Photos; page 440: Tomohiro Ohsumi/Getty Images, Inc-Bloomberg News; page 443: NetPics/Alamy Images; page 444: Mark Mercer/Alamy Images

**Chapter 16**

page 446: Brad Swonetz/Redux Pictures; page 448: Charles Krupa/AP Wide World Photos; page 451: Tannen Maury/Getty Images, Inc.-Bloomberg News; page 453: Steven Senne/AP Wide World Photos; page 455: Courtesy of Aéropostale, Inc.; page 456: Richard Levine/Alamy Images; page 457: Courtesy of Bass Pro, Inc.; page 460: JB Reed/Getty Images, Inc.-Bloomberg News; page 465: Courtesy of ConMed, Inc.; page 468: Courtesy of Cameron Hughes Wine; page 470: CuboImages srl/Alamy Images; page 471: Kristoffer Tripplaar/Alamy Images

**Chapter 17**

page 474: Courtesy of Ocean Spray Cranberries, Inc.; page 477 (top): © Corbis All Rights Reserved; page 477 (bottom): Courtesy of Motorola, Inc.; page 480: Courtesy of Philips Consumer Lifestyle; page 483: Courtesy of General Electric Company. Photographer: Kai Uwe Gundlach; page 484: Jin Lee/Getty Images, Inc.-Getty News; page 487: Courtesy of Priceline.com Incorporated; page 488: Courtesy of Deere & Company; page 489: Getty Images, Inc.; page 493: Reprint Courtesy of International Business Machines Corporation, © 2010 International Business Machines Corporation; page 498: Copyright DeepGreen/Shutterstock; page 499: Kristoffer Tripplaar/Alamy Images

**Chapter 18**

page 502: © The Procter Gamble Company. Used by permission; page 506: PRNewsFoto/Body by Milk; page 507: Courtesy of T-Mobile Limited; page 508: Courtesy of Aflac Incorporated; page 512: © 2010 Geico. All rights reserved. Used with permission; page 514: Snickers is a registered trademark of Mars, Incorporated and its affiliates. This trademark is used with permission. Mars, Incorporated is not associated with Pearson. Advertisement printed with permission of Mars, Incorporated; page 522: Courtesy of Coupons.com Incorporated; page 524: Michael Schmelling; page 527: "The Crayola FACTORY® Tour" Photo provided courtesy of Crayola LLC and used with permission. © 2010 Crayola. The Crayola FACTORY, "TIP" character and Serpentine Design are trademarks of Crayola LLC; page 528: Mike Derer/AP Wide World Photos; page 529: Dreyer's Grand Ice Cream; page 531: Richard Levine/Alamy Images; page 532: mediablitzimages (uk) Limited/Alamy Images

**Chapter 19**

page 534: Pepsi-Cola Company. Photographer: Martin Wonnacott; page 537: Courtesy of L.L.Bean Inc.; page 538: Lucy Gauntlett; page 541: The BURGER KING® trademarks and advertisements are used with permission from Burger King Corporation; page 544: Trademarks are use with permission of Volkswagen Group of America, Inc.; page 547: © Intuit Inc. All rights reserved; page 548: Courtesy of Treehugger; page 549: Courtesy of Pistachio Consulting; page 550: Courtesy of Blendtec; page 552: Courtesy of Ford Motor Company; page 553: Jin Lee/Getty Images, Inc.-Getty News; page 563: 1000 Words/Shutterstock; page 564: PSL Images/Alamy Images

**Chapter 20**

page 566: Ryan Collerd/The New York Times/Redux Pictures; page 569: Courtesy of W. L. Gore & Associates, Inc.; page 572: Maurizio Gambarini/Newscom; page 575: Jessica Rinaldi/Reuters Limited; page 576: Buzz Pictures/Alamy Images; page 578: Martin Oeser/Getty Images, Inc. AFP; page 581: PRNewsFoto/Marriott International, Inc.; page 586: Jose M. Osorio/Chicago Tribune/Newscom; page 587: © Corbis All Rights Reserved; page 589: Jim Wilson/The New York Times/Redux Pictures; page 591: John Baran/Alamy Images Royalty Free; page 593: PSL Images/Alamy Images

**Chapter 21**

page 594: Joerg Boethling/Alamy Images; page 596: Ron Heflin/AP Wide World Photos; page 598: Used with permission from Microsoft; page 599: Ícaro Messias/Wikimedia Commons; page 603: Anita Back/laif/Redux Pictures; page 605: Matthew Ashton/Alamy Images; page 606: Miquel Gonzalez/laif/Redux Pictures; page 607: Indiapix/Alamy Images; page 609: Getty Images, Inc.; page 612: Getty Images, Inc.; page 614: Gold/Miller Productions/Album/Newscom; page 615: Imaginechina/AP Wide World Photos; page 618: Sandy Young/Alamy Images Royalty

Free; page 619: Lou Linwei/Alamy Images

**Chapter 22**

page 620: Courtesy of The Timberland Company; page 622: Journal Times, Scott Anderson/AP Wide World Photos; page 625: © Corbis All Rights Reserved; page 627: Adam Rountree/Bloomberg/Getty Images-Bloomberg; page 630: Courtesy of Procter & Gamble; page 632: Irwin Fedriansyah/AP Wide World Photos; page 635: Courtesy of British Airways Plc; page 636: Allsport Concepts/Getty Images; page 638: Ali Burafi/AP Wide World Photos; page 639: Courtesy of the World Wildlife Fund; page 643: Matt Rourke/AP Wide World Photos; page 649: Alistair Ruff/Alamy Images Royalty Free; page 650: Leabrooks Photography/Alamy Images Royalty Free.

*This page intentionally left blank*

# Index

## Name


Aaker, David A., 203
Aaker, Jennifer, 157
Aaron, Hank, 533
Abate, Tom, 108
Abelson, Jenn, 533
Adamy, Janet, 272
Adler, Jerry, 83
Aguilera, Christina, 402
Aksoy, Lerzan, 129
Aldrin, Buzz, 295
Allen, James, 30
Allen, Paul, 93
Allison, Melissa, 148
Ambler, Tim, 115
Anderson, Chris, 235, 385
Anderson, Diane, 649
Anderson, James C., 199, 231, 400, 461
Andreassen, Tor Wallin, 129
Aniston, Jennifer, 293
Ansari, Kimia M., 238
Ante, Spencer E., 369
Aquilla, Frank, 602
Ariely, Dan, 176
Armstrong, Lance, 29
Armstrong, Shelagh, 75
Arndt, Michael, 403
Arnould, Eric J., 254
Aronson, Arnold, 387
Arroniz, Inigo, 46, 47
Auguste, Byron G., 377
Austen, Ian, 593

Bailey, Jeff, 413
Bajarin, Tim, 59
Baker, David R., 58
Balachnadar, Subramanian, 344
Baldwin, Alec, 486
Bamford, Joanna, 149
Bannan, Karen J., 552
Barbaro, Michael, 95
Barrett, Colleen, 413
Bartz, Carol, 33
Basu, Amiya, 344
Batelle, John, 552
Bauer, Margie, 602
Baumgartner, Hans, 104
Beckham, David, 6, 477
Bedbury, Scott, 267
Beene, Geoffrey, 288
Begley, Ed, Jr., 81
Belch, George, 166
Belch, Michael, 166
Bello, John, 305, 553
Bemner, Brian, 353
Bendapudi, Neeli, 381
Berfield, Susan, 458
Berger, Jonah, 339
Berner, Robert, 270, 565, 575
Berry, Leonard L., 372, 374, 381
Berry, Tim, 55
Bertinelli, Valerie, 485
Best, Roger J., 231
Beucke, Dan, 533
Beyoncé, 282, 359
Bezos, Jeff, 443
Bickoff, J. Darius, 293
Binkley, Christina, 334
Birkett, Laurie, 146
Birtwell, Celia, 431
Bitner, Mary Jo, 360
Bjork, Christopher, 471
Blacker, Stanley, 288
Blakely, David, 119
Bloom, Paul N., 83
Bodett, Tom, 509
Boies, David, 359
Bolt, Usain, 310
Bond, John, 237, 238
Boniface, Russell, 458
Bono, 636
Bonoma, Thomas V., 230
Boudette, Neil, 239
Bowen, David, 364
Boykin-Towns, Karen, 194
Boyle, Matthew, 445
Brady, Michael K., 316
Brady, Tom, 293
Brakus, Joško, 358
Branson, Richard, 650–51
Brasel, S. Adam, 476
Breen, Bill, 76
Briesch, Richard A., 339
Brin, Sergey, 30
Britton, Tracy, 238
Brodie, John, 448
Broniarczyk, Susan M., 339
Brosnan, Tim, 533
Brown, Heidi, 322
Brown, Stuart F., 353
Brown, Tim, 120, 569
Bryant, Kobe, 29
Brynjolfsson, Erik, 235
Buffet, Warren, 512
Bulik, Beth Snyder, 334, 592
Burnsed, Brian, 403
Burrows, Peter, 592
Burton, Philip Ward, 509
Bush, Jason, 601
Bush, Michael, 121
Buss, Dale, 112, 351
Butler, David, 333
Byrne, John A., 211

Cacioppo, John, 173
Cadwallader, Susan, 372
Callahan, Sean, 209
Callebaut, Jan, 160
Campanelli, Melissa, 601
Capell, Kerry, 180, 385, 471, 651
Capon, Noel, 555
Carbone, Lewis P., 372
Carroll, Dave, 362
Carvajal, Doreen, 619
Casey, Paul, 486
Caslione, John A., 16
Cassidy, Hilary, 297
Cassidy, John, 235, 564
Cendrowski, Scott, 297
Chamberlain, Lisa, 120
Chang, Rita, 31
Charan, Ram, 575
Chattopadhyay, Amitava, 552
Cheetah, Chester (mascot), 113
Chen, Pei-yu, 344
Chernev, Alexander, 339
Cheverton, Peter, 555
Child, Peter N., 423
Chintagunta, Pradeep K., 339
Chizauskas, Cathy, 636
Chou, Jay, 477
Chouinard, Yvon, 629
Christensen, Glenn L., 106
Chu, Kathy, 403
Chung, Mong-Koo, 596
Cink, Stewart, 486
Cioletti, Jeff, 219
Clancy, Heather, 59
Clark, Don, 59
Clarkson, Kelly, 293
Clifford, Stephanie, 59, 146
Clifton, Rita, 257
Cobain, Kurt, 221
Cohen, Arianne, 633
Cohen, Ben, 24
Cohen, Sacha Baron, 614
Cohn, Laura, 149
Colgate, Mark, 364
Collins, Jim, 46
Colvin, Geoffrey, 211, 575
Comarow, Avery, 381
Comeau, Michael, 593
Comstock, Beth, 210, 211
Cone, Carol L., 637
Conlin, Michelle, 500
Cooil, Bruce, 129
Cook, Brad, 532
Cook, Scott, 120
Cooper, Robert G., 574
Cooper, Simon, 379
Corbett, Peter, 564
Coster, Helen, 448, 602
Coupland, Douglas, 221
Cox, Courtney, 578
Creamer, Matthew, 412
Cutler, Alex, 319

Daly, John, 305
DaSilva, Alison T., 637
David, George, 262
Dawson, Chester, 353
Day, George, 35
De Avila, Joseph, 592
DeGeneres, Ellen, 282, 297
DeJoria, John Paul, 334
Dekimpe, Marnik G., 316
Dell, Michael, 70, 124
De Lollis, Barbara, 120
Dempsey, Patrick, 486
De Niro, Robert, 282, 297, 486
Depp, Johnny, 486
Deshpande, Rohit, 203
Deutschman, Alan, 651
Dey, Romit, 432
Diamond, Seth, 110
Dichter, Ernest, 160
Dickson, Tom, 550
Diehl, Kristin, 339
Dillon, Mary, 272
Dion, Celine, 485
Disney, Roy, 178
Disney, Walt, 178
Doeble, Justin, 322
Dolan, Matthew, 552
Dolliver, Mark, 83
Donahue, John, 412
Donaton, Scott, 276
Donnelly, James H., 357
Dotzel, Thomas, 372
Doyle, Patrick, 169
Doyle, Peter, 317
Drucker, Peter, 5, 38, 53
Drumwright, Minette, 634
Du Plesis, Erik, 476
Dyson, James, 571, 572

Eakin, Emily, 106
Ebenkamp, Becky, 146
Edison, Thomas, 210
Edmondson, Gail, 239
Edwards, Cliff, 59
Einhorn, Bruce, 602
Elkind, Peter, 651
Elliott, Stuart, 94, 516
Ellis, Perry, 288
Emerson, Ralph Waldo, 646
Engardio, Pete, 76
English, Todd, 524
Epstein, Marc J., 256
Ewers, Justin, 30, 165
Ewing, Jack, 618

Fackler, Martin, 322
Fader, Peter, 134
Fahey, Liam, 256
Farris, Paul, 114, 402
Favre, Brett, 485
Feder, Barnaby J., 192
Federer, Roger, 29, 243, 532
Feinberg, Fred, 108
Feldman, Mark A., 637
Fey, Tina, 282
50 Cent, 293
Fisher, Daniel, 211
Fishman, Charles, 353
Fiske, Neil, 218, 219
FitzGerald, Niall, 342
Flannery, Russell, 602
Fletcher, Richard, 149
Ford, Henry, 233, 314, 576
Foreman, George, 485
Fornell, Claes, 130
Fournier, Susan, 255
Fox, Edward J., 339
Frank, Robert J., 301
Frazier, Mya, 500
Freud, Sigmund, 160
Friedman, Milton, 629

Frommer, Dan, 31
Furguson, John, 94

Gale, Porter, 114, 245
Gallo, Carmine, 380
Galvin, John, 270
Gamble, James, 269
Gates, Bill, 93
Gaultier, Jean Paul, 499
Geiling, Peter, 602
George, Jeffrey P., 301
George, Kevin, 565
George, William R., 357
Gerstner, Lou, 628
Gerstner, Louis V., Jr., 323
Gerzema, John, 248
Ghosh, Bikram, 344
Ghosn, Carlos, 617
Giannulli, Mossimo, 456, 499
Gilbert, Jennifer, 192
Gillette, King C., 532
Gilly, Mary C., 376
Gimbel, Barney, 413
Ginsberg, Jill Meredith, 83
Gips, James, 476
Giscard d'Estaing, Henri, 213
Gladwell, Malcolm, 165, 551
Gobé, Marc, 291
Godin, Seth, 136–37, 543, 570
Goizueta, Roberto, 532
Goldberg, Whoopi, 487
Goldenberg, Jacob, 552
Golder, Peter, 312–13
Goldiner, Dave, 95
Gorbachev, Mikhail, 195
Gorog, Danny, 31
Gourville, John, 339
Govindarajan, Vijay, 76
Graf, Steffi, 295
Graham, Jefferson, 31
Graham, Lauren, 486
Graves, Michael, 456, 499
Green, Richard, 431
Green, Stephen, 238
Greene, Jay, 192
Greenfield, Jerry, 24
Greenhouse, Steven, 445
Greenwald, John, 532
Gregory, Sean, 95
Gremler, Dwayne D., 360
Grewal, Dhruv, 372
Greyser, Stephen A., 316
Griffith, Scott, 356
Gronbach, Kenneth, 220
Grove, Andy, 576
Gupta, Anil K., 601
Gupta, Rajat, 575
Gupta, Sunil, 134
Gutchess, Angela H., 108
Guth, Robert A., 94

Ha, Peter, 499
Haeckel, Stephan H., 372
Hague, Paul, 104
Hall, Malcolm Macalister, 552
Hamilton, Laird, 297
Hamilton, Ryan, 339
Hamm, Steve, 46, 575
Hanks, Tom, 486
Hanlon, Patrick, 292
Hanna, Jim, 649
Hansell, Saul, 593
Hardie, Bruce, 134
Harmon, Eric P., 377
Harrington, Anna, 322
Harris, Rebecca, 102
Hartman, Cathy L., 83
Hastings, Reed, 415
Haugtvedt, Curt P., 339
Hawk, Tony, 221
Hayashi, Alden M., 146
Hayes, John, 296
Haysbert, Dennis, 485
Heath, Chip, 165, 334
Heath, Dan, 165, 334
Hein, Kenneth, 59, 238, 458, 633
Heinz, Henry John, 632
Heires, Katherine, 385
Helm, Burt, 30, 58, 94, 476
Helsen, Kristiaan, 316
Hempel, Jessi, 593
Henderson, Naomi R., 102
Henley, Jon, 180
Henry, Thierry, 532
Hepburn, Audrey, 295
Herr, Paul M., 339
Herzberg, Frederick, 160, 161
Heywood, Suzanne, 423
Hilfiger, Tommy, 288
Hill, Sam, 651
Hilton, Paris, 486
Hindmarch, Anya, 499
Hirshberg, Gary, 630
Hitt, Loren M., 344
Hoch, Stephen J., 339
Hof, Robert D., 444
Hofman, Mike, 165
Hogan, John E., 391
Holahan, Cattherine, 412, 565
Holt, Benjamin, 350
Holt, Douglas, 292
Honigman, Daniel B., 112, 413
Horovitz, Bruce, 649
Horyn, Cathy, 334
Hosaka, Tomoko A., 353
Hovland, Carl, 484
Howard, Theresa, 565, 649
Howe, Peter J., 385
Hsieh, Tony, 447
Hu, Judy, 210
Hu, Yu "Jeffrey," 235
Hughes, Cameron, 468
Hunt, Shelby D., 203
Hurd, Mark, 45
Huston, Larry, 575
Huver, Scott, 486

Iezzi, Teressa, 120
Iger, Bob, 179
Ihlwan, Moon, 46, 322
Immelt, Jeffrey R., 76, 210
Isidore, Chris, 353
Iwata, Edward, 649
Iwata, Satoru, 567
Iyengar, Sheena S., 339

Jackson, Peter, 104
James, LeBron, 29, 79, 80, 484
Jana, Reena, 30, 76, 83, 295
Jaworski, Bernard J., 278, 375, 541, 542
Jennings, Brandon, 299
Jeter, Derek, 532
Joachimsthaler, Erich, 573, 574
Jobs, Steve, 528, 589, 592
Johnson, Mark, 121
Johnson, William R., 632
Johnston, Megan, 633
Jolie, Angelina, 243
Jones, Reginald, 210
Jones, Terril Yue, 592
Jordan, Michael, 29
Juskalian, Russ, 176

Kalasvuo, Oli Pekka, 618
Kamprad, Ingvar, 179–80
Kang, Stephanie, 476
Kaplan, Allison, 30
Kapner, Suzanne, 95
Kardes, Frank R., 339
Karlgard, Rich, 46
Karpinski, Richard, 31
Kasner, Sarah Jeffrey, 102
Kawasaki, Guy, 38
Keaveney, Susan M., 371
Keegan, Warren, 608
Keiningham, Timothy L., 129
Keller, Kevin Lane, 203, 256, 267, 335, 496, 499, 608
Kessler, Michelle, 58
Kim, Ju-Young, 385
Kim, W. Chan, 278–79
King, Regina, 486
Kirkpatrick, David, 59
Kiviat, Barbara, 165
Klein, Calvin, 288
Klein, Karen E., 121
Klein, Norman, 316
Klein, Russ, 541
Kliger, Michael, 423
Knight, Philip, 29
Knutson, Brian, 108
Kolbert, Elizabeth, 176
Komen, Susan G., 635
Kotler, Philip, 16, 19, 23, 486, 576, 647
Kranhold, Kathryn, 129, 211
Kroc, Ray, 271, 366
Kroeber, Arthur, 601
Kudrow, Lisa, 578
Kuksov, Dimitri, 339
Kumar, Nirmalya, 199, 301, 461
Kumar, V., 134
Kurahashi, Nobuo, 35
Lafley, A. G., 137, 292, 574, 575
La Forgia, John, 381
Lange, Liz, 95, 456, 499
LaPointe, Pat, 117–18
Lashinsky, Adam, 412
Lavabre, Louise, 602
Lavidge, Robert J., 481
Layne, Rachel, 211
Lazaridis, Mike, 45, 593
Lebar, Ed, 248
Lee, Ka, 134
Lee, Lara, 255
Leggio, Jennifer, 58
Lehmann, Donald R., 134, 256
Lenhart, Amanda, 516
Leonard, Devin, 94, 448
Leondis, Alexis, 403
Leonwood, Leon, 536
Lepper, Mark R., 339
Letz, Jim, 352
Levitt, Theodore, 18, 307
Levy, Piet, 102, 486, 491
Levy, Steven, 592
Lewis, David, 333
Light, Larry, 292
Lincoln, Abraham, 383
Lindstrom, Martin, 108
Lippert, Barbara, 30
Liptrot, Hannah, 149
Little, John, 112
Liu, Wendy, 339
Loeb, Lisa, 528
Lohr, Steve, 323
Lopez, Jennifer, 295
Lowry, Adam, 275
Lyman, Jay, 592

Ma, Jack, 440
MacDonald, Kelsey, 115–16
MacKinnon, Mark, 602
MacMillan, Douglas, 412
Madden, Normandy, 238
Madonna, 295, 402
Mahoney, Sarah, 83, 219
Maier, Matthew, 385
Malhotra, Arvind, 376
Malkoff, Mark, 528
Malone, Chris, 17
Malone, Matthew, 413
Maloney, John C., 484
Manning, Eli, 522, 523
Manning, Jeff, 224
Manning, Peyton, 522, 523
Mantle, Mickey, 533
Martin, Andrew, 272
Martinez, Amy, 148
Maslow, Abraham, 160–61
Massarella, Linda, 486
Mateschitz, Dietrich, 498
Matzer, Marla, 58
Mauborgne, Renée, 278–79
Mayer, John, 591
Maynard, Michelle, 413
Mayo, Charles, 380
Mayo, William, 380

McCausland, Tom, 7
McDonald, Bob, 629
McDonald, Malcolm, 555
McGonigal, Jane, 515
McGovern, Gail, 17
McGregor, Jena, 46, 129, 369
McKeough, Tim, 351
McLean, Bethany, 334
Mehegan, David, 176
Meredith, Geoffrey E., 220
Mersereau, Marilyn, 57
Meyer, Ann, 552
Miller, Bode, 305
Mintz, Jessica, 146
Miyamoto, Shigeru, 567
Mizrahi, Isaac, 95, 456
Mogilner, Cassie, 339
Moldovan, Sarit, 552
Mollenkamp, Carrick, 238
Moorman, Christine, 203
Morais, Richard C., 619
Moran, Ursula, 435
Morgan, Neil A., 129
Morgan, Robert M., 203
Moriarty, Rowland T., 426, 435
Morita, Akio, 38, 302
Morrison, Scott, 120
Morrison, Sigerson, 499
Morrissey, Brian, 146
Moss, Kate, 431
Mucha, Thomas, 565
Mulally, Alan, 325
Mullman, Jeremy, 30, 533
Muniz, Albert M., 254
Murphy, Patrick, 634
Mustafa, Isaiah, 503
Mycoskie, Blake, 637
Myers, Steven Lee, 601
Myerson, Bruce, 385
Myser, Michael, 577

Nadal, Rafael, 29
Nagle, Thomas T., 391
Narasimhan, Laxman, 301
Narus, James A., 199, 231, 461
Natter, Martin, 385
Naughton, Keith, 486
Neeleman, David, 363
Neff, Jack, 95, 270, 533, 555, 565, 634
Newman, Paul, 634
Ng, David, 95
Nicholson, Kate, 238
Nilekani, Nandan, 601
Nordstrom, John W., 147
Nussbaum, Bruce, 120

Obama, Barack, 2, 3, 381
O'Brien, Denis, 309–10
O'Brien, Jeffrey M., 323
O'Brien, Kevin J., 618
O'Connell, Andrew, 476
O'Connell, Patricia, 322
O'Donnell, Kevin, 316
Ogbogu, Eric, 299
O'Leary, Michael, 385
Olson, Jerry C., 106
Omidayar, Pierre, 411
Orgel, David, 219
Orr, Deborah, 238
Ortega, Amancio, 470
Osbourne, Ozzy, 221, 222, 485
Osgood, Charles, 485
Ottman, Jacquelyn, 83
Owen-Jones, Lindsay, 619

Packard, David, 17
Page, Larry, 30
Palmeri, Christopher, 334
Palmisano, Samuel, 46, 323
Pandit, Vivek, 377
Parasuraman, A., 372, 374, 376
Parish, Janet, 372
Park, Seung Ho, 602
Parks, Bob, 458
Parsons, Jay, 592
Pattison, Kermit, 564
Pauwels, Koen, 256, 385
Pearlstein, Steven, 351
Pemberton, John S., 531
Peppers, Don, 123, 137
Percy, Larry, 482
Perry, Matthew, 578
Peters, Tom, 6
Petrecca, Laura, 565
Petty, Richard, 173
Pfanner, Eric, 295
Pforzheimer, Harry, 121
Pickens, T. Boone, 71
Pierce, Andrew, 316
Piette, Daniel, 471
Pink, Daniel H., 106
Plank, Kevin, 299
Plank, Richard E., 203
Plungis, Jeff, 403
Podmolik, Mary Ellen, 209
Polk, Thad A., 108
Porter, Michael, 34, 51, 232, 289
Postrel, Virginia, 332
Potter, Dave, 555
Powell, Ken, 318
Poynor, Cait, 339
Prahalad, C.K., 76
Prefontaine, Steve, 29
Presley, Elvis, 79
Pringle, Hamish, 149
Procter, William, 269
Proulx, Tom, 120
Pujals, Fernandez, 307
Pujols, Albert, 506
Pullins, Ellen Bolman, 203
Purvis, Scott C., 509
Putin, Vladimir, 600

Quelch, John, 17, 322
Quenqua, Douglas, 238
Quinn, Stephen, 95

Radd, David, 516
Ramstad, Evan, 322
Randall, David K., 334
Rangan, Kash, 432
Rangan, V. Kasturi, 432
Rangaswamy, Arvind, 234
Rapaille, Clotaire, 160
Rashid, Karim, 275
Raux, Caroline, 471
Rayport, Jeffrey, 375, 541
Rayport, Jeffrey F., 278, 542
Reardon, Marguerite, 58
Redden, Joseph P., 339
Regalado, Antonio, 601
Rego, Lopo Leotte, 129
Reibstein, Dave, 116, 402
Reichheld, Frederick, 129
Reid, David A., 203
Rein, Irving, 486
Reinartz, Werner J., 134
Reiss, Robert, 380
Revson, Charles, 7
Richards, Keith, 244, 295
Ries, Al, 265
Rifkin, Glenn, 651
Rigby, Elizabeth, 149
Ringer, Randall, 292
Roberts, Andrew, 619
Roberts, Dexter, 602
Roberts, Kevin, 291
Roberts, Paul, 381
Robinson, Patrick J., 195
Robison, Jennifer, 380
Rockwood, Kate, 448
Roehm, Michelle L., 316
Rogers, Everett M., 481, 589, 590
Rogers, Martha, 123, 137
Romanzi, Ken, 475
Rook, Dennis, 102
Rooney, Jennifer, 46
Rose, Partha, 432
Rossiter, John R., 482
Roth, Rick, 112
Rothenberg, Randall, 565
Rothstein, Edward, 532
Rudnick, Tamar, 339
Ryan, Eric, 275

Sakkab, Nabil, 575
Sanders, Harland, 605
Sanders, Lisa, 112
Sanderude, Scott, 554
Sanserino, Michael, 369
Sawhney, Mohanbir, 46, 47
Scanlon, Jessie, 351
Schau, Hope Jensen, 254
Schewe, Charles D., 220
Schindler, Fred, 555
Schlosser, Julie, 31, 500
Schmitt, Bernd H., 358
Schnaars, Steven, 312
Schonfield, Erick, 444
Schueller, Eugene, 619
Schultz, Howard, 648–49
Schulze, Horst, 379
Schwab, Charles, 485
Schwartz, Barry, 339
Scoller, Martin, 486
Scorsese, Martin, 486
Scott, Lee, 629
Scott, Ridley, 480
Seiders, Kathleen, 372
Seinfeld, Jerry, 94, 282
Seitz, Patrick, 444
Sela, Aner, 339
Selden, Larry, 20
Selden, Yoko Sugiura, 20
Seltman, Kent D., 381
Seno, Alexandra A., 602
Serwer, Andy, 413, 651
Shambora, Jessica, 633
Shankar, Venkatesh, 372
Shapiro, Benson P., 230, 338
Sharapova, Maria, 29
Sharpe, Ashleye, 149
Shasteen, Rhonda, 114
Shatner, William, 486, 487
Shell, Ellen Ruppel, 180
Shervani, Tasadduq A., 256
Sheth, Jag, 630
Shriver, Bobby, 636
Siklosc, Richard, 179
Silverstein, Michael J., 218, 219
Sinegal, Jim, 444
Sinfield, Joe, 121
Sisodia, Raj, 630
Skinner, Jim, 271
Slavens, Roger, 59
Smart, Tim, 30
Smith, Adam, 125, 629
Smith, David J., 75
Smith, Fred, 38
Smith, Michael D., 235
Solomon, Deborah, 444
Soman, Dilip, 339
Sood, Sanjay, 608
Spann, Martin, 385
Spielberg, Steven, 259
Srinivasan, Shuba, 256
Srivastava, Rajendra K., 256
Stafford, Dale, 361
Stafford, Edwin R., 83
Standish, Jeff, 554
Steel, Emily, 209
Steenkamp, Jan-Benedict E. M., 104, 301, 461
Steiner, Gary A., 481
Stephens, Sammy, 14
Stern, Howard, 486
Sternberg, Brian, 108
Steverman, Ben, 500
Stewart, Thomas A., 211
Stewart, Tony, 524
Stone, Kenneth E., 95
Story, Louise, 533
Stråberg, Hans, 314
Strand, Petra, 499
Stremersch, Stefan, 344
Strong, E. K., 481
Stuart, Jennifer Ames, 134
Stuart, John, 256

Stucky, Nik, 257
Sullivan, Elisabeth, 146, 347
Sunstein, Cass, 176
Sutherland, Kiefer, 486
Sutton, Robert I., 577
Swanson, Scott, 381
Swartz, Jon, 121
Sweeney, Alison, 524
Swift, Taylor, 359
Szaky, Tom, 11

Tannenbaum, Percy, 485
Tax, Stephen, 364
Taylor, Alex, III, 351
Taylor, Catherine P., 31
Taylor, Chris, 120, 444
Taylor, Fred, 413
Tellis, Gerald J., 312–13, 344
Thaler, Richard, 176, 177
Thibodeau, Michael, 292
Thomaselli, Rich, 533
Thompson, Clive, 412
Thompson, Craig, 292
Thompson, Marjorie, 149
Thompson, Stephanie, 634
Tiplady, Rachel, 471
Tischler, Linda, 102, 219, 577
Todé, Chantal, 148
Tomlinson, Richard, 619
Toyoda, Akio, 352
Travis, Daryl, 108
Treece, James B., 353
Trimble, Chris, 76
Trottman, Melanie, 413
Trout, Jack, 265
Trump, Donald, 486
Tuna, Cari, 369
Tybout, Alice M., 316

Underhill, Paco, 458
Urban, Glen L., 203, 412

Van Camp, Scott, 59
Vance, Ashlee, 58
Van Hampton, Steven, 351
Van Heerde, Harald, 316
Vanheule, Marc, 256
Vanhonacker, Wilfried R., 602
Van Rossum, Wouter, 199, 400
Van Stolk, Peter, 136
Vella, Matt, 272
Vence, Deborah L., 108
Villas-Boas, J. Miguel, 339
Vine, Stella, 431
Violino, Bob, 203
Vitharana, Padmal, 344
Volande, Stellene, 334
Vranica, Suzanne, 94, 543

Wagner, Honus, 533
Walsh, Peter, 4
Walton, Sam, 94, 366
Wang, Haiyan, 601
Warhol, Andy, 531
Washkewicz, Donald, 396
Wasserman, Todd, 112
Wasson, Chester R., 317
Watmore, Ian, 209
Watson, Thomas J., Jr., 322
Watson, Thomas J., Sr., 322
Webb, Cynthia L., 59
Weber, John A., 317
Webster, Frederick E., Jr., 183, 189
Weil, Gilles, 619
Weiss, Allen, 385
Welch, Jack, 210, 307, 628
Wellner, Alison Stein, 102
Wells, Melanie, 651
Wendler, Jim, 575
West, Elizabeth, 444
Westbrook, Robert A., 256
Westlund, Richard, 543
Wexner, Leslie, 217, 454
White, Barry, 136
White, Betty, 496
White, Bobby, 58
White, Shaun, 79, 243, 499
Whitman, Meg, 412
Wieners, Brad, 106
Wierenga, Berend, 134
Wilbur, Kenneth C., 476
Williams, Serena, 523
Williams, Stephen, 239
Williams, Venus, 523
Williamson, Peter J., 76
Wilson, Chip, 241
Wilson, Doug, 55
Wind, Jerry, 234
Wind, Yoram, 183
Winer, Russell S., 388
Winfrey, Oprah, 6, 259, 486
Wingfield, Nick, 592
Wohl, Jessica, 272
Wolcott, Robert C., 46, 47
Wolfe, David B., 630
Wolfinbarger, Mary, 376
Womack, Brian, 564
Wong, Edward, 601
Woodburn, Diana, 555
Woods, Tiger, 29, 209, 297, 486
Worldwide, Arnold, 475
Wouters, Marc, 400
Wuebker, George, 344

Yang, Dori Jones, 649
Yee, Chen May, 381
Yoon, Carolyn, 108
Yoon-woo, Lee, 322
Yoshida, Tatsuo, 352

Zale, Joseph, 391
Zaltman, Gerald, 106, 203
Zaltman, Lindsay, 106
Zarantonello, Lia, 358
Zeithaml, Valarie A., 357, 360, 372, 374, 376
Zellner, Wendy, 651
Zeng, Ming, 76
Zillmer, John, 206
Zimmerman, Ann, 500
Zimmerman, Martin, 353
Zmuda, Natalie, 532
Zook, Chris, 30
Zuckerberg, Mark, 563

## Company, Brand, and Organization

AAA, 17, 243
AARP, 17
ABB, 183
ABC, 44, 82, 179, 476
Abercrombie & Fitch, 241, 454
Absolut, 225, 346, 390, 508, 509
Accenture, 208–9, 286, 628
Ace Hardware, 216, 369, 450
Acer, 127, 312
AC Milan, 552
A.C. Nielsen Company, 72
Acosta, 197
Act II popcorn, 72
Active, 619
Activia, 568
Activision, 221
Actonel, 574
Acura, Honda, 340
Acushnet, 613
AdBrite, 146
Ad Council, 510
Addison, 495
Adidas, 29, 639
ADM, 280
Adobe Systems Inc., 260, 384, 544, 572
AdSense, 30
*Advertising Age,* 510
*Advocate, The,* 191
*Adweek's,* 515
AdWords, 30
AdWorks, 31
A8, 525
Aeropostale, 454–55
Aflac, Inc., 507, 508
Ahold, 197, 453
AIG, 316
Airblade, 572
Airbus, 302, 362
Air Jordan, 29
Air Multiplier, 572
Air New Zealand, 51
Air Transport Association, 413
Airtricity, 80
AIX Armani Exchange, 320
AKQA, 515
Akzo Nobel, 199
Alamo Rent-A-Car, 234
Alaska Airlines, 51, 130
Ala soap, 600
Alcatel-Lucent, 202
Alcoa, 11
Aldi, 300, 320, 394, 395, 430, 449, 461
Alexander McQueen, 448
Alibaba, 33, 439, 440
Allen-Bradley Corporation, 572
Allied Van Lines, 359
All Natural Flavors, 261
Allrecipes.com, 12
Allstate, 250, 359, 437, 553
Alpo, 340
Alternative Distribution Alliance (ADA), 51
Alternative Trading Organization (ATO), 11
Altoids, 346
Always, 486
Always Infinity, 568
*Amazing Race,* 637
Amazon.com, 13, 37, 38, 53, 73, 127, 129, 138, 139, 145, 171, 235, 244, 248, 312, 366, 402, 409, 434, 440, 441, 443–44, 447, 449, 546, 608
AmBev, 600
AMD, 263, 305, 341, 409
American Airlines (AA), 99–100, 101, 102, 103, 104, 107, 111, 225, 432
American Apparel, 39, 40
American Automobile Association (AAA), 17, 243
*American Banker,* 191
American Beauty, 461
American Business Media, 487
American Cancer Society, 638
American Customer Satisfaction Index (ACSI), 130
American Eagle, 454
American Express, 45, 98, 129, 130, 144, 191, 281–82, 296–97, 369, 486, 525, 636
American Express Blue, 218, 260, 495
American Express Financial Advisors, 45
American Family Life Assurance Company (AFLAC), 507, 508
American Girl dolls, 292
American Heart Association, 636, 637
*American Idol,* 41, 516, 525, 531
American Legacy Foundation, 221
American Marketing Association, 5, 241, 495
American Red Cross, 638
American Society for Quality, 131
Ameriprise Financial, 45
Amtrak, 232, 375
Amul farmers' cooperative, 599
Amway, 449, 553
Amy's Kitchen, 139

Andersen Consulting, 208, 209
Android, 31, 618
Angie's List, 48
Anheuser-Busch, 90, 263, 551
Animal Planet, 259
Anita Santiago Advertising, 224
Ann Taylor, 453
Ansell Healthcare, 573
AOL, 13, 93, 547
AP, 528
Apple, 12, 30, 46, 83, 93, 94, 119, 127, 129, 130, 142, 167, 225, 248, 249, 280, 292, 307, 312, 330, 332, 344, 377, 390, 421, 443, 472, 516, 528, 547, 569, 576, 589, 591–92, 610, 618, 636
Apple Newton User Group, 253
Apple stores, 424
Aquafina, 277, 306
ARAMARK, 206
Architect Series II, 333
ArcLight Theater, 276
Ariat, 306
Ariba, 402
Arizona, 305
Armani, 320, 334, 386–87
Armani Exchange, 334
Arm & Hammer, 302
Armstrong World Industries, 568
Arnell Group, 348
Arrow Electronics, 432, 463
Arthur Andersen, 208
ASDA, 300
Associated Grocers, 450
Association of National Advertisers, 137
Association of Southeast Asian Nations (ASEAN), 602
Association of Surfing Professionals (ASP), 253
Aston Martin, 39, 137
AStore, 443
A. T. Cross, 349
Atlanta MGB riders club, 253
Atom processor, Intel, 59
Atra, 263, 532
AT&T, 24, 31, 34, 51, 119, 120, 192, 277, 287, 343, 406, 487, 592, 638
AT&T Mobility, 525
AT&T Wireless, 127
Auchan, 424, 431
Audi, 168, 265, 342, 525
Aunt Jemima, 264
Autobytel.com, 449
Automobile Association, 277
AutoNation, 439
Aveda, 218, 233, 292, 390
Avis, 127, 234, 305, 433, 604
Avon, 217, 420, 430, 449, 490, 553, 557, 636
Avon Breast Cancer Crusade, 637
Axe, 248, 260, 564, 565

BabyCenter.com, 4
Bacardi, 551
Bajaj Auto, 617
Balance, 277
Bally's Total Fitness, 156
*Bambi,* 178
BAND-AID, 464
Bang & Olufsen, 37, 333
BankAmericard, 296
Bank of America, 51, 101, 119, 277, 303, 486, 543, 544, 632
Bank of America Mortgage, 49
Banquet frozen dinners, 394
Barbie doll, 455
Barilla, 127
Barnes & Noble, 37, 358, 441, 443, 457, 622
Barnum's Animal Crackers, 637
Bartle Bogle Hegarty, 616
B.A.S.S. fishing tournaments, 525
Bass Pro Shops, 457
Bath & Body Works, 218–19
Baxter Healthcare, 331, 403
Bayer aspirin, 328, 595
Bayerische Motoren Werke AG, 238
BBDO, 483, 496
BB&T Corp., 525
Beanie Babies, 527
BearingPoint, 129
Becton, Dickinson and Company, 628
Bed Bath & Beyond, 214, 459
Beef 'O' Brady's sports pub, 450
Beiersdorf, 527
Beijing Automotive, 596
Beijing Olympics, 515
BellaSugar, 547
Bell Laboratories, 84
Benetton, 453, 455, 459, 598
BENGAY aspirin, 245
Ben & Jerry's, 24, 527, 621
BeoLab 8000 speakers, 333
Berkeley, 270
Berkshire Hathaway, 512
Berry, Parasuraman, and Zeithaml, 372
Bert Claeys, 278
Bertolli, 277–78
Best Buy, 24, 37, 71, 83, 112, 197, 299, 331, 340, 349, 417, 424, 432, 433, 455, 471–72, 577, 592, 630
Best Value Inn, 219
Betavine, Vodafone, 53
Better Business Bureau, 405
Betty Crocker, 250
BIC, 267
BIC for Men perfume, 267
BIC Sport for Men perfume, 267
Big Bertha, 278
Big Lots, 401
Big Mac, 607
Bijan on Rodeo Drive, 456
Billabong, 265
Bill Me Later, 412
Bing, 33, 94, 127, 249, 542
Bisquick, 261
Bissell, 581–82
Biz360, 72
Bizrate.com, 73, 135
BlackBerry, 45, 441, 592–93, 601, 618
BlackBerry 850, 593
BlackBerry Enterprise Server, 593
Black & Decker, 265
Blendtec, 550
Blockbuster, 47, 139, 415, 433, 458, 486, 622
Blogger Weblog, 384
Bloomingdale's, 218, 434, 449, 450, 455, 457
Blue Cross Blue Shield, 130, 243, 299
Blue Man Group, 58
Blue Ribbon Sports, 29
Blue Sky Studios, 42
BMW, 13, 15, 21, 37, 46, 72, 130, 238–39, 254, 263, 283, 329, 339, 366, 390, 568, 576, 598, 630, 636
BMW AG, 341
Bobbi Brown, 435
The Body Shop, 24, 302, 449, 459, 546, 598, 634
Boeing, 114, 165, 186, 302, 333, 362, 527
Bold, 337
Bolsa Mexicana de Valores, 599
*Bon Appetit,* 511
Bono cookies, 600
Boost Mobile, 222
Boots, 300
Booz Allen Hamilton, 98, 426
Booz & Company, 319
*Borat,* 614
Borders, 37, 457, 459
Born to Fit 1969 Premium Jeans, 478
Bosch, 314
Boston Bruins, 533
Boston Celtics, 253
Boston Consulting Group, 599, 601
Boston Market, 271
Bounce Extra Soft, 568
Bounty, 218, 320, 337
Bounty Basic, 218, 340
Bowflex, 418, 420
Bowmar, 312
BP, 253, 303, 528, 634
The Brand Union, 495
Braun, 332
Bravo, 44, 225
Bridge Worldwide, 495
Brim coffee, 316
British Airways, 12, 301, 634, 635, 650
British Telecom, 291
Brooks & Dunn country music tour, 525
Brookstone, 455
BSkyB, 42
BT Cellnet, 291
Bud Light, 305, 505
Budweiser, 90, 263
Bugaboo stroller, 77
Build-A-Bear Workshop, 141
Bulgari, 334
Burberry, 156, 259, 288
Bureau of Industry and Security, 604
Bureau of Labor Statistics, 355
Burger King, 137, 138, 283, 433, 458, 541
Burlington Northern Santa Fe Railway, 200
Burson-Marsteller, 487, 495
Burton, 221, 243, 252–53
Burton's White Collection, 243
Burt's Bees, 82
Busch Bavarian, 263
Busch Series, 524
*BusinessWeek,* 6, 57, 179, 190, 211, 238, 295, 297, 424, 618,
Butterball Turkey, 362
Butterball University, 362
Buy.com, 439
BuzzMetrics, 73
BzzAgent, 15, 550–51

Cabela's, 46, 138
Cable & Wireless, 309
Cadbury-Schweppes, 265, 551, 598
Cadillac, 260, 280, 283, 485, 596
Caesars Entertainment, 123
Caesars Palace, 123
CafeMom, 548
CafePress, 329
California Milk Processor Board (CMPB), 224, 506
Callaway Golf, 278, 422
Calvin Klein, 334, 438
Calyx & Corolla, 424
Camay, 337
Camden Place, 595
Campbell Hausfeld, 112
Campbell Soup, 12, 41, 225, 258, 261, 312, 432, 608
Camry, 260, 352, 607
Canon, 5, 36, 37, 127, 305, 618, 627
Capital E, Levi's, 218
Capital One, 145
Cardinal Health, 200, 377

Care Bear worksheets, 236
Cargill, 639
CarMax, 291, 630
Carnation, 567
Carnival Connections, 21
Carnival Cruises, 540
Carrefour, 197, 417, 431, 449, 613
Carrier, 40, 262
Carson Products, 619
Carson's, 434
CarSpace.com, 13
Cartier, 334
Case, 125
Casino, 424
Casio, 220
Caster & Pollux, 633
Caterpillar, 37, 39, 83, 119, 125–26, 183, 194, 350–51, 375, 398–99, 428, 630
CavinKare, 611
CBS, 476, 477
C-class, Mercedes-Benz, 218
CDW, 539
*Celebrity Big Brother,* 506
Celeron, 263
Celta, General Motors, 47
Celtel, 601
Cemex of Mexico, 196, 330, 331, 599
Centers for Disease Control and Prevention, 638
Central Contractor Registration (CCR), 207
Centrino, 58
Centrino Duo, 58
Century 21, 319
Chanel, 243, 280, 455
Chang Soda, 513
Chapman Kelly, 204, 205
Charles Schwab, 365
Charles Schwab Bank, 365
Charmin, 337
Charmin Basic, 218, 340
Chase Home Mortgage, 49
Cheer, 303, 328, 337
Cheerios, 67, 127, 286
Cheesybite, 507
Cheetos snacks, 113
Chef America, 567
ChemConnect.com, 197
Cherokee, 149
Chevrolet, 168, 263
Chicago Cubs, 509
Chicken of the Sea, 141, 142
Chick-fil-A, 220
Chik shampoo, 611
The Children's Place, 433
Chipotle Mexican Grill, 271, 633
Chips Ahoy!, 631
Chiquita bananas, 328
Choice Hotels International, 17
Christian Dior, 613
Chrysler, 112, 160, 197, 485
Cincinnati Bell, 377
*Cinderella,* 178
Circle K, 425, 449
Circuit City, 51, 258, 472, 592
Cirque du Soleil, 279, 355
*Cisco Connected Sports,* 57
Cisco Systems Inc., 47, 57–58, 78, 202, 290, 377, 394, 575, 576, 605
Citibank, 214, 316, 366, 458, 600
Citibank AAdvantage credit card, 344
Citigroup, 149, 277, 297
Citizens Bank, 433
Clairol, 127, 609
Clamato, 90
Classic Coke, 242
Cleanest Line, The, 15
Cleveland Clinic, 422
Click-to-Call, 31
Clinique, 127, 233, 435
Clorox, 116, 130, 156, 302, 633
Clorox Disinfecting Wipes, 318
Clorox Green Works, 82–83, 395
Clothes Off Our Back Foundation, 524
Cloud computing, 31
Club Green Kids, 253
Club Med, 37, 213, 543
Club Méditerranée, 213
CMI Marketing, 548
CNN, 157, 528
Coach, 218, 434, 444, 452
Coca-Cola, 233, 242, 257, 258, 278, 293, 312, 333, 406, 409, 416, 433, 438, 449, 455, 466, 498, 505, 524, 525, 531–32, 544, 596, 598, 599, 604, 607, 610, 611, 615, 617, 629, 631, 633
Code Blue Recycling, 421
Cognos, 205
Cohn & Wolfe, 495
Coke, 72, 74, 306, 307, 603
Colgate, 116, 216, 496
Colgate Junior toothpaste, 236
Colgate-Palmolive, 156, 234, 236, 587, 598, 599
Columbia Business School, 20
Columbia/HCA, 403
Columbia House, 424
Columbia Records, 363
Columbia University, 134
Comcast, 210, 363, 547
Comedy Central, 217, 565
Comet, 320
Comfort Inn, 326
Commander, Jeep, 516
Commerce Bank, 630
CommonHealth, 495
Compaq, 167, 323, 346
Compass, Jeep, 112
Complaints.com, 73
CompUSA, 452, 472
ComputerLand, 323
ComScore, 542
Comtrex, 348
ConAgra Foods, 72, 101, 288, 394
ConMed, 465
Consol Energy, 185
Constellation Brands, 227, 340
Consumer & Market Knowledge (CMK), Procter & Gamble, 98
*Consumer Reports,* 171
ConsumerReview.com, 73
Container Store, 451, 630
Continental Airlines, 224, 406, 477
Continental's Lite, 301
Contract Freighters, 399
Converse, 30, 137, 220, 506, 636
CoolSavings.com, 520
Cool Water, 346
Cooper and Kleinschmidt, 569–70
Cooperative chain store, 609
Coors, 162, 609
Coors Light, 127, 305
Corian®, 345
Corn Flakes, 307
Corn Flakes, Kellogg, 261
Corolla, 352
Corona, 220
Corporación GEO, 599
Corus Group, 595
Corvette, Chevy, 283
Costco, 37, 214, 218, 320, 417, 444–45, 449, 464, 468, 471, 553, 630
Costco.com, 129
Coupons.com, 520, 522
Courtyard by Marriott, 120, 581
Cover Girl Outlast, 137, 585
Covisint, 197
Cox Communications, 130
Cracker Jack cereal, 245
Craftsman tools, 125
Crayola, 264, 290, 527
Crest, 174, 216, 269, 303, 327, 337, 342, 610
Crest Neat Squeeze, 119
Crest Rejuvenating Effects, 154
Crest Whitestrips, 234, 265, 270
Crisco oil and shortening, 320, 461
Crocs, 74, 546
Crowne Plaza, 341
CSR, 343–44
Culinary Institute of Tuscany, 251
Cummins, 184
Curves, 214, 430
Cutler-Hammer, 198
CVS, 14, 441, 449, 458

Dacron Polyester, 68
Daewoo Motors, 595
Daisy Fuentes, 452
Dallas Cowboys, 57
Dannon, 168, 260–61
Danone, 568
Dan-o-nino, 261
Dasani, 277, 306
Dash, 337
DATA, 636
*Davy Crockett,* 178
Dawn, 634
Daypop, 576
Dayton Hudson, 436
DDM Italia, 309
De Beers, 334
Deep Blue, 323
Deere & Company, 141
Delhaize, 453
Del.icio.us, 13, 33
Dell, 14, 18, 53, 124, 136, 167, 170, 197, 300, 312, 320, 323, 332, 346, 398, 429, 432, 468, 539, 547, 613, 636
Dell Experience Design Group, 332
Del Monte, 109
Deloitte Consulting, 145
Delphi, 184
Delta Airlines, 231, 524
Department of Defense Network-Centric Warfare, 47
Department of Homeland Security, 294
Department of Transportation, 638
Departments of Health, Social, and Human Services, 638
*Desperate Housewives,* 516
Deutsche Post DHL, 39
Deutsche Securities Ltd., 352
Developer Connection, 418
DeWALT, 265
DeWitt Company, 192
Diageo, 568
Dial-a-Mattress, 417
Diamond Safety, 173
Dick's Sporting Goods, 13, 309
Diebold RemoteTeller System, 47
DieHard, 250
Digg, 13
Digicel Group, 309–10, 603
DiGiorno, 288
Dillard's, 434
Dior, 438
Diovan, 460
Direct Line Insurance, 301
Direct Marketing Association, 537
DIRECTV, 130, 484
Discount Tire, 30–31, 436
Discover Card, 127
Discovery Channel, 125, 551
Discovery Communications, 259
Disney, 15, 37, 43, 44, 46, 47, 51, 146, 178–79, 253, 257, 265, 285–86, 358, 361, 366, 433–34, 436

Disney Channel, 44, 178, 179
Disney Consumer Products, 179
Disneyland Paris, 609
Disney Media Networks, 179
Disney Parks and Resorts, 179
Disney Stores, 433
Display Supply & Lighting, 424
Dixons, 417
Dockers, 74
Dockers, Levi's, 551
DOCOMO, 441
Dodge Caliber, 112
Dogster, 13, 570
Dolby, 345
Dole, 328, 639
Dollar General, 219, 401, 423, 449
Dollar Tree, 401
Dominick's, 627
Domino's, 4, 127, 136, 168–69, 276, 307, 308, 484
Donald Duck, 285
Doritos, 137, 506
Dos Equis beer, 486
DOS operating system, 93
DoubleClick, 31
Dove, 564, 565
Dove Body Wash, 565
Dove Intensive Firming Cream, 565
Dove Lotion, 565
Dow, 572
Dow Chemical, 84
Downy, 629–30
Downy Single Rinse, 576
Dreft, 337
Dreyer's Ice Cream, 529, 567
Dreyer's Slow Churned Limited Editions, 529
Dr. Pepper Snapple Group, 130, 489
Dryel, 270
Duet washer, 218
Dulux household paint, 227
Dun & Bradstreet, 198, 538
Dunkin' Donuts, 15, 38, 127, 263, 282, 441–42, 459, 520, 551
Dunnhumby, 144
DuPont, 44, 68, 106, 183, 201, 345, 553, 632, 642
DuPont Building Innovations, 46
DuPont's Performance Materials group, 85
DuPont Tyvek, 85
Dyson, 77

Eagle Snacks, 316
Earthkeepers, 621
EasyJet, 301
Eaton, 319
*Eats, Shoots and Leaves,* 551
EBay, 4, 5, 13, 37, 146, 235, 249, 402, 411–12, 440, 468, 513, 608, 613, 630
EBeanstalk.com, 222
Eddie Bauer, 536
Edison Electric Light Company, 210
Edmund's, 9
Edward Jones, 366
E. F. Hutton & Co., 296
Elaine's restaurant, 276
Elance.com, 73
Electrolux, 37, 314, 339, 449, 490, 609
Element, 217
Eli Lilly, 119, 570
Elixir acoustic guitar strings, 569
*Ellen DeGeneres Show, The,* 14
Ellen Tracy, 41
Elmo TMX dolls, 74
ELPH, 5
Embraer, 600
EMC, 377
Emerson Electric, 189
Emerson Process Management, 205
EMI, 313
Emirates, 524
Emporio Armani, 320, 334, 636
EmSense, 108
Encyclopaedia Britannica, 40
Energizer, 280
Energy Brands, 293
Enterprise Rent-A-Car, 37, 46, 129, 145, 234
*Entertainment Weekly,* 276
Envirosell, 458
Eon Labs, 460
Epinions.com, 73, 135
Equal, 280, 510
*ER,* 578
Era, 337
Ericsson, 10, 628
Esat Telecom Group PLC, 309
Escape SUV, Ford, 516
ESOMAR, 98
ESPN (Entertainment and Sports Programming Network), 43, 44, 179, 217, 565
ESPN Zone, 43, 292
*Esquire,* 458
Estée Lauder, 233, 384, 435, 436, 458, 461, 540, 615, 636
Ethos bottled water, 649
E*TRADE, 13, 320
E*TRADE Financial, 300
Euro Disney theme park, 609
European Commission, 84
European Union, 84, 145–46, 206, 602
Ever Clear, 260
Evian, 340, 406
EVilla Internet appliance, Sony, 333
Evista, 570
*Evolution,* 565
Excedrin, 484
Excel, 93
Excursion, Ford, 21
Expedia, 130, 370
Export-Import Bank of the United States, 604
Extra Strength Tylenol, 340
ExxonMobil's On the Run, 425

FAA, 211
FabSugar, 547
Facebook, 3, 13, 58, 115, 121, 146, 186, 248, 270, 520, 546, 548, 563–64, 565
FairPoint Communications, 305
Family Dollar, 197, 401, 423, 449
*Fast* & *Furious,* 44
FASTPASS, Disney, 361
Febreze, 270, 533
Federal Trade Commission, 108, 405, 539, 540, 547
Federated Department Stores, 450
FedEx, 38, 48, 130, 183, 191, 303, 304, 366
Feed America, 500
Fendi, 280, 438
Ferragamo watch, 334
Fiat, 259
Fiberglass, 250
Fidelity Investments, 130, 145, 280
Fiesta, 552
Fiesta, Ford, 325, 550
FIFA World Cup, 531
Fila, 258
*Financial Times,* 211
Finesse, 306
Fingerhut, 143, 144
Firefox, 94
Fireman's Fund, 250
First Direct, 301
Fisher & Paykel dishwasher, 218
Fisher-Price, 77
Fit, 217
Fitch, 495
Flex, Ford, 243
Flex SUV, Ford, 325
Flickr, 13, 33, 250
Flirt, 461
Fluke, 574
Fnac, 431
Folgers, 282, 316, 400, 513
Folgers coffee, 320
Food and Drug Administration (FDA), 84, 349
Food Lion, 441
Food Marketing Institute, 437
Food Network, 12
Foot Locker, 29–30, 243
*Forbes,* 190
Ford Motor Company, 119, 197, 200, 201, 204, 288, 305, 325, 433, 525, 552, 636
Forest Stewardship Council (FSC), 464, 639
Forrester Research, 90
Fort Howard Paper Co., 569
Fortis, 250
*Fortune,* 186, 190, 209, 297, 412, 413, 445, 511, 591, 593
42BELOW, 250
Fossil Group Australia, 70
4sight, Inc., 101
Four Points by Sheraton, 262
Four Seasons Hotels, 135, 326, 364, 366
Fox Network, 41, 42
Fox News, 42, 249
Fox Searchlight Pictures, 42
Franklin Mint, 420, 536
Frappuccino® coffee, 301
*Freakonomics,* 551
FreeMarkets.com, 402
Fresh & Easy (gourmet minisupermarkets), 431
Fresh Ink, Hallmark, 233
*Friends,* 578
Friends of the Earth, 80
Frito-Lay, 80, 290, 348, 506
Frito-Lay lemonade, 245
Fruit Blends, 261
Fruit of the Loom (laundry detergent), 245
Fruit on the Bottom, 261
Fruit Rings, 307
FSN, 42
FTD, 543
Fuel, 217
Fuji, 409
Fujitsu Laboratories, 101
Fulfillment by Amazon (FBA), 443
Fusion, Ford, 325
Fusion, Gillette, 532
Fusion Power, 40
The Futures Company, 495
Futures Group, 90
F.W. Woolworth, 384
FX, 42

Gain, 303, 328, 337, 519
Gallo Family Vineyards, 340
Gallup, 82
Gallup & Robinson Inc., 518
GameStop, 448
Gap, 103, 340, 386, 447, 450, 453, 455, 458, 470, 478, 636
Garmin GPS, 254
Garnier Fructis, 346
Gartner Group, 90
Gateway, 170, 207
Gatorade, 101, 299, 306, 552, 629
Gawker Media, 547
GCI Health, 495
GE. *See* General Electric (GE)

Geek Squad, 112, 331, 471–72
GE Healthcare, 129, 332, 377
GEICO, 290, 477, 511–12
GE Lighting, 385
GE Money, 605
General Electric (GE), 34, 41, 76, 98, 101, 129, 145, 183, 197, 200, 210–11, 257, 261, 290, 307, 313, 319, 322, 331, 340, 344, 377, 496, 568, 598, 628, 633
General Electric Design for Six Sigma (DFSS), 47
General Electric Medical Systems, 20
General Electric Plastics, 136
General Foods, 113, 610, 642
General Mills, 67, 223, 224, 261, 318, 344, 394, 464, 572, 587, 627, 631
General Motors (GM), 15, 168, 197, 201, 224, 233, 260, 270, 280, 305, 332, 352, 437, 504
General Motors OnStar, 46, 377
General Services Administration Procurement Data Center, 206, 207
Gerber, 39, 316, 567
GfK Roper Consulting, 82
Ghg, 495
GI Joe, 342
Gillette, 46, 98, 243, 263, 269, 302, 332, 384, 400, 409, 432, 455, 532–33, 557, 568, 636
Gilt.com, 451
Giorgio Armani, 320, 334
Giorgio Armani Privé, 320, 334
Givenchy, 448
Give the Gift of Sight, 636
Glacéau, 293
GlaxoSmithKline, 72, 460, 547
Gleem, 337
Gleevec, 460
The Global Fund, 636
Glory, 581–82
GM. *See* General Motors (GM)
GMMB, 3
GO Corporation, 286, 287
Godiva chocolate, 330
Go International, 499
Gol, 599
*Goldfinger,* 533
Goldman Sachs, 639
Gold Medal flour, 261
Goodby, Silverstein & Partners, 506
Good Housekeeping, 583–84
*Good Morning America,* 528
Good Skin, 461
Goodyear, 184, 207, 253, 399, 436, 610
Google, 30–31, 32, 33, 37, 38, 47, 50, 94, 120, 125, 127, 129, 130, 248, 257, 292, 302, 306, 422, 542, 574, 575, 608, 618, 630, 631
Google Alerts, 31
Google Analytics, 30, 31
Google Android, 322
Google Calendar, 31
Google Chrome, 31
Google Code, 31
Google Dictionary, 31
Google Docs, 31
Google Earth, 31
Google Gadgets, 31
Google Maps, 31
Google Scholar, 31
Google Sky, 31
Google Toolbar, 31
Google Trends, 31
Google Video, 31, 202, 549
Google Voice, 31
Go Red for Women, 637
GORE-TEX, 289, 457, 569
GORETEX water-resistant fibers, 345
*GQ,* 565
Grace Performance Chemicals, 72
Grainger, 196, 200, 432, 463–64
Grameenphone, 599
Gran Turismo, 341
Grassroots, 461
Great Harvest Bread, 450
Green and Wind, 581
Green Mountain Coffee Roasters, 632
Green Mountain Energy, 46
Greenopolis, 421
Greenpeace, 631, 632
Green Works, 633
Grey, 495
Grey Goose, 127, 218, 390, 551
Greyhound, 232
*Grey's Anatomy,* 516
Grocery Manufacturers of America, 437
Grolsch beer, 636
Groupe Danone, 598
Grupo Elektra, 599
Grupo Salinas, 599
GT Bicycles, 438
G2, 264, 495
Gucci, 156, 243, 334, 425, 595, 611
Gymboree, 454

Häagen-Dazs, 340, 370, 615
Haier, 18, 314, 601, 615
Hallmark, 224, 233, 244, 312, 364, 527, 610, 636
Hallmark Business Expressions, 233
Hallmark Warm Wishes, 233
Halston, 334
Hamburger Helper, 67, 159, 394
Hamburger University, 331, 450, 451
Hamilton Sundstrand, 262
Hanes, 304
*Hangover, The,* 6
*Hannah Montana,* 179
Happy Meals, 607
Harley-Davidson, 37, 141, 221, 249, 254, 259, 307, 330, 440–41, 488, 576, 630
Harley-Davidson Owner's Group (H.O.G.), 253, 254, 576
HarperCollins, 42
Harrah's Entertainment, 123
Harrods of London, 455
Harry and David, 424
*Harry Potter* (novel), 165
Hartford, 250
Harvard Business School, 106
Harvard University, 17, 18, 34, 134, 270, 432, 563
Hasbro, 259, 342, 343, 548, 551
Havaianas, 600
Hawaiian Airlines, 516
Haworth and Atlas Copco, 432
Head & Shoulders, 533
Head & Shoulders Intensive Treatment, 504
Healthy Choice, 288
HEB, 432
Heineken, 551, 552, 600, 607, 615
Heinz, 15, 206, 258, 261, 301, 327, 506
Helene Curtis, 306, 611
Hendrix UTD, 200
Hennessy, 295
Henry Schien, 539
Herbal Essences, 280
Herman Miller, 101
Hermès, 280, 334, 612
Hershey, 290, 527, 568
Hershey Kisses, 260
Hertz, 191, 234, 385, 422, 433
Hess Corporation, 40
Hewlett-Packard (HP), 17, 36, 45, 58, 83, 167, 183, 186, 192, 196, 197, 204, 243, 261, 287, 312, 331, 332, 339, 343, 384, 398, 416, 428, 574, 627
HEXAL, 460
Highland Park Hospital, 200
Hill & Knowlton, 495
Hills Brothers, 567
Hilton Doubletree Hotels, 359
Hilton Hotels, 98, 130, 370
History Channel, 125
Hitachi, 125, 344
H. J. Heinz Company, 130, 506, 631, 632
H&M, 386, 431, 447, 470, 633
*Hog Tales* (magazine), 254
Hole in the Wall Gang, 634
Holiday Inn, 341, 450
Holiday Inn Express, 341
Holiday Inn Select, 341
Holland Binkley Company, 200
Home Depot, 12, 112, 127, 130, 131–32, 144, 214, 305, 447, 448, 452, 525
Honda, 37, 140, 217, 261, 340, 484, 516, 607, 614, 630
Honest Tea, 12, 633
Honeywell, 200, 322
Hong Kong and Shanghai Banking Corporation Limited, 237
Hong Kong International Airport, 477
Hoover, 490
Hormel, 320
Hormel Compleats, 263–64
Hotel del Sol, 157
Hotels.com, 439
Hot Topic, 153–54, 454
Houlihan's, 458
House of Hoops, 29–30
Howard Johnson, 433
HP. *See* Hewlett-Packard (HP)
H&R Block, 359
HSBC, 237–38, 301, 607
HSN, 449
H2OH!, 302
Hudson Institute, 90
Huggies Supreme Natural Fit, 97
Hulu.com, 41, 42, 44
Hurley, 220
Hush Puppies, 546
Hyatt, 191, 225, 604
Hyatt Regency, 290
Hydro Quebec, 573
Hyperion, 44
Hyundai, 130, 131, 524, 596

Iams Company, 269, 290
IBM, 46, 58, 93, 98, 101, 146, 170, 183, 191, 192, 197, 200, 205, 209, 253, 257, 302, 313, 322–23, 331, 344, 346, 377, 384, 428, 487, 493, 496, 543, 557, 608, 622, 627, 628, 639
IC, 184
I Can't Believe It's Not Butter, 485
ICE theaters, 236
ICI, 227
ICI Explosives, 200
Idea Center at Kodak Gallery, 547
IDEO, 119–20, 219, 332, 569, 630
IEG Sponsorship Report, 524
IGN Entertainment, 42
IHS Global Insight, 90

IKEA, 5, 35, 37, 83, 179–80, 219, 248, 320, 400, 431, 453, 528, 600, 611–12, 630, 639
Illinois Tool Works (ITW), 308
IMac, 591
InBev, 600
*Inc.,* 191, 275
Independent Grocers Alliance (IGA), 450
Independent News & Media, 306
Infiniti, 614
Information Resources Inc., 72
Infosys, 78, 600
InfoUSA, 198
ING, 301
ING Direct, 301
Innocent, 248
INSEAD, 278
Inside Edge Ski and Bike, 449
Institute for Supply Management, 185
Institute for the Future, 90
Intel, 58–59, 101, 170, 183, 257, 263, 304, 305, 323, 341, 346, 409, 416, 576, 622
Intel Core i7, 59
Interactive Media, 179
Interbrand, 211, 238, 295, 297, 618
Intercontinental Hotels Group, 109, 127, 341
International, 184
International Advertising Festival, 565
International Business Machines Corporation (IBM). *See* IBM
International Consumer Electronics Show, 523
International Flavors & Fragrances, 576
International Olympic Committee, 29
Internet Explorer Web browser, 31, 93, 94
Intuit, 120–21, 129, 145, 479, 546, 547
Iowa State University, 95
IPad, 589, 591
IPhone, 30, 127, 390, 441, 544, 550, 591, 618
IPod, 30, 46, 336, 377, 472, 591, 636
IRI, 99
*Iron Man 2,* 525
*Islands* (magazine), 157
ISnack 2.0, 507
IStockphoto, 575
ITouch, 30
ITunes, 235, 443
ITunes Music Store, 591
Ivory Snow, 337
Ivory soap, 269
Jack Daniels, 616–17
Jack in the Box, 103
Jaguar, 239, 330, 385
Jamba Juice, 42, 358
Jamestown Container Companies, 326–27
Janie and Jack, 454
Java software, 306
JCPenney, 156, 449, 451, 454, 459
J.Crew, 127, 241
J.D. Power and Associates, 100, 126, 129, 130, 131, 171, 329, 596
Jeep, 112, 261, 516
Jeffrey Boutiques, 148
Jell-O, 250
Jenny Craig, 485, 567
JetBlue Airways, 191, 300, 316, 363, 630
Jewel food stores, 409
Jewel-Osco, 449
Jianlibao, 599
Jif, 320, 461
Jiffy Lube, 450
Jigsaw, 198
Jimlar, 434
Jimmy Choo, 448
Joe Boxer, 452
John Deere, 39, 107, 125, 141, 340, 364, 375, 487, 488, 599–600
Johnson Controls, 377
Johnson & Johnson, 4, 43–44, 222, 290, 316, 464, 543, 549, 551, 570–71, 572, 630, 631, 639, 642, 643
John Wanamaker, 384
Joie de Vivre, 157, 158
Jones, 15
Jones Apparel, 130
Jones Soda, 15, 136, 254
Jordan's Furniture, 291, 630
Journeys, Hallmark, 233
Jour perfume, 267
Juicy Couture, 41, 250
Jumpcut, 33
Justice Department, 121
Justin Boots, 306
JWT, 495

Kansas City Royals, 57
Kantar Group, 99
Kaplan Thaler, 507
Kate Spade, 41
Kayak, 370
KB Toys, 53
KC Masterpiece barbecue sauce, 345
K-Cups, 632
Keebler, 250
Kelkoo, 33
Kellogg, 261, 290, 610
Kendall-Jackson, 218, 580
Kentucky Fried Chicken, 224
Kenworth, 399, 580
Ketchum, 528, 529
Kevlar®, 345
KeyBank, 369
KFC Corporation, 344, 604–5, 635
Kia, 128, 524, 596
Kid Connection, 629
Kiehl's skin care, 218
Kimberly-Clark, 97, 264, 478, 487
Kinder Surprise, 578
Kindle, 443
Kinepolis megaplex, 278
Kirkland Signature, 444
KitKat, 631, 632
Kitty Litter, 250
Kiwi shoe polish, 346, 347
Kleenex, 97, 250, 264
KLM's Buzz, 301
Kmart, 44, 301, 425, 447, 449, 452, 456, 499
Kodak, 36, 193, 207, 287, 340, 409, 421, 432, 547, 569, 576, 622
Kodak Funtime Film, 340
Kohler, 332, 527
Kohl's, 130, 219, 452, 457, 459, 461
Komatsu, 125, 126, 351
Komatsu Heavy Equipment, 576
Konica e-mini M, 288
Kotex, 97
KPMG, 72
Kraft, 12, 110, 145, 225, 290, 461, 464, 506, 522, 523, 572, 598, 609, 615, 631
Krispy Kreme, 546
Kroger, 72, 144, 449, 464
KTTV Los Angeles, 42
K2R, 581–82
Kuerig, 632
Kuhn Loeb Inc., 296
Kurt Salmon Associates, 387

Lambie-Nairn, 495
Lance Armstrong Foundation, 29, 635–36
Landor Associates, 186, 495
Land Rover, 248
Lands' End, 136, 329, 406, 449, 466, 536
Lane Bryant, 455
Last Minute, 51
Las Vegas Convention & Visitors Authority, 6, 7
Laundry, 41
Lauren Conrad, 452
Lavoris, 585
Lawry's Seasoned Salt, 224
Lay's, 345, 615
La-Z-Boy, 288
Lean, Mean, Fat-Reducing Grilling Machine, 485
Lean Cuisine, 250
LeapFrog, 527
Lear Corporation, 204
Leclerc, 424
Lee Jeans, 636
Legend, 18
L'eggs, 224
LEGO, 37, 151, 248, 551, 576
Lehman Brothers, 296
Leica Surveying and Engineering, 111
Lenovo Group, 18, 323, 601
LensCrafters, 636
*Le Parisien,* 565
Levi's, 157, 225, 265, 329
Levi Strauss, 218, 576
LexisNexis, 34
Lexus, 130, 131, 145, 340, 352, 422, 516, 596
LG Electronics, 22, 248, 314, 488, 489, 616
Lidl, 449, 461
Lifetime, 217
The Limited, 449, 453
Limited Brands, 217, 454
Lincoln Electric, 200
Linens n' Things, 316
LinkedIn, 121, 198, 548
Linksys, 57
Linux, 384
Lipitor, 243
Lipton, 342
Listerine, 585
Liverpool Street Station, 506
LIVESTRONG, 29
Liz Claiborne, 41, 250
L.L.Bean, 449, 536, 537, 630
Loan Bright, 49–50
Loblaw's Decadent Chocolate Chip Cookie, 460
Loblaw's Supermarkets, 451, 460
Local Motors, Wareham, Massachusetts, 109
Local Static, 154
Logo, 225
London Business School, 115, 461
Lone Star, 259
*Lord of the Rings, The,* 614
Lord & Taylor, 434, 459
L'Oréal, 619
The Lost Ring, 515
Louis Vuitton, 243, 244, 280, 295, 334, 438, 471, 568, 595, 613
*Love Bug, The,* 178
Lowe's, 112, 132, 197, 214, 305, 448
Lowestfare, 51
LSI Logic Corporation, 576
Lucent, 186
Lucky Brand Jeans, 41
Lufthansa, 51, 119
Lululemon, 241
Lumber Liquidators, 448

Luna bars for women, 277
Lunchables, 345
Luvs, 270, 303, 337, 400
Luxottica, 636, 637
LVMH Moët Hennessy Louis Vuitton, 295, 612
Lycra®, 345

M.A.C., 233
Macaroni Grill, 74
Mach3, Gillette, 46, 263, 400, 532
Macromedia, 384
Macy's, 144, 165, 434, 450, 455, 459
Maggi dried noodles, 76
Maharaja Mac, 607
Mahindra Motors, 595
Mahogany, Hallmark, 224, 233
MailMate, 514
Major League Baseball, 533, 636
Maker's Mark, 15
Makino, 205
Mango, 447
Marchon, 434
Marc Jacobs, 448
Marine Stewardship Council, 639
*Marketing News,* 112
Marks & Spencer, 443, 452, 459
Marlboro, 290
Marquis Jets, 370
Marriott, 119, 120, 366, 370, 389, 604
Mars, 98, 144
*Martha Stewart Living,* 157
The Martin Agency, 512
Mary Kay Cosmetics, 38, 114, 127, 449, 553
*Mary Poppins,* 178
MasterCard, 248–49, 296, 297
Matrix, 485
Matsushita, 57, 313, 598
Max Factor, 269
*Maxim,* 217, 565
Maxim's, 650
Maxus, 495
Maybelline, 286
Mayo Clinic, 119, 380–81
Maytag, 330
MBNA, 297
McDonald's, 10, 15, 24, 37, 51, 137, 154, 222, 242, 257, 271–72, 282, 283, 285, 292, 299, 320, 331, 361, 366, 415, 427, 430, 433, 450, 451, 458, 459, 484, 515, 516, 520, 527, 541, 604, 605, 607, 611, 615, 636
McGraw-Hill, 185
McKesson Corporation, 143
McKinsey & Company, 53, 209
McNeil Nutritionals, 510
MD Moms, 552
Me2U, 601
Medco, 44
Mederma, 290
Mediabrand, 90
MediaCom, 495
Mediaedge:cia, 495
Mediamark Research & Intelligence, 82
Medicine Shoppe, 130
Medline, 194, 200
Meetup, 3
Meijer, 449, 464
*Men's Health,* 74, 217
Mercedes-Benz, 10, 67, 130, 218, 239, 241, 327, 329, 340, 427, 540
Merck, 43–44, 243, 632
Merial Limited, 44
Merisant, 510
Merrill Lynch, 301, 316, 359, 553
Method Products, 275
Metro, 613
Metro International, 39
Mexx, 41
Miami Dolphins, 57
Michelin, 250, 336
Michigan Economic Development Corporation (MEDC), 69
Mickey Mouse, 178, 285
Microsoft, 31, 33, 46, 50, 58, 76, 78, 93–94, 121, 129, 146, 192, 232–33, 249, 257, 289, 299, 302, 303, 304, 306, 323, 341, 384, 422, 428, 598, 622, 631
Microsoft Office, 93, 94, 289
Microsoft Windows Mobile, 322
Midas Muffler, 378
Migros, 609
Miller Brewing, 253
Miller Lite, 281, 305, 505
Milliken & Company, 143, 576
Millward Brown International, 264, 495, 519
Mindshare, 495
MINI Cooper, 21, 292, 341
Minnesota Twins, 499
Minolta, 576
Mint.com, 121, 479
Mintel, 219
MinuteClinic, 370
Minute Maid, 306
Mission Pie, 548
Mist Stick, 609
MIT, 112, 270
Mitsui & Co. Ltd, 194
Mitsukoshi, 448
Mittal, 600
Mizuho Investors Securities, 35
ML Direct, 301
M&M, 15
MMode mobile phones, 120
M&M World, 524
Moeller, 192
Moen ProjectNet, 47
Moët et Chandon, 295
Molson Coors Brewing, 130
Mondavi Reserve, 340
Monsanto, 609
Monster.com, 356, 540, 603
Montblanc, 330
Montgomery Ward, 452
Mop & Glo, 250
Morgan Stanley, 601
Motel 6, 326, 509–10
Moterus, 13
Mothers Against Drunk Drivers (MADD), 79
Motorola, 106, 200, 250, 344, 477, 555, 595, 600, 618, 628, 636
Motrin, 549
Mott's, 328
Mountain Dew, 221, 251, 260, 280, 551
Movado, 434
Mozilla Firefox, 293–94
Mr. Clean, 270
Mr. Clean Magic Eraser, 574
Mrs. Dash, 551
MSN, 31
MSNBC.com, 130
MTN, 601
MTV, 157, 221, 225, 243, 565, 596
Museum of Contemporary Art, 500
Museum of Modern Art, 333, 500
Mustang, Ford, 615
My Little Pony, 342, 343
MySimon.com, 384
MySpace, 41, 42, 137, 384, 541, 546, 548, 563
MySpace Video, 549

Nabisco, 145, 176, 345
Nano, 248
Narayana Hrudayalaya Hospital, 76
Narus and Anderson, 463
NASCAR, 531, 533
NASCAR Busch Series, 525
Nathan's, 459
National Amateur Dodgeball Association, 220
National Cash Register Company, 609
National Dairy Board, 506
National Fluid Milk Processor Education Program, 506
National Heart, Lung, and Blood Institute, 638
Nature Company, 227
Nature Valley, 261
Nautilus Group, 418
Navigator, 93
Navistar, 184
NBA, 443, 484, 565
NBC, 44, 476, 514, 578
NBC Universal, 44, 210
NCAA, 543, 565
NEC, 39, 167, 336
NEC Display Solutions, 22, 24
Neiman Marcus, 451, 452, 637
NESCAFÉ, 282, 283
Nestlé, 76, 409, 464, 567, 598, 599, 628, 631, 632
Nestlé Brazil, 600
Nestlé Crunch, 106
Nestlé SA, 316
Net1, 601
Net-a-Porter, 448
NetApp, 186–87
Netflix, 48, 235, 364, 415, 424
NetJets, 278, 370
Netscape, 93, 312
NeuroFocus, 108
New Balance, 630
New Coke, 242, 532
New England Patriots, 533
Newman's Own, 634
News Corp., 41–42
*Newsweek,* 412, 516
Newton, 312
*New York Post,* 42
New York Stock Exchange, 599
*New York Times,* 238, 288
New York Yankees, 57, 73
New Zealand Yellow Pages Group, 537, 538
Nextel, 369
Nextel Cup, 524
NFL, 533
Nickelodeon, 236
Nielsen Claritas, 72, 215
Nielsen Company, 99
Nielsen Media Research, 90
Nielsen Online, 542
Nike, 29–30, 37, 83, 119, 127, 214, 241, 248, 250, 280, 285, 286, 416, 425, 484, 486, 514, 518, 568, 590, 596, 635–36, 639
Nike+ (Plus), 30
Nike Air Force 1, 341–42
Nike Golf, 29
Nikon, 287
Nintendo, 5, 46, 567
Nippon Steel, 627
Nissan, 614, 617
Nissan's Infiniti, 340
NIVEA, 258, 280, 527
Nokia, 10, 37, 51, 107, 130, 257, 332, 576, 595, 599, 609, 614, 615, 618, 628, 633
Nokia Music Store, 618
No Name line, 460
Nordstrom, 37, 78, 130, 136, 147–48, 218, 243, 263, 401, 434, 441, 452, 637

Nordstrom Rack, 148
North American Industry Classification System (NAICS), 88–89
Northern Commercial Company, 147–48
Northwest Airlines, 131
Northwestern Mutual Life, 290
Northwestern University, 46, 336
Norwich Eaton Pharmaceuticals, 269
Novartis, 143, 460
Noxell, 269
Noxzema, 269
NTN Entertainment Network, 312
NTT (Nippon Telephone and Telegraph), 441
Nucor, 11
Nuit perfume, 267
Nuprin, 316

Oakley, 221, 243
Ocean Spray, 475
Odwalla, 621
Office Depot, 24, 124, 197, 302
OfficeMax, 4
Ogilvy, 496
OgilvyAction, 495
Ogilvy Healthworld, 495
Ogilvy & Mather, 296, 493, 495
OgilvyOne, 495
Ogilvy Public Relations Worldwide, 495
Oil of Olay, 269, 337, 440
Olay Definity, 504
Olay Professional Pro-X's Intensive Wrinkle Protocol, 320
Old El Paso, 261
Old Milwaukee, 259
Old Navy, 319, 340
Oldsmobile, 258
Old Spice, 260, 270, 503, 524, 533
Old Spice High Endurance, 260
Olive Garden, 251
Olympics, 531
Olympus, 287
1-800-FLOWERS, 449
1SYNC, 197
One for One program, 637
OneSight, 636
One Stop, 149
OnStar, 504
OPEN: The Small Business Network, 296
Oracle, 183, 331, 341, 384, 418, 435, 559
Oral-B, 173, 270
Orbitz, 17
Oreo, 523, 631
Oreo Double Stuf Racing League, 522, 523
Organization for Economic Cooperation & Development (OECD), 600
Original Recipe fried chicken, 604
Origins, 233
Orville Redenbacher popcorn, 72, 101
Osborne, 312
Otis Elevator, 262, 377, 596
Otis Remote Elevator Monitoring, 47
O2, 139, 291
*Out,* 191
Outback, Subaru, 342
Oxford University, 292
Oxygen, 217

Pabst Blue Ribbon, 259, 260
Pabst Brewing Company, 259–60
PACCAR Inc., 399
PAETEC, 137–38
Palm, 546
Palm V PDA, 119
Pampers, 216, 269, 303, 337, 342, 400, 440, 551
Pampers Rash Guard, 270
Panasonic, 70
Panasonic Toughbook, 250
Panda Express, 365
Panera Bread, 448
Pangea Organics, 387
Pantene, 137, 269, 270
Papa John's, 543
Paramount Pictures, 40, 47
*Paranormal Activity* (movie), 171
Parker Brothers, 312
Parker Hannifin, 396–97
The Partners, 495
*Passion of the Christ, The,* 546
Patagonia, 15, 24, 434, 621, 629, 630
Patrón, 334
Paul Mitchell, 220, 334
Paul Stuart, 260
Payless Shoes, 459
PayPal, 411
*PCWorld,* 593
Ped Egg foot files, 264
Pegasus Sports International, 60–64
Pentium, 58
PepsiCo, 39, 101, 119, 225, 277, 302, 305, 306, 307, 348, 404, 464, 498, 535, 598, 611
Pepsi-Cola, 242
Pepto-Bismol, 269
Perdue, 276, 328, 609
Perrier, 316
Persil, 342
Pert Plus, 270
PETCO, 138, 216, 452, 459, 633
Petco.com, 277
Peterbilt, 399
*Peter Pan,* 178
Petronas of Malaysia, 599
Pets.com, 570
Petsmart.com, 277
Pfizer, 84, 194, 290, 402
P&G. *See* Procter & Gamble (P&G)
PG&E, 633
Phaeton, 234
Philip Morris Company, 130, 304, 632–33
Philips, 51, 390, 416–17, 479–80, 608, 610
Philips *Carousel,* 480
Phineas Cole, 260
Phoenix, 157
Pier 1 Imports, 180
Pierre Cardin, 334
Pierre hotel, 595
*Pinocchio,* 178
Pioneer Hi-Bred Seeds, 145
Pixi, 499
Pizza Hut, 236, 344, 368, 450
Pizza Inn, 435
PlanetFeedback.com, 73, 362
Plastics.com, 196
*Playboy,* 21, 565
Playskool, 548
Playskool Preschool Playgroup, 548
PlayStation 2, 576
Plexco International AG, 201
PNC bank, 219
Poise, 487
Pokémon, 74
Polaroid, 258
Pollo Campero, 595–96
Polo Ralph Lauren, 636
POM Wonderful, 241
PopSugar, 547
Pop-Tarts, Kellogg, 610
Population Communication Services, 638
Porsche, 50, 234, 516, 596
Porsche 911, 330
Porsche Rennlist (online discussion group), 253
Pottery Barn, 450
Powerade, 438
PowerBar, 277
Power Pro Dustbuster Plus, 340
PPG industries, 184
Prada, 119, 156, 280, 334, 595
Pratt & Whitney, 34–35, 262
Praxair, 567
Premium hams, 261
President's Choice, 460
Pria, 277
Price Chopper, 98
PriceCostco, 438
PriceGrabber.com, 135
Priceline.com, 384, 486, 487
PriceSCAN.com, 384
PricewaterhouseCoopers, 323
Pringles, 137, 173, 270, 342, 484–85
Prius, 5, 352, 623
Private Label Manufacturers' Association, 459
Procter & Gamble (P&G), 34, 37, 46, 47, 83, 116, 119, 120, 137, 156, 163, 164, 218, 223, 234, 260, 269–70, 292, 303, 315, 319, 320, 328, 336, 342, 400, 432, 436, 440, 461, 464, 504, 516, 533, 550, 555, 557, 569, 574–75, 576, 585, 599, 610, 626, 628, 629, 631, 634
(PRODUCT) RED™, 233, 636, 649
Proenza Schouler, 452
Profile, GE, 319, 340, 524
Progressive Insurance, 37, 289–90, 630
Progresso, 67, 261
Progresso Light, 263
Promotional Marketing Association, 522
Pro Plan, 340
Pro Staff Classic tennis shoes, 253
Pro Strength, 260
Prudential, 336, 557
Prudential Financial, 130, 250
*PRWeek,* 529
Publix, 130, 464
Puffs, 337
Pulte Homes, 129
Purina Dog Chow, 340
Purina Dog Food, 340
Purina ONE, 340

Q5, 525
Q7, 525
Quaker Chemical, 199
Quaker Nutrition for Women, 154
Quaker Oats, 145, 256, 306, 609
Quattro, 265
QuickBooks, 120, 121, 547
QuickBooks Live Community, 546, 547
Quick Care, 370
Quicken, 120, 121
Quilts for Kids, 629
QVC, 449
Qwest, 144

Radio Mercury Awards, 510
Rainier, 259
Raisin Bran, Kellogg, 261
Ralcorp Holdings, 307
Raleigh Bicycles, 539
Ralph Lauren, 334, 619
Ralston Purina, 145, 567
Ramada Inn, 433, 604
RateItAll.com, 73
RAZR, Motorola, 250

RCA, 322
Reach in Motion (RIM), 601
Real Madrid, 552
Reckitt Benckiser, 45, 163
Redbox, 47, 415
Red Bull, 220, 243, 498–99, 546, 603
Red Bull Energy Drink, 498
Red Envelope, 421
RediClinic, 370
Redken, 619
Red Robin, 319
Red Zone, 260
REI, 214, 309, 417, 457, 630
R8 Spyder, 525
Reliance, 600
Renault, 617
Renault Logan, 617
Research in Motion, 45, 592–93
Reserve Brands, 316
Restoration Hardware, 451
Revlon, 7, 436, 490, 585, 636
Reynolds, 304, 312
Rhône-Poulenc S.A., 44
Rice Krispies, Kellogg, 261
Richardson-Vicks, 269
Rio Tinto, 194, 195
Ritchie Bros. Auctioneers, 196–97
Ritz, 327
The Ritz-Carlton, 379–80
Ritz-Carlton Boston, 379
Ritz-Carlton hotels, 37, 326, 595
Road Runner Sports, 332, 405
Robert Mondavi Winery, 340
Roberto Cavalli vodka, 334
Rockwell, 207
Rockwell Automation, 199
Rohm & Haas, 574
ROKR, Motorola, 250
Rolex, 307
*Rolling Stone,* 157, 565
Rolling Stones, 6, 244
Rolls-Royce PLC, 330
Ronald McDonald Care Mobile, 271
Ronald McDonald Family Room, 271
Ronald McDonald Houses, 271, 636
Roper Starch Worldwide, 487
Ross Stores, 455
Royal Ahold's Albert Heijn, 395
Royal Bank of Canada, 20
Royal Bank of Scotland, 149, 301
Royal Caribbean, 144
Royal Dutch/Shell Group, 39, 45
Royal Mail Group plc, 402
Royal Philips Electronics of the Netherlands, 289, 339, 416–17
RTC Relationship Marketing, 495
Rubbermaid, 125
Ruelala, 386
Ryanair, 300, 301, 385
Ryder System, 203

Saatchi & Saatchi, 291
SABMiller, 601, 628
Safari, 94
Safeguard, 337
Safeway, 72, 197, 449, 468, 553, 636
Safexpress, 165
Sainsbury, 148, 300, 318, 459
Saks Fifth Avenue, 387, 424, 434, 451, 455, 636
Salesforce.com, 370, 576
Salon Selective shampoos, 316
Sam's Club, 468, 629
Samsonite, 539
Samsung, 12, 37, 46, 50, 127, 314, 321–22, 332, 568, 618
SanDisk, 241
Sandoz, 460
Sanofi-Aventis S.A., 44, 460
SAP, 280, 377, 418
Sara Lee Corporation, 224, 304, 557
SAS, 189–90, 555
SAS Snowflake, 301
Saudi Basic Industries Corporation (SABIC), 11
Savers, 173
Schematic, 495
Schering-Plough, 44
Schick, 409
Schlitz, 259
Schneider National, 369–70
Scion, 352, 401
S.C. Johnson, 610
Scope, 585
Scotchgard fabrics, 345
Scotch Tape, 250
Scott Paper, 569
Scout Labs, 73
Sears, 44, 146, 197, 218, 224, 323, 341, 364, 378, 409, 425, 436, 441, 452, 604
Seat, 342
Secret Flawless, 568
Segway Human Transporter, 313
*Seinfeld,* 578
Select Comfort, 289
Sempra Energy, 130
Sensor, 263, 532
Sensor Excel, 400
Servus Credit Union, 115–16
*Sesame Street,* 510
7-Eleven, 425, 441, 449, 450, 553
7-Up, 516
764 High Speed Dozer, 487
Seventh Generation, 82, 621
Sharper Image, 227
Shaun White 4 Target, 243
*Shaun White Snowboarding* (video game), 243
ShelfVision TV, 519
Shell Oil, 187, 427, 595
Sheraton, 78, 262, 370
Sherwin-Williams, 154, 432
ShockHound.com, 154
Shoebox Greetings, Hallmark, 233
Shop.com, 138
Shopping.com, 135, 412
Showtime, 225
Shulton's Old Spice, 269
Siemens, 183
Siemens Electrical Apparatus Division, 231
Siemens Medical Solutions USA, 6–7
Sienna, 615
Sierra Club, 80, 633
Signature by Levi Strauss & Co., 218
Sigrid Olsen, 41
Sikorsky, 262
Silk, 551
Silly Bandz, 527
Sinceramente Hallmark, 233
Singapore Airlines, 51, 243, 290, 361
Sirna Therapeutics, 44
SkateTours, 60
Skoda, 342, 606
SKY360, 524
Sky Italia, 42
Skype, 277
Skype Internet, 384, 411–12
SkySport TV, 552
Sleep Number beds, 289
Small Business Administration's Office of Advocacy, 191
Smarter Planet, 493
SMARTFOOD, 293
Smart Grid, GE, 483
SMART network, 515
Smirnoff, 310
Smith & Hawken, 634
Smucker's premium ketchup, 245
SnackWell, 250
Snap Fitness, 156
Snapple, 305, 629
Snausage Breakfast Bites, 109
Snickers, 496, 513, 514
Snowshoe Mountain ski resort, 21–22
*Snow White and the Seven Dwarfs* (film), 178
SoBe, 305, 553
Société Bic, 267
Sodexho Marriott, 216
SoftSheen-Carson, 619
Soft Sheen Products, 619
Soft White, GE, 174
Sonic Corp., 544
Sonic restaurants, 544
Sony, 12, 35, 36, 37, 38, 46, 57, 241, 261, 287, 302, 313, 321, 322, 340, 390, 468, 524, 568, 576, 614, 618, 631
Sony Ericsson, 551
Sony Style, 457
Sony Vaio, 264
South Africa Airways, 51
Southern Jewelz, 546
Southwest Airlines, 35, 37, 130, 165, 220, 300, 320, 400, 412–13, 543, 630
Southwestern Company of Nashville (Bibles), 449
Sovereign Bank, 72, 225
Spam, 320
Spanish Stock Market Latibex, 599
Special K, 486
Spector Freight, 557
Sperry, 313
Spike TV, 217, 565
Splenda, 280, 510
Sporting Goods Manufacturers Association, 62
*Sports Illustrated,* 516
Sprint, 277, 369
Sprint Nextel, 369
Sprite, 484
S&S Cycle, 307
Stag umbrellas, 399
Stainmaster®, 345
Stanford University, 30, 33, 57, 82, 120
Staples, 138, 302, 449, 452, 454, 458, 514, 539
Star Alliance, 51
Starbucks, 37, 47, 214, 272, 282, 283, 287, 292, 301, 340, 366, 390, 458, 459, 520, 525, 546, 607, 629, 630, 636, 648–49
Starbucks coffee, 218
Starbucks Foundation, 649
Starbucks VIA Ready Brew coffee, 219
Starch, 518
*Star Wars* (movie), 113–14
Starwood Hotels & Resorts Worldwide, 78, 262–63, 370
State Farm, 164, 223, 485, 486
Steelcase, 101
Stella McCartney, 448
Stihl, 425
St. Jude Medical, 39
St. Louis Cardinals, 506
Stonyfield Farms, 12, 24, 82, 525, 621, 630, 631
Stop & Shop, 465
Stouffer's, 264, 567
Strattera, 570
StriVectin, 254
Stroh's, 259

StubHub, 73, 74, 412
Suave, 306
Subaru, 479
Sub Pop Records, 51
Subway, 165, 283, 430, 450
Sub-Zero, 218, 314, 334, 335
Sudler & Hennessey, 495
*Sun, The* (UK), 42
Sun Chips, Frito-Lay, 348
*Sunday Night Football,* 516
Sunkist, 348
Sun Microsystems, 183, 306
Sunny Delight, 461
Sun Ovens International, 81
Sunsilk, 112
Suntory, 603
Super Bowl, 503, 506, 516, 531, 535
Supercuts, 450
SUPERVALU, 197
Supply Chain Solutions, 46
*Surfer,* 253
*Surfing,* 253
Survey Research Center, University of Michigan, 91
Susan G. Komen Race for the Cure, Hallmark, 233
Sweet'N Low, 280, 510
Swiffer Sweeper, 119, 270, 574, 575
Swift and Company, 261, 609
Symantec, 377

TABASCO, 15
Taco Bell, 316, 344, 345
TAG Heuer, 422
Taj luxury hotels, 595
Takashimaya, 448
Taligent, 344
Tang, 610
Target, 12, 37, 95, 136, 180, 197, 218, 243, 275, 300, 370, 400, 401, 423, 443, 452, 456, 464, 499–500
Target Take Charge of Education, 637
Tasteeos, 307
Tata Consultancy Services, 595
Tata Group, 595
Tata Nano, 595
Tata of India, 248, 599, 600
Tata Sky, 42
Tata Steel, 328
Tazo Tea Company, 301
TCL, 601
Technorati, 576
Teflon®, 345
Telefonica, 291
Telefónica CTC, 12
Telefutura, 224
Telemundo, 224
Telepizza, 307, 308
Tellabs, 202
Tempur-Pedic, 163
TerraCycle, 11–12
Tesco, 6, 37, 144, 148–49, 300, 417, 430, 431, 452, 459, 613, 634
Tesco Bank, 149
Tesco Broadband, 149
Tesco Express, 149
Tesco Extra, 149
Tesco Home Phone, 149
Tesco Homeplus, 149
Tesco Metro, 149
Tesco Mobile, 149
Tesco Superstores, 149
Test Drive Unlimited, 516
Tetley Tea, 595
Teva, 460
Texas Instruments (TI), 50, 389
Thermo Scientific, 539
ThinkPad, 323
Thomas Cook, 209
Thompson Water Seal, 484
Thomson Reuters, 192
Thorn-EMI, 650
3Com, 612
3M Company, 115, 131, 243, 305, 326, 572, 574, 631, 643
365 Everyday Value, 453
Ticketmaster, 402
Tide, 163, 222, 269, 270, 303, 328, 337, 342, 400, 440
Tide Total Care, 163, 219, 568
Tiffany & Co., 334, 383, 384, 424, 612, 639
Timberland, 24, 48, 291, 525, 621, 630
*Time,* 516
Time-Life, 420
*Times, The,* 565
Times Square, 509, 524
Timex, 424, 443
Timken, 191
Tire Rack, 308
Titleist, 613
TiVo, 119, 590
TJ Maxx, 449, 455
TLC, 259
T-Mobile, 319, 506, 507
TNS, 82, 495
TNT, 633
*Today Show, The,* 74, 528
Tommy Hilfiger, 438
Tom Petty & the Heartbreakers, 254
Tom's of Maine, 82, 234, 525
TOMS shoes, 637–38
Tony Hawk, 452
Tony Lama, 306
Topshop, 431, 447
Topshop Express, 431
Topshop-to-Go, 431
TopSource, 197
Toronto Blue Jays, 57
Torrid, 454
Toshiba, 22, 46, 167, 595
Touchstone Pictures, 178, 265
Touchstone Television, 178
Tour de France, 29
Tower Records, 81
Toyota, 5, 37, 83, 224, 244, 257, 260, 291, 302, 352–53, 401, 422, 423, 485, 516, 524, 528, 576, 596, 607, 614, 615, 623, 630
Toyota Production System, 47
Toys "R" Us, 452
Trac II, 263, 532
Trader Joe's, 214, 456, 630
Trading Process Network (TPN), 197
Transformers, 342
Transport Canada, 227
Travelers Cheque, 296
Travelocity, 17, 51, 370, 543
TreeHugger, 547, 548
Tree of Life, Hallmark, 233
Tremor, 550
TrèsSugar, 547
Trinitron TV, 614
TripAdvisor, 13
Trivial Pursuit, 312
Trix, 344
Tropicana, 98, 306, 348
Tropicana Pure, 551
True Value, 309
Tundra, 352, 524
Tupperware, 449, 553, 598
TurboTax, 120, 121, 129, 546
*TV Guide,* 42
Tween Brands, 454
20th Century Fox, 42
24/7 Real Media, 495
Twitter, 3, 4, 58, 115, 121, 186, 248, 270, 520, 546, 548, 565, 631
Tyco, 639
Tylenol, 316, 528, 543

Ubisoft, 243
UBS, 297
UCLA, 108
UK Tri-Nations rugby tournament, 533
Ultra Dry Pampers, 340
Umbro, 29
Under Armour, 241, 299
UNICEF, 634, 635
UNICEF, Hallmark cards, 233
Unilever, 112, 260, 278, 342, 564–65, 598, 599, 600, 639
Union Pacific Railroad, 40
UNIQLO, 453
Unisys, 186
United Airlines, 51, 130, 359, 362
United Auto Workers, 351
United Network, 495
United's Shuttle, 301
U.S. Army, 216
U.S. Census Bureau, 72, 88, 183, 224, 366
U.S. Customs and Border Protection, 612
U.S. Department of Commerce, 612
U.S. Department of Commerce's International Trade Administration, 604
U.S. Environmental Protection Agency, 638
U.S. Fish and Wildlife Service, 634
U.S. Marine Corps, 292
U.S. Open of Surfing, 220
U.S. Post Office, 48, 90, 366
U.S. Small Business Administration, 604
U.S. Time Company, 424
United Technologies, 261–62
United Way, 638
United Way of Massachusetts Bay and Merrimack Valley, 543
Universal Pictures, 44
Universal Studios, 44, 540
Universal Television Group, 44
University of Chicago, 176, 177
University of Maryland, 299
University of Michigan, 130
University of North Carolina, 461
University of Virginia, 114
University of Wisconsin, 292
Univision, 77, 223, 224
UPS, 46, 99, 292, 303, 304, 359, 418, 630, 631
Urban Outfitters, 431, 454
USAA, 129, 141, 142, 297, 366, 369, 370–71
US Airways, 366, 477
USA Network, 44
USB, 568
*U.S. News & World Report,* 380
U.S. Steel, 11
US West, 57
UTC, 377
UTC Fire & Security systems, 262
U2, 243, 636

VAALCO Energy, 308
Valentino, 261
Vanguard Petroleum Corp., 197, 369
*Vanity Fair,* 458
Venus, 98
Venus Embrace, Gillette, 568
Vera Wang, 452
Verizon, 223, 305, 420
Verizon Wireless, 43, 127, 130, 277
V Guide, 551
Vicks, 269

Victoria's Secret, 217–18, 390, 407, 454
Vidal Sassoon, 270
Vigoro fertilizer, 261
Viiv, 58
Viking, 218, 314, 390
Virgin America, 114, 245
Virgin Atlantic, 650
Virgin Aviation, 651
Virgin Cola, 650
Virgin Cosmetics, 650
Virgin Entertainment Interactive, 312
Virgin Green Fund, 651
Virgin Group, 37, 47, 557, 650–51
Virgin Megastore, 149, 650
Virgin Money, 651
Virgin Pulse, 650
Virgin Records, 650
Virgin Unite, 650
Virgin Vodka, 650
Visa, 51, 280, 281–82, 296, 297, 299, 488, 516, 525
Vista, 93
Vistaprint, 200
Vitaminwater, 293
Vivendi Universal Entertainment, 44
VML, 495
Vocalpoint, 550
Vodafone Group, 52–53, 385
*Vogue,* 458, 516
Volcom, 293
Volkswagen, 50, 234, 259, 342
Volt, Chevy, 332
Volvo, 10, 125, 127, 128, 252, 276
VW, 484, 544, 606
VW Beetle, 331
VW GTI, 544
VW Tiguan, 544

Wachovia, 130
Wakoopa (social networking), 250
Walgreens, 197, 300–301, 449
Walkman, 38, 302
*Wall Street Journal,* 42, 190
Walmart, 12, 35, 37, 46, 70, 72, 83, 94–95, 127, 136, 149, 197, 218, 232, 270, 296, 300, 320, 340, 366, 370, 401, 423, 432, 436, 449, 452, 453, 456, 464, 471, 499, 515, 551, 555, 613, 627, 629, 632, 639
Walmart TV, 515
Walt Disney Company, The, 15, 37, 43, 44, 46, 51
Walt Disney Corp., 83
Walt Disney Productions, 178
Walt Disney Studios, 179
Walt Disney World, 178
Walt Disney World's Magic Kingdom, 6
Warnaco, 120
Warner Bros., 47
Warner Music Group, 51
Washington Mutual Occasio, 46
*Washington Post,* 82
Waste Management Corporation, 421
Waterford, 444
Wave, 31
Weather Channel, The, 72
*Weekly Standard,* 42
Wegmans Food Markets, 197, 291, 630
Weight Watchers, 264, 552
Wells Fargo, 71, 103, 225, 360, 458
Wells Fargo Home Mortgage, 49
Wendy's, 216
WESCO International, 539
Westat, 99
Westinghouse, 572
Westin Hotels, 78, 263, 345
Westin Stamford, 280
Westport Innovations, 80
WE television, 217
Wharton, 35, 116
Wharton Americus Reed, 102
Wheaties, 15, 67, 261
Whirlpool, 98, 218, 333
Whole Foods, 12, 37, 83, 138, 140, 248, 316, 453, 621, 630, 637
Whole Kitchen, 453
Whole Market, 453
Whopper, 541
W hotels, 78, 263
Wieden+Kennedy, 503
Wii, 5, 567
Wikipedia, 13, 575
William Wrigley Jr. Company, 418
Wilson, 253
Windows, 93, 94
Windows 95, 93
Windows 98, 93
Windows 2000, 93
Windows 7, 598
Windows 3.0, 93
Windows XP, 93
Wine Spectator, 439
Wipro, 600
*Wired,* 235, 385
W. L. Gore, 568–69
WNYW New York, 42
Wondercurl mascara, 619
Woodbridge, 340
Woolite, 163, 164
Working Assets, 634
World Bank, 600, 601, 638
World Cup, 524, 531, 601
World Health Organization, 638
World Series, 509
World Trade Organization, 597, 601
World Wildlife Foundation (WWF), 639
WPP, 246, 495
WPP Digital, 495
Wrangler jeans, 485
W.R. Case & Sons Cutlery, 309
W. R. Grace, 72
Wrigley's, 258
Wunderman, 495
W.W. Grainger, 196, 200, 432, 463–64

Xbox, 93
*Xena: Warrior Princess,* 254
Xerox, 34, 40, 101, 128, 204, 250, 300, 305, 466, 627

Yahoo!, 13, 31, 32–33, 47, 109, 262, 302, 306, 542
Yahoo! Finance, 138
Yale, 484
Yankelovich, 13–14
Yankelovich Monitor, 74, 77
Yaohan supermarkets, 453
Yelp.com, 135
Yoplait, 168, 261, 344, 394, 627, 636
YoungFreeAlberta.com, 115
Young & Rubicam, 245, 496
YouTube, 3, 4, 13, 14, 137, 186, 202, 319, 541, 549, 551, 575, 631
Y&R, 495

Zales, 453
Zaltman Metaphor Elicitation Technique (ZMET), 106
Zappos, 241, 248, 367, 447
Zara, 25–26, 430, 431, 447, 455
Zazzle, 329
ZDNet.com, 73
Zest, 337
Zipcar, 356
Zippo Manufacturing, 141, 308–9
Zyrtec, 264

## Subject

Accelerating, 622
Accessible segments, 231
Accumulated production, 393–94
Achievers, 226
Acquisition, 268
Actionable segments, 232
Action campaigns, 638
Active information search, 167
Activity-based cost (ABC), 133, 393
Activity plans, 559
Actual self-concept, 157
Adaptation
  brand element, 609
  communication, 610
  criteria for marketing channels, 427
  dual, 610
  global marketing program, 607
  global product strategies, 608–9
  product, 608–9
Adapted marketing program, 606
Adapter, 307
Add-on spending, 268
Adjustment heuristics, 176
Administered VMS, 432
Adoption, 589
Ad placement policies and services, 516
Advertising, 478, 490–91
  allowance, 521
  consumer-generated, 506
  definition of, 504
  elasticity, 505
  frequency, budget decisions and, 505
  informative, 504
  objective, 504–5
  persuasive, 505
  reinforcement, 505
  reminder, 505
  specialty, 523
  *vs.* sales promotion, 519–20
Advertising budget, 505
  advertising elasticity, 505
  factors affecting, 505
Advertising campaign, 506–10
  development and execution, 507–10
  legal and social issues, 510
  message generation and evaluation, 506–7
  pretest research techniques, 518
  print ads, 507–9
  radio ads, 509
  television ads, 507
Advertising effectiveness
  communication-effect research, 518
  evaluating, 518–19
  media selection, 518–19
  sales-effect research, 518–19
Advertising options, alternate, 512–16
  media, evaluating, 515–16
  place advertising, 512–15
Advertising program, 504–19
  advertising budget, 505
  advertising campaign, 506–10
  advertising objective, 504–5
  media selection, 510–19
  sales promotion, 519
Advocate channels, 487
Affinity customers, 422

African Americans, 77, 224
Age
in demographic segmentation, 216–17
influencing consumer behavior, 155–56
Agents, 416, 462
Airtruck, 468
Aligning in channel management, 432
Allocating, 554
Allowance, 521
Alpha testing, 585
Alternatives, evaluation of, 168–70
beliefs and attitudes, 168
expectancy-value model, 169–70
Ambivalent Networkers, 545
Amplified expressiveness, 491
Anchoring heuristics, 176
Ancillary services, 457
Annual-plan control, 641–42
Anticipatory pricing, 408
Antitrust action, 304
APEC, 602
Approvers in buying center, 188
Arbitration, 438
Area market potential, 88–90
market-buildup method, 88–89
multiple-factor index method, 89–90
Area market specialists, 625
Areas of dominant influence (ADIs), 518
Arm's-length price, 612
Arranged interviews, 109
Ascending bids, 402
ASEAN, 602
Asian Americans, 76, 224–25
Aspirational groups, 153
Associative network memory model, 163
Assortment building, 462
Assurance, service quality and, 372
Atmospheres, 523
Attack strategy
general, 306
specific, 306
Attitude, 530
about products, 229
definition of, 168
of others, as intervening factor, 170–71
Attribute listing, 577
Auction-type pricing, 401–2
Audience-attention probability, 516
Audience quality, 516
Audiometers, 107
Augmented product, 326
Automated warehouses, 467
Automatic vending, 449
Availability heuristics, 174–75
Available market, 85
Average costs, 393
Awareness
audience, 511
in consumer-adoption process, 589
marketing public relations and, 528
product, change in, 530
set, 167

Baby boomers, 221
Backward flow of activity, 418
Backward invention, 609
Banded pack, 521
Bare bones relationships, 202
Bargaining power of buyer/seller, threat of, 232
Barter, 404
Barter markets, 197
Basic product, 326
Basic service, 372
Behavioral campaigns, 638
Behavioral decision theory (BDT), 174–77
decision heuristics, 174–76
framing, 176–77
theory findings, 175
Behavioral economics, 174–77
Behavioral research, 103
Behavioral segmentation, 227–29
breakdown, 229
decision roles, 227–28
needs and benefits, 227
user and usage, 228–29
Behavioral targeting, 146
Beliefs, 168
Believability, 580
Believers, 227
Benchmarks, 34, 199, 622
Benefits
in behavioral segmentation, 227
in cause-related marketing, 635–36
sales force compensation, 556
Best practices of top service companies, 366–68
customer complaints, satisfying, 368
high standards, 366
monitoring systems, 367–68
profittiers, 366–67
strategic concept, 366
top-management commitment, 366
Beta testing, 585
Billboards, 512–13
Biogenic needs, 160
Blogs, 72–73, 138–39, 205, 547–48
Blue-ocean thinking, 278–79
Bonding, 204
Born global, 598
Bottom-up grassroots approach to marketing, 137
Brain science, 108
Brainstorming session, 577
Branches of manufacturers/retailers, 462
Brand
architecture (*See* Branding strategy)
associations, 164
attitude, 483
audit, 256
awareness, 482
bonding, 247, 253
building, 27
bundling, 344–45
communities, 253–55, 293
concept, 580
consumption, expanding, 301–2
contact, 251–52, 478
crisis, managing, 316
definition of, 10, 241
experience, dimensions of, 358
feelings, 249
games with, 516
ghost, 316
imagery, 248
journalism, 292
judgments, 249
knowledge, 244
line, 261
loyalty, in small businesses, 293
loyalty status, 228–29
luxury, 334–35
mantras, 284–85, 286
metrics pathway, 117
mix, 261
most valuable, 257
narratives, 292
offerings, fine-tuning, 320
orphan, 316
performance, 247, 248
personality, 157
personification, 107
pillar pattern, 245
private label, 459
purchase intention, 483
reinforcement, 258–59
revitalization, 259–60
role of, 242–43
salience, 248
state of, 248
stature, 245
story, 292
valuation, 256–58
value calculation, 254, 257
value chain, 255–56
value creation, 254, 255
*See also* Branding
Brand-asset management team (BAMT), 626
BrandAsset® Valuator (BAV) model, 245–46, 248
Brand development index (BDI), 89–90
Brand-dominant hierarchy, 168
BrandDynamics pyramid, 246, 247
Branded variants, 261
Brand elements, 250–51
adaptation, 609
criteria for, 250
developing, 250–51
in small businesses, 293
Brand equity, 241–68
customer-based, 244
customer equity and, 267–68
defining, 243–45
drivers, 249–50
holistic marketing, 251–52
measuring, 255–58
models, 245–49
Brand equity, building, 249–55
brand communities, 253–55
brand elements, choosing, 250–51
holistic marketing activities, designing, 251–52
internal branding, 253
secondary associations, leveraging, 252–53
value creation practices, 254
Brand equity, managing, 258–60
brand reinforcement, 258–59
brand revitalization, 259–60
Brand extensions, 260, 263–67
advantages of, 264–65
disadvantages of, 265
research insights on, 266–67
scorecard, 266
success characteristics, 265–67
Branding
cause, tips for, 637
co-branding, 344–45
color wheel of, 347
cultural, 292
decisions, 261
definition of, 243
emotional, 290–91
global, ten commandments of, 608
ingredient, 345–46
narrative, 292
primal, 292
role of, in brand valuation, 257
twenty-first-century, 267
*See also* Brand
Branding strategy, 260–67
alternative, 261
brand extensions, 263–67
brand portfolios, 262–63
definition of, 260
house of brands *vs.* branded house, 261

Brand-management organization, 625–27
Brand portfolios, 262–63
cash cows, 263
flankers, 263
high-end prestige, 263
low-end entry level, 263
Brand positioning, 275–97
alternative approaches, 291
developing, 275–86
differentiation strategies, 289–92
establishing, 286–89
for small businesses, 293–94
Brand positioning, differentiation strategies, 289–92
alternative approaches, 291
emotional branding, 290–91
means of, 290
Brand-positioning map, 580
Brand resonance, 249
model, 246, 248–49
Brand strength, 244, 245, 257
in small businesses, 293
Brand-tracking studies, 256
BrandZ model, 246
Brazil's developing market, 598, 600
Break-even chart, 398, 427
BRIC, 598
*See also* Developing markets
Brick-and-click companies, 439, 440–41
Bridges, 551
Broadcast ads, 518
Broadening, 622
Brokers, 462
Budget allocations in economic downturn, 319
Budget trade-offs, communication, 490
Building in channel management, 432
Bulk breaking, 462
Business
advisory services, 328
database, 143
definitions, product to market, 39, 40
innovation, dimensions of, 46–47 (*See also* Marketing innovation)
legislation, increase in, 84
mission, 48
partner relationships, 202
sector, 356
services, 328
Business analysis in new-product development, 583
cash flow statement, 584
costs and profits, estimating, 584
total sales, estimating, 583–83
Business-goods testing, 587–88
Business markets
analyzing, 183–211
business-to-business customer relationships, 201–5
challenges faced by, 184
definition of, 9, 183
government markets, 205–7
institutional markets, 205–6
organizational buying, 183–88
participants in business buying process, 188–93
purchasing/procurement process, 193–95
stages (buyphases) in buying process, 195–201
*vs.* consumer markets, 183–85
Business promotion, 519
tools, 522
Business-to-business customer relationships, 201–5
new technology and, 204–5
risks and opportunism in, 203–4
vertical coordination, benefits of, 202–3
Business-to-business e-commerce, 439–40
Business unit strategic planning, 47–54
business mission in, 48
control in, 53–54
feedback in, 53–54
goal formulation in, 50
program formulation in, 53
program implementation in, 53
strategic formulation in, 50–53
SWOT analysis in, 48–50
Buyback arrangement, 404
Buyer
in buying center, 188
decision roles, 227
fewer, 184
geographically concentrated, 185
intentions, survey of, 91
larger, 184
reaching hard-to-find, 491
turnover, 517
Buyer-readiness stage, 228, 493
Buyer-supplier relationships, 202–3
Buygrid framework, 195
Buying, 462
alliances, 197
forward, 522
service, 449
sites, 197
Buying center, 188–90
influences, 189–90
members and roles in, 188–89
Buying decision process, 166–74
*See also* Five-stage model
Buying influences
key, 193
multiple, 185
Buying process, stages in, 195–201
buygrid framework, 195
general need description, 196
order-routine specification, 201
performance review, 201
problem recognition, 196
product specification, 196
proposal solicitation, 198
supplier search, 196–98
supplier selection, 198–201
Buying situations, 185–87
modified rebuy, 186
new task, 186
straight rebuy, 185
Buyphases in buying process. *See* Buying process, stages in
Buzz marketing, 220, 293–94, 549–51, 552
Bypass attack, 306
By-product pricing, 343–44

Call centers, 368, 369
Call reports, 559
Cannabilization, 438
Cannibalized income, 584
Capital items, 328
Captive-product pricing, 343
Cash cows, 263
Cash-flow metrics pathway, 117
Cash flow statement, 584
Cash rebates, 405
Cash refund offers, 521
Catalog marketing, 539
Catalog showroom, 449
Catalog sites, 196
Category concept, 579
Category extension, 261
Category management, 626
Category membership
communicating, 288
definition of, 277
in establishing brand positioning, 286, 287–88
Category need, 482
Category points-of-parity, 280–81
Causal marketing research, 100
Cause branding, tips for, 637
Cause program
classic, 634
designing, 636, 637
Cause-related marketing, 634–38
benefits and costs, 635–36
cause branding, tips for, 637
cause program, designing, 636, 637
classic cause marketing programs, 634
Millenials' attitudes about, 635
Celebrity endorsements, 486
Census tracts, 90
Central business districts, 458
Central Contractor Registration (CCR) database, 207
Central route, 173
Cents-off deals, 521
Chain-ratio method, 88
Channel
captain, 431
coordination, 435
design and arrangements, modifying, 429
differences in global distribution, 613
differentiation, 290
entry in global distribution, 613
evolution, 429
in foreign nations, 613
functions and flows, 418–19
levels, 420–21
modification decisions, 429–30
partnerships, 428
power, 428
pricing, 406
specialist, 309
stewards/stewardships, 431–32
Channel alternatives, 424–27
channel members, terms and responsibilities of, 426
corporate and adaptive criteria, 427
economic criteria, 426–27
evaluating, 426
identifying, 424–26
numbers of intermediaries, 424–25
types of intermediaries, 424
Channel conflict, 435–38
cannibalization, 438
causes of, 436
definition of, 435
dilution, 438
ethical issues in, 438
legal issues in, 438
managing, 436–38
strategies to manage, 437–38
types of, 435–36
Channel-design decisions, 422–27
channel alternatives, 424–26
customer needs and wants, analyzing, 422–23
objectives and constraints, establishing, 423–24

Channel integration and systems, 417, 431–35
horizontal marketing systems, 433
integrated multichannel marketing systems, 433–35
vertical marketing systems, 431–33
Channel-management decisions, 427–31
channel design and arrangements, modifying, 429
channel members, 427–29
channel modification decisions, 429–30
global channel considerations, 430–31
Channel members
evaluating, 429
functions, 419
selecting, 427
terms and responsibilities of, 426
training and motivating, 428
Chief executive officer (CEO), 4, 628
Chief financial officer (CFO), 4
Chief information officer (CIO), 4
Chief marketing officer (CMO), 4, 17
China's developing market, 598, 601
Choice architecture, 176
Choice set, 167, 168
City product version, 609
Cliques, 551
Cloner, 307
Closing, 561–62
Clutter, budget decisions and, 505
Co-branding, 344–45
Coercive power, 428
Cognitive campaigns, 638
Cohorts, 76
*See also* Generations
Collaborative exchanges, 202
Collectivism, 607
Color wheel of branding and packaging, 347
Combo sites, 73
Commercial information sources, 167
Commercialization in new-product development, 588
how (introductory market strategy), 588
when (timing), 588
where (geographic strategy), 588
to whom (target-market prospects), 588
Commoditization, 184
Commonality, 496
Common carrier, 468
Communicability, 580, 590
Communication
adaptation, 610
audit, 479
budget trade-offs, 490
global strategies, 610–11
metrics, 642
modes, 478–79
as retail channel, 458
sales force, 554
Communication channels, selecting, 486–88
integration of communication channels, 488
nonpersonal (mass) communication channels, 487–88
personal communications channels, 486–87
Communication-effect research, 518
Communication objectives
brand attitude, 483
brand awareness, 482
brand purchase intention, 483
category need, 482
determining, 482–83
Communication options in interactive marketing
display ads, 542–43
e-mail, 543
mobile marketing, 543–45
search options, 542
Web sites, 541–42
Communications, designing, 484–86
creative strategy, 484–85
message source, 485–86
message strategy, 484
Community shopping centers, 459
Company brand name, 261
Company capabilities, affecting marketing, 14–15
Company demand, 87
Company pricing policies, 402–3
Company sales force, 555
Company sales forecast, 87
Company sales potential, 87–88
Compatibility, 590
Compensation deal, 404
Competition
budget decisions, 505
in global markets, 595–96
*See also* Competitive strategies; Competitors
Competitive advantage, 289
Competitive depositioning, 170
Competitive frame of reference, 275–79
Competitive-parity method, 489
Competitive points-of-parity, 281
Competitive strategies, 299–323
competitive strategies, other, 305–10
competitive strategies for market leaders, 299–305
in economic downturn, 318
market-challenger strategies, 305–7
market-follower strategies, 307
for market leaders, 299–305
market-nicher strategies, 308–10
product life-cycle marketing strategies, 310–18
Competitors
analyzing, 279
costs, prices, and offers, 395
definition of, 278
identifying, 277–79
price changes, responding to, 409–10
studying, in new-product development, 577
threats posed by, 291
Complementarity, 496
Complementary services, 361
Complexity, 590
Component materials and parts, 328
Compositional approach, 199
Comprehension, 530
Comprehensive audit, 643
Computer games in marketing, 221
Concentration, new product advertising and, 517
Concept to strategy in new-product development, 579–84
business analysis, 583
concept development, 579–80
concept testing, 580–81
conjoint analysis, 581–82
marketing strategy development, 582–83
Conditions of sale, 426
Conformance quality, 131, 329–30
Congruity, 485, 486
Conjoint analysis, 199
Conjunctive heuristic, 170
Connectors, 551
Consideration set, 167
Consumer
base, budget decisions and, 505
buying power, 13
choice, noncompensatory models of, 170
cooperative, 450
environmental segments, 82
franchise building, 520
information, 13
involvement, 173–74
participation, 13
psychology, 78
quiz, average U.S., 155
resistance, 13–14
surveys, 523
tests on packaging, 348
Consumer-adoption process, 589–90
characteristics of the innovation, 590
factors influencing, 589
organizations' readiness to adopt innovations, 590
personal influence, 590
readiness to try new products, 589
stages in, 589
time adoption of innovations, 590
Consumer behavior, 151–59
cultural factors, 151–53
influences on, 151–59
model of, 160, 161
personal factors, 155–59
social factors, 153–55
understanding, 166
Consumer decision making, 173–74
low-involvement, 173–74
successive sets involved in, 167–68
variety-seeking buying behavior, 174
Consumer-direct (CD) channels, 535
Consumer-generated advertising, 506
Consumer-goods classification, 327
Consumer-goods market testing, 586–87
controlled test marketing, 586–87
sales-wave research, 586
simulated test marketing, 586
test markets, 587
Consumerist movement, 84
Consumer-loyalty process, 589
Consumer markets, 9
analyzing, 151–80
behavioral decision theory, 174–77
behavioral economics, 174–77
buying decision process, 166–74 (*See also* Five-stage model)
consumer behavior, influences on, 151–59
psychological processes, key, 160–66
*vs.* business markets, 183–85
Consumer participation, increased, 361
Consumer promotion, 519
tools, 520, 521

Consumer psychology and pricing, 386–88
price endings, 388
price-quality inferences, 388
reference prices, 387–88
Consumption
patterns, 68
system, 326
Consumption chain method, 47
Contact methods, 107–10
mail, 108
online, 109–10
personal, 109
telephone, 108–9
Containerization, 468
Contests, 521
Contextual placement, 540
Continuity, new product advertising and, 517
Continuous replenishment programs, 201
Contract carrier, 468
Contraction defense, 304
Contract manufacturing, 604
Contracts, management, 604
Contractual sales force, 555
Contractual transaction, 202
Contractual VMS, 433
Contribution, 496
Control, 491
annual-plan control, 641–42
in business unit strategic planning, 53–54
efficiency control, 641, 642
marketing control, 641
profitability control, 641, 642
strategic, 641, 643–46
Controllable returns, 331
Controlled test marketing, 586–87
Convenience goods, 327
Convenience store, 449
Conventional marketing system, 431
Conversion rates, 140
Cookies, 70
Cooperative organizations, 603
Cooperative systems, 202
Co-option, 437
Core beliefs, 79
Core benefit, 326
Core business processes, in value chain, 34
Core competencies, 35–36
Core cultural values, 79
Core principles of mental accounting, 177
Corporate chain store, 450
Corporate communications, 527
Corporate credibility, 203
Corporate criteria for marketing channels, 427
Corporate culture, 45
Corporate environmentalism, 81
Corporate expertise, 203
Corporate image, marketing public relations and, 528
Corporate likability, 203
Corporate retailing, 450
Corporate social initiatives, 24
Corporate social responsibility, 630–34
ethical behavior, 630
legal behavior, 630
report, 632
social responsibility behavior, 630, 632–33
sustainability, 633–34
Corporate societal marketing (CSM), 634
Corporate strategic planning, 37–47
growth opportunities, assessing, 42–47
marketing innovation and, 45–47
mission statements, 38–39
organizational culture and, 45
organization and, 45
strategic business units, 39–42
Corporate trustworthiness, 203
Corporate umbrella, 261
Corporate VMS, 432
Cost
in cause-related marketing, 635–36
inflation, 408
in integrating IMC program, 496
leadership, 51
and profit, estimating, 584
Costs, estimating, 392–95
accumulated production, 393–94
levels of production, 393
target costing, 394
types of costs, 393
Counseling, 463, 527
Counterfeiter, 307
Counterfeit products, 612–13
Counteroffensive defense, 303
Countertrade, 404
Country-of-origin effects, 614–15
building country images, 614
consumer perceptions of, 614–15
Country product version, 609
Coupons, 521
Coverage, 496
Creative anticipation, 302
Creative brief, 506
Creative strategy, 484–85
informational appeals, 484
transformational appeals, 484–85
Creativity
in marketing research process, 113
in new-product development, 577–78
Credence qualities, 357
Credibility, 491, 528
Credit, 78
Critical life events or transitions, 156
Critical path scheduling (CPS), 588
Cross-functional teams, 572
Cross-selling, 141
Crowdsourcing, 575
Cues, 163
Cultivation, 492
Cultural branding, 292
Culture
definition of, 151, 153
in demographic segmentation (*See* Multicultural marketing)
factors influencing consumer behavior, 151–53
values, core, 79
Current demand estimations, 88–90
area market potential, 88–90
industry sales, 90
market shares, 90
total market potential, 88
Customer
acquisition process, 34
advantage, 289
attributes (CAs), 585
base, 140
base management, 140–41
channel-design decisions, 422–23
churn, 139–40
cloning, 214
communities, 439
complaints, satisfying, 368
complaint sites, 73
connecting with, 27
consulting, 331
coproduction, 363–64
costs, solutions to reduce, 200
defection, reducing, 139–40
empowerment, 137–38
empowerment of, 362–63
equity, 267–68
expectations of, managing, 373–75
failures, 364
getting closer to, in economic downturn, 318–19
mailing lists, 143
markets, 9
metrics, 642
metrics pathway, 117
multiplier, 255–56
needs, 376–77, 422–23
profitability, 133
readiness to buy metrics, 642
recommendations, 139
retention dynamics, 140
revenues, solutions to enhance, 200
reviews, 138–39
risks, solutions to decrease, 200
satisfaction, quality control and, 360
satisfying employees and, 364–65
supply, 202
surprising, service quality and, 372
touch point, 135
training, 331
*See also* Customer service
Customer-based brand equity, 244
Customer databases, 143–44
use of, 144
*vs.* customer mailing lists, 143
Customer-driven departments, 624
Customer-focused value proposition, 276
Customerization, 234–35
Customer lifetime value (CLV), 132–34
calculating, 134–35
customer equity, 268
definition of, 134
measuring, 134
profitable customer, 133
Customer loyalty, 141–43
building, 141–43
institutional ties, creating, 143
interacting with customers, 141–42
loyalty programs, developing, 142
top brands in, 127
win-backs, 143
Customer-management organization, 627
Customer-on-top business model, 124
Customer partnering, 622
Customer-perceived value (CPV), 124–27
customer value analysis, 126
definition of, 125
high customer value, delivering, 127
processes and implications, choice, 126
value concepts, applying, 125–26
Customer-performance scorecard, 116, 117
Customer profitability analysis (CPA), 133

Customer relationship in services, shifting, 362–65
customer coproduction, 363–64
customer empowerment, 362–63
satisfying employees and customers, 364–65
Customer relationship management (CRM), 135–39
customer empowerment, 137–38
customer equity, 268
customer recommendations, 139
customer reviews, 138–39
definition of, 135
downside of, 145–46
personalizing marketing, 135–37
process, 34
value networks, 418
Customer relationships, 134–43
attracting and retaining customers, 139–41
capital, 140
customer base management, 140–41
customer-on-top business model, 124
customer-perceived value, 124–27
customer relationship management, 135–39
database marketing, 143–46
defection, reducing, 139–40
loyalty, 141–43
quality of product and service, 131–32
retention dynamics, 140
total customer satisfaction, 128–31
Customer satisfaction
follow-up, 562
maintenance, 562
monitoring, 128–31
quality of product and service, 131–32
total, 128
Customer-segment pricing, 406
Customer service
evolution, 377–78
imperative, 378
interface, 375
online, 376
*See also* Customer
Customer service representatives (CSRs), 368
Customer-size specialist, 309
Customer value, 33–37
analysis, 126
core competencies, 35–36
holistic marketing orientation and, 36
strategic planning and, 36–37
value chain and, 34–35
value delivery process and, 33–34
*vs.* company cost, in product differentiation, 328
Customer value assessment (CVA), 199
Customer-value hierarchy, 326
Customization, 234–35, 329
Customized marketing, 492
Custom marketing research firms, 99
Cycle-recycle pattern, 311

Data
interdependence of, 113
sources, 100
Database, 71
business, 143
customer, 143–44
Database marketing, 143–46
behavioral targeting, 146
customer databases, 143
data mining, 144–45
data warehouses, 143–44
downside of, 145–46
examples of, 144
Data mining, 71, 144–45
Data warehouse, 71, 143–44
Deadly sins, 647
Dealer tests on packaging, 348
Debt, 78
Deception, 540
Decider, 188, 227
Decision framing, 176–77
Decision heuristics, 174–76
adjustment heuristics, 176
anchoring heuristics, 176
availability heuristics, 174–75
representativeness heuristics, 175
Decision making
consumer, 173–74
in marketing research process, 99–100, 111, 112
in new-product development, 573
roles in behavioral segmentation, 227–28
Decline stage of product life cycle, 310, 314–16
Declining demand, 8
Decoding, 480
Deep metaphors, 106
Defensive marketing, 303–4
Delayed quotation pricing, 408
Deliverer, 553
Delivery, 331
Delivery channel, 418
Delivery of services, unsuccessful, 373
Demand
business markets *vs.* consumer markets, 185
chain planning, 417
company, 87
creator, 553
curves, estimating, 391–92
declining, 8
derived, 185
estimations, current, 88–90
estimations, future, 90–91
fluctuating, 185
inelastic, 185
landscape, 574
market, 85–91
marketing sensitivity of, 86
primary, 86
states, 8
*See also* Market demand
Demand, determining, 390–92
estimating demand curves, 391–92
price elasticity of demand, 392
price sensitivity, 390–91
Demand-first innovation and growth (DIG) framework, 573–74
Demand measurement, 85–86
types of, 85–86
Demand measurement vocabulary, 86–88
company demand, 87
company sales forecast, 87
company sales potential, 87–88
market demand, 86–87
market forecast, 87
market potential, 87
Demand-side method, 526
Demographic environment, 75–77
educational groups, 77
ethnic and other markets, 76–77
household patterns, 77
population age mix, 75, 76
population growth, worldwide, 75
Demographic segmentation, 216–25, 230
age and life-cycle stage, 216–17
gender, 217
generation, 219–22
income, 218
life stage, 217
race and culture, 222–25
Department store, 449
Deregulation, 12
Derived demand, 185
Descending bids, 402
Descriptive marketing research, 100
Design, 332–33
luxury brands, 334–35
thinking, 333
top design companies and countries, 332–33
Designated marketing areas (DMAs), 518
Desktop marketing, 641
Desktop Veterans, 545
Developing markets, 598–602
Brazil, 598, 600
China, 598, 601
India, 598, 600
Indonesia, 598, 601
Russia, 598, 600
South Africa, 598, 601
*vs.* developed markets, 598–602
Development of new products. *See* New-product development
Differentiating services, 368–70
innovation with, 370
primary and secondary options, 368–70
Differentiation
aggressive price discounter, 300–301
in brand positioning strategies, 289–92
distribution, 469
marketing, 233
means of, 290
in Porter's generic strategies, 51
pricing, 361, 406–7
product, 329–30
segments, 232
services, 330–32
Digital Collaborators, 545
Dilution, 438
Diplomacy, 437
Direct export, 603–4
Direct investment, 605
Direct mail, 538–39
campaign success, measuring, 539
objectives, 538
offer elements, 538
target markets and prospects, 538
testing elements, 539
Direct marketing, 449, 478, 492, 535–40
benefits of, 536–37
catalog marketing, 539
channel, 420
direct mail, 538–39
ethical issues in, 539
other media for, 539–40
public issues in, 539
telemarketing, 539
Direct product profitability (DPP), 456
Direct purchasing, 185
Direct sales force, 555
Direct selling, 449
Direct survey questions, 199
Disabled consumers, 77
Discount store, 449

Discretionary options, 231
Discrimination, 163
Disintermediation, 13
Display ads, 542–43
Display allowance, 521
Disposal, 172–73
Disruptive technologies, 569
Dissatisfiers, 161
Dissociative groups, 153
Distribution metrics, 642
Distribution programming, 432
Distribution strategies, global, 613
Distribution vehicle, 523
Distribution warehouses, 467
Distributors' territorial rights, 426
Diversification growth, 44–45
Diversification strategy, 43
Diverting, 522
Divesting older businesses, 45
Divisibility, 590
Division strategic planning, 37–47
  growth opportunities, assessing, 42–47
  marketing innovation and, 45–47
  mission statements, 38–39
  organizational culture and, 45
  organization and, 45
  strategic business units, 39–42
"Do-feel-learn" sequence, 480–81
Domestic-based export
  agents, 603
  department or division, 604
  merchants, 603
"Do Not Call" registry, 108
Down-market stretch, 340
Downsizing, 45
Dragalong income, 584
Dramatization, 491
Drifting Surfers, 545
Drive, 163
DROP-error, 578
Drug store, 449
Dual adaptation, 610
Dual branding, 344–45
Dual compensation, 437
Dumping, 612
Durability, 327, 330
Durable goods, 327
Dutch auctions, 402
Dynamic process model of service quality, 374

Early adopters, 589
Early majority, 589
Earned media, 487, 546
Ease of use, 542
Echo Boomers, 219–21
E-commerce
  brick-and-click companies, 439, 440–41
  definition of, 438
  marketing practices, 438–41
  pure-click companies, 439–40
Econometric analysis, 91
Economic environment, 77–78
  consumer psychology, 78
  credit, 78
  debt, 78
  income, 78
  income distribution, 78
  savings, 78
Economics
  cost of market share expansion, 304
  criteria for marketing channels, 426–27
  downturn (*See* Marketing in economic downturn)
  influence on consumption patterns, 156
Editing in channel management, 432
Editorial quality, 516
Educational groups, 77
Efficiency control, 641, 642
Efficient consumer response (ECR) practices, 428
E-hubs, 196
Elaboration likelihood model, 173
Elasticity, advertising, 505
Electroencephalograph (EEG), 108
Electronic shopping, 449
Elimination-by-aspects heuristic, 170
E-mail, 543
Emergency goods, 327
Emotional branding, 290–91
Emotions, 163
Empathy, service quality and, 372
Employee
  differentiation, 290
  exchange, 437
  research, service quality and, 372
  satisfying customers and, 364–65
Empowering, 622
Enablers and integrators, 428
Encirclement attack, 306
Encoding, 480
End-user specialist, 309
Energized differentiation, 245
Engaging events and experiences, 492
Engineering attributes (EAs), 585
Engineering tests on packaging, 348
English auctions, 402
Enterprise resource planning (ERP), 418
Enthusiasm, marketing public relations and, 528
Enthusiast, 227
Environment
  consumer environmental segments, 82
  corporate environmentalism, 81
  demographic, 75–77
  economic, 77–78
  macroenvironment analysis, 74–84
  of marketing communication, changing, 476–77
  political-legal, 84
  pricing, changing, 384–86
  protection, 80–81
  regulations, 80
  of retailing, new, 451–53
  sociocultural, 78–80
  technological, 81, 83–84
E-procurement, 197–98
Equipment, 328
Equipment-based services, 357
Escalator clauses, 408
E-service quality, assessing, 376
Esteem, 245
Ethical behavior, 630
Ethics
  in channel conflicts, 438
  in choice of market targets, 235–36
  in direct marketing, 539
  in marketing, 113
Ethnic markets, 76–77
Ethnographic research, 101
European consumer values, 422–23
European Union, 602
Evaluating sales representatives, 559–60
  formal evaluation, 559–60
  form for, 560
  information sources, 559
Evaluation
  of advertising campaign, 506–7
  in consumer-adoption process, 589
Event creation, 525
Event marketing, 5–6
Events and experiences, 524–27
  in communications mix, 478, 492
  creating experiences, 526–27
  events objectives, 524–25
  in marketing public relations, 529
  sponsorship decisions, 525–26
Events marketing, 220
Everyday low pricing (EDLP), 400–401, 457
Excess plant capacity, 407
Exchange markets, 197
Exclusive dealing, 425, 438
Exclusive distribution, 424–25, 438
Executive summary, 54
Expansible market, 86
Expansion, facilities for future, 361
Expectancy-value model, 169–70
Expected product, 326
Expected services, 373
Expense allowances, 556
Experience-curve pricing, 393
Experiencers, 226
Experiences. *See* Events and experiences
Experiential information sources, 167
Experiential marketing, 6
Experimental design in advertising, 519
Experimental research, 103–4
Experiments, 523
Expert channels, 487
Expertise, 485
Expert opinion, 91
Expert power, 428
Exploratory marketing research, 100
Exponential smoothing, 91
Export, indirect and direct, 603–4
Export department, 616
Export-management companies, 603
Exposures, 511, 529–30
Expropriation, 204
Extended warranties, 377
External environment analysis, 48–49
External marketing, 365
Extranet link to suppliers, 197
Extra-role behaviors, 368
Extreme value store, 449
Extrinsic rewards, 558

FABV approach, 561
Facilitating services, 377
Facilitators, definition of, 416
Facilities for future expansion, 361
Fad, 74
Fad life cycles, 311
Failures
  customer, 364
  frequency, 376
  new-product, 570
Fair play, service quality and, 372
Family brand, 260
Family brand name, 261
Family influencing consumer behavior, 154
Family life cycle, 155
Family of orientation, 154

Family of procreation, 154
Farm products, 327
Fashion life cycles, 311
*Fast & Furious* 4 (movie), 44
Feature improvement, 314
Features, 329
Feedback
brand extensions, 264–65
in business unit strategic planning, 53–54
in communications process, 480
in evaluating sales representatives, 559
sites, 73
Feed-forward, 559
Feminine dimension, 607
Field value-in-use assessment, 199
Financial accountability, 22
Financial analysis, in brand valuation, 257
Financial projections, 54–55
Financial risk, 171
Financing, 462
Finite nonrenewable resources, 81
Firms of endearment, 630
First entry, 588
First movers, 312
Fishyback, 468
Five-stage model, 166–74
alternatives, evaluation of, 168–70
consumer decision making, 173–74
information search, 167
information sources, 167–68
postpurchase behavior, 172–73
problem recognition, 167
purchase decision, 170–71
Fixed-amount compensation, 556
Fixed costs, 393
Flank defense, 303
Flankers, 263
Flanking attack, 306
Flattening, 622
Flexible market offering, 231
Flighting, new product advertising and, 517
Flow, in modern exchange economy, 8
Fluctuating demand, 185
Focus, 51, 622
Focus group
assessment, 199
definition of, 199
research, 101–2
Follow-up, 562
Forced relationships, 577
Forecasting
buyers' intentions, survey of, 91
definition of, 91
expert opinion, 91
market-test method, 91
past-sales analysis, 91
sales force opinions, composite of, 91
Foreign-based distributors or agents, 604
Form, 329
Forums, 73, 546–47
Forward buying, 522
Forward flow of activity, 418
Forward invention, 609
Four Ps, 25–26
Fragile-market-share trap, 408
Frames of reference
competitive, 275–79
multiple, 282–83
Framing, 176–77
mental accounting, 176–77
in purchasing/procurement process, 194
Franchisees, 450
Franchise organizations, 433, 450
Franchising, 450, 604
Franchisor, 433, 450
Fraud, 540
Free goods, 521
Free media, 546
Free online services, 384–85
Free samples, 384–85
Free trials, 521
Frequency, media selection and, 511–12
Frequency programs, 521
Freud's theory, 160
Frontal attack, 306
Fulfillment, online, 376
Fulfillment management process, 34
Full demand, 8
Full-line forcing, 438
Full market coverage, 232–33
Full-service retailer, 448
Full-service wholesalers, 462
Functional hubs, 197
Functional magnetic resonance imaging (fMRI), 108
Functional organization, 623, 625
Functional risk, 171
Future demand estimations, 90–91
*See also* Forecasting

Gain and risk sharing, 200
pricing, 403
Galvanometers, 107
Games, 521
with brands, 516
Gap level, 580
Gatekeepers in buying center, 188
Gender in demographic segmentation, 217
General need description, 196
Generations, 219–22
baby boomers, 221
Gen X, 221
Millenials (Gen Y), 219–21
profiling, 220
Silent Generation, 221–22
Generics, 460
Gen X, 221
Gen Y (Millenials), 219–21, 635
Geographical expansion strategy, 301
Geographical pricing, 404
Geographic organization, 616, 625
Geographic segmentation, 214–16
Geographic specialist, 309
Ghost brands, 316
Giant retailers, 452–53
Gifts, 521
Global channel considerations, 430–31
Global communication strategies, 610–11
Global distribution strategies, 613
Global firm, definition of, 596
Global industry, definition of, 596
Globalization, 12, 622
Global marketing organization, 616–17
export department, 616
global organization, 616–16
international division, 616
Global marketing program, 606–13
blunders in, 610
communication strategies, 610–11
distribution strategies, 613
marketing adaptation, 607
pricing strategies, 611–13
product strategies, 608–10
similarities and differences, 606–7
ten commandments of global branding, 608
Global markets, 9, 595–619
competing in, 595–96
country-of-origin effects, 614–15
going abroad, deciding on, 597
how to enter market, deciding, 603–6
marketing organization, deciding on, 616–17
marketing program, deciding on, 606–13
markets to enter, deciding which, 597–603
Global markets, entering, 597–606
deciding on how to enter, 603–6
developed *vs.* developing markets, 598–602
direct investment, 605
evaluating potential markets, 602–3
export, indirect and direct, 603–4
globally standardized marketing pros and cons, 606
how many to enter, 598
joint ventures, 605
licensing, 604–5
regional trade areas and agreements, 602
Global organization, 616–16
Global Positioning System (GPS), 107, 331
Global pricing strategies, 611–13
counterfeit products, 612–13
gray markets, 612
price escalation, 611–12
transfer prices, 612
Global product strategies, 608–10
brand element adaptation, 609
product adaptation strategies, 608–9
product standardization, 608
Goal achievement, strategy for, 50–52
*See also* Strategic formulation
Goal formulation, 50
Goal incompatibility, 436
Going abroad, deciding on, 597
Going-rate pricing, 401
Goods, 5
*See also* Product
Government markets, 9, 205–7
Government sector, 356
Grassroots marketing, 214
Gray markets, 612
Green marketing, 80–83
Greenwashing, 633
Gross domestic product (GDP), 90
Group-discussion method, 91
Growth, long-term, 27
Growth leaders, 572
Growth opportunities
corporate strategic planning, 42–47
diversification growth, 44–45
divesting older businesses, 45
downsizing, 45
integrative growth, 43–44
intensive growth, 43
strategic-planning gap, 42
Growth-slump-maturity pattern, 310
Growth stage of product life cycle, 310, 313
Guarantees, 349, 360
Guerrilla attack, 306

Happenings data, 71
Hard-core loyals, 228
Hard-discount store, 449
Hardware of success, 53
Harvesting, 315
Heart share, 291
Hedonic bias, 163
Heightened attention, 167
Heightened competition, 12
Herzberg's theory, 161
Heterogeneous shopping goods, 327
Heuristics
consumer choice, 170
decision, 174–76
definition of, 170
Hierarchy-of-effects model, 481
High customer value, delivering, 127
High-end prestige, 263
Higher-volume retailers, 456
High-level management committee, 572
High-low pricing, 401
High-markup retailers, 456
Hiring procedures, 360
Hispanic Americans, 76–77, 222–24
Historical approach to advertising, 519
Holistic marketing
brand equity, 251–52
orientation in customer value, 36
Homogenous shopping goods, 327
Horizontal channel conflict, 435–36
Horizontal marketing systems, 433
Household patterns, 77
Hub-and-spoke system, 625
Hybrid channels, 416–17
Hybrid grid, 435
Hybrid offering, 357

Ideal method, 47
Ideal self-concept, 157
Idea manager, 576
Ideas as market offering, 7
Idea screening, 578–79
Ideas in new-product development, 573–79
creativity techniques, adopting, 577–78
idea screening, 578–79
interacting with employees, 576–77
interacting with others, 574–76
studying competitors, 577
Identity media, 529
identity theft, 84
Image differentiation, 290
Image pricing, 406
Image seekers, 227
Imitator, 307
Impact, media selection and, 511–12
Implementation controls, 55
Implication questions, 560
Implications, in customer perceived value, 126
Implicit events and experiences, 492
Importance-performance analysis, 367–68
Importance ratings, 199
Impulse goods, 327
Inbound telemarketing, 539
Incentive, 491
Income, 78
Income distribution, 78
Income distribution patterns, 78
Income in demographic segmentation, 218
Incremental innovation, 569
Independent audit, 643
India's developing market, 598, 600
Indirect export, 603–4
Individualism, 607
Individual marketing, 234–35
Indonesia
developing markets, 598, 601
selling to, 188
Industrial economies, 78
Industrial-goods classification, 327–28
Industrializing economies, 78
Industry, definition of, 278
Industry convergence, 12
Industry sales, 90
Inelastic demand, 185
Influencer, 188, 227
Influencing in channel management, 432
Influential word-of-mouth marketing, 492
Infomediaries, 171, 439
Infomercials, 539–40
Information
gathering, 554
marketing of, 6–7
search, 167
sources, 167–68
Informational appeals, 484
Information Encumbered, 545
Information in marketing research process
analyzing, 100
collecting, 110–11
value and cost of, 113
Informative advertising, 504
Ingredient branding, 345–46
In-home tests, 518
Initiator, 188, 227
Innovation
definition of, 589
diffusion process, 589
opportunities, 83
with services, 370
in services differentiation, 290
value, high growth through, 278–79
Innovators, 226, 589
Inseparability, 359
Installations, 328, 331
Institutional markets, 205–6
Institutional ties, creating, 143
Intangibility, 358–59
Integrated logistics systems (ILS), 464–65
Integrated marketing communications (IMC), 494
assessing, 496
coordinating media, 495–96
definition of, 495
implementing, 496
Integrated multichannel marketing systems, 433–35
Integration of communication channels, 488
Integration of marketing concepts, 22, 23
Integrative growth, 43–44
Intensive distribution, 425
Intensive growth, 43
Interacting with customers, 141–42
Interactive marketing, 365, 478, 492, 540–45
advantages of, 540–41
communication options, 541
disadvantages of, 540–41
Interbrand valuation method, 257–58
Intercept interviews, 109
Interest, in consumer-adoption process, 589
Intermediaries in market channels, 416
dependence on manufacturer, 436
numbers of, 424–25
types of, 424
Internal branding, 253
Internal engineering assessment, 199
Internal environment analysis, 49–50
Internal marketing, 365, 623–29
creative, building, 628–29
organizing marketing department, 623–27
relationships with other departments, 627
Internal records, 70–71
databases, 71
data mining, 71
data warehousing, 71
order-to-payment cycle, 70
sales information systems, 70
International division, 616
Internationalization process, 597
International subsidiaries, 616
Internet
buzz marketing, 220
Central Contractor Registration database, 207
e-procurement, 197–98
improving business performance with, 204–5
in marketing research, 98
online business buying, 197
online purchasing by government markets, 207
shift in buying patterns caused by, 235
supplier search, 196–97
Interstitials, 543
Intertype competition, growth of, 452
Intervening factors in purchase decision, 170–71
Interviewing, 108–9
Intimacy in emotional branding, 291
Intrinsic rewards, 558
Introduction stage of product life cycle, 310, 312–13
Inventor, 312
Inventory, 467–68
Inventory-carrying costs, 467
Investment in economic downturn, increasing, 318
Invitation, 491
Irregular demand, 8
Irritation in direct marketing, 540
Item, 336

Jobbers, 421
Job-shop specialist, 309
Joint memberships, 437
Joint-venture co-branding, 344
Joint ventures, 605
Justifying, 622
Just-noticeable difference, 341

Knowledge, 245

Labeling, 348–49
Laddering, 107, 160
Laggards, 589
Late entry, 588
Late majority, 589
Latent demand, 8
Lateral marketing, 578
Lead generation, 198
Lead time, 523
Lean manufacturing, 465
"Learn-feel-do" sequence, 480–81
Learning, 163
Learning curve, 393
Legal behavior, 630

Legal issues
in advertising campaign, 510
in channel conflict, 438
Legal recourse, 438
Legitimate power, 428
Leisure-time activities, 79
Lesbian, gay, bisexual, and transgender (LGBT), 225
Levels of production, 393
Leveraging secondary associations, 252–53
in building brand equity, 252–53
in small business, 294
Lexicographic heuristic, 170
Licensed product, 261
Licensing, 604–5
Life-cycle cost, 376
Life cycle stage
in demographic segmentation, 216–17
personal factors influencing consumer behavior, 155–56
Life stage in demographic segmentation, 217
Lifestyle
definition of, 157
values and, 157–59
Likability, 485
Limited-service retailer, 448
Limited-service wholesalers, 462
Line extension, 260–61
Line-extension trap, 265
Line featuring, 341
Line filling, 341
Line modernization, 341
Line pruning, 342
Line stretching, 339–40
down-market stretch, 340
two-way stretch, 340
up-market stretch, 340
Listening, service quality and, 372
Lobbying, 527
Location as retail channel, 458–59
Location pricing, 406
Logical resistance, 561
Logistic alliances, 51
Long tail theory, 235
Long-term memory (LTM), 163
Loss-leader pricing, 405
Lot size, 422
Lovemarks, 291
Low-end entry level, 263
Lower-volume retailers, 456
Low-interest financing, 405
Low-involvement consumer decision making, 173–74
Low-markup retailers, 456
Low-quality trap, 408
Loyalty, 127
*See also* Customer loyalty
Luxury brands, 334–35
Macroenvironment analysis, 74–84
demographic environment, 75–77
economic environment, 77–78
major forces, identifying, 74
natural environment, 80–81, 82
of needs, 74
political-legal environment, 84
sociocultural environment, 78–80
technological environment, 81, 83–84
of trends, 74
Macroenvironment forces, 47
Macromodel of marketing communication processes, 480
Macroscheduling decision, 517
Mail contacts, 108
Mail questionnaires, 108
Maintenance and repair, 328, 331
Major account manager (MAM), 555
Major forces, identifying, 74
Major service offering, 357
Make or buy new-product options, 567–68
Makers, 227
Management contracts, 604
Management services, 463
Manages by objectives (MBO), 50
Manufactured materials and parts, 328
Manufacturer promotions, 520
Manufacturer-sponsored retailer franchise, 433
Manufacturer-sponsored wholesaler franchise, 433
Manufacturing sector, 356
Mapping in channel management, 432
Market, 8
broadening, 303
business *vs.* consumer, in organizational buying, 183–85
definitions, 39, 40, 85
demassification, 536
diversification, 304
evolution, 317
followers, 299, 305
forecast, 87
information, 462
makers, 439
minimum, 86
modification, 314
multiplier, 256
partitioning, 168
pioneer, 312
potential, 86, 87
profile, 338
shares, 86, 90
specialization, 234
*See also specific market types*
Market-buildup method, 88–89
Market-centered organization, 627
Market-challengers, 299, 305
Market-challenger strategies, 305–7
general attack strategy, choosing, 306
specific attack strategy, choosing, 306
strategic objective and opponent(s), 305–6
Market demand, 85–91
current, estimating, 88–90
expanding total, 301–2
functions, 86–87
future, estimating, 90–91
more usage, 301–2
new customers, 301
*See also* Demand measurement
Market-driving firms, 302
Marketer
anticipative, 302
creative, 302
definition of, 7–8
entities marketed by, 5–7
frequently asked questions, 26
holistic, 36
master, 36, 37
opportunities spotted by, 48
Market-follower strategies, 307
Marketing
action, in marketing plan, 55–56
alliances, 51–52
audit, 643, 644–45
control, 641
controller, 642
customer value and, 10, 33–37
dashboards, 116–18
environment audit, 644
excellence, 365–66
excellence review, 643, 646
function audit, 645
funnel, 140, 228, 229
future of, 643, 646
implementation, 28, 640–41
insights, 26–27, 98
intermediaries, 327
management, 5, 25
metrics, 114–16, 642
mix, 25 (*See also* Four Ps)
network, 20
organizational audit, 644–45
partner expertise, 98–99
personalizing, 135–37
planning process, 15–16
practices, trends in, 621–23
productivity audit, 645
program modification, 314
research firms, 99
sensitivity of demand, 86
strategy, 54
strategy audit, 644
system, simple, 8–9
systems audit, 645
weaknesses, 647
*See also* Marketing concepts
Marketing activities
impact of, 402
market share expansion and, 304
Marketing channels, 415–45
channel conflict, 435–38
channel-design decisions, 422–27
channel integration and systems, 431–35
channel-management decisions, 427–31
definition of, 415
e-commerce marketing practices, 438–41
hybrid, 416–17
importance of, 416
intermediaries in, 416, 424–25
m-commerce marketing practices, 441–42
multichannel, 416–17
role of, 418–22
service outputs, 422–23
system, 416
value networks, 417–18
Marketing communication, 476–500
changing environment of, 476–77
effective, developing, 482–90
marketing communications effects, 479
mix, 490–94
*See also* Integrated marketing communications (IMC)
Marketing communication process models, 480
macromodel, 480
micromodel of consumer responses, 480–82
response hierarchy, 480–82
Marketing communications budget, establishing, 488–90
affordable method, 489
communication budget trade-offs, 490
competitive-parity method, 489
objective-and-task method, 489–90
percentage-of-sale method, 489
Marketing communications mix, 490–94
characteristics of, 490–92
communication results, measuring, 494
modes of communication in, 478–79
setting, factors in, 492–93

Marketing concepts
brands, 10
competition, 11
core, 9–12
definition of, 18
demands, 10
holistic, 18–19
integrated marketing, 20–21
internal marketing, 21
marketing channels, 11
marketing environment, 11
needs, 9–10
offerings, 10
performance marketing, 22, 24
positioning, 10
product, 18
production, 18
relationship marketing, 20
right and wrong, 19
satisfaction, 10
segmentation, 10
selling, 18
supply chain, 11
target markets, 10
value, 10
wants, 9–10
*See also* Marketing
Marketing decision support system (MDSS), 112
Marketing in economic downturn, 318
brand and product offerings, fine-tuning, 320
budget allocations, reviewing, 319
customers, getting closer to, 318–19
increasing investment, exploring upside of, 318
value proposition, compelling, 319–20
Marketing information system (MIS)
components of, 67
definition of, 69
internal records in, 70–71
macroenvironment analysis and, 74–84
marketing intelligence system and, 71–74
Marketing innovation, 45–47
in corporate and division strategic planning, 45–47
dimensions of, 46–47
Marketing in practice, 15–17
CMOs, 17
in organization, 17
planning process, 15–16
Marketing intelligence, 71–74
acting on, 73–74
collecting, on Internet, 72–73
communicating, 73–74
improving quantity and quality of, 72
system, 71–73
Marketing management tasks, 26–28
building strong brands, 27
capturing marketing insights, 26–27
communicating value, 27
connecting with customers, 27
creating successful long-term growth, 27
delivering value, 27
implementing marketing plan, 28
shaping market offerings, 27
strategies and plans, developing, 26
Marketing-mix modeling, 116
Marketing-mix strategy, 231
Marketing opportunity
definition of, 48
evaluating, 49
spotted by marketers, 48
*See also* SWOT analysis
Marketing plan
components of, 54–55
criteria, 55
definition of, 36, 54
developing, 26
implementing, 28
marketing action and, 55–56
relationships in, role of, 55
research in, role of, 55
tactical, 37
*See also* Strategic marketing plan
Marketing public relations (MPR), 527–30
decisions in, 528
effectiveness of, measuring, 529–30
messages and vehicles, choosing, 528–29
objectives, establishing, 528
tools in, 529
vehicles, 528–29
Marketing research
approaches, 101–3
causal, 100
communication-effect, 518
conducting, 97–121
definition of, 98
descriptive, 100
exploratory, 100
focus group research, 101–2
good, characteristics of, 113
instruments, 104–7
in marketing plan, 55
market productivity and, measuring, 114–18
observational research, 101
pretest, in advertising campaign, 518
process, 99–114
qualitative measures, 104, 106–7
questionnaires, 104, 105
sales-effect, 518–19
in small businesses, 293
in small companies, 98–99
specific, 100
survey research, 103
system, 97–99
technological devices, 107
Marketing research plan, developing, 100–110
behavioral research, 103
contact methods, 107–10
data sources, 100
experimental research, 103–4
research approaches, 101–3
research instruments, 104–7
sampling plan, 107
Marketing research process, 99–114
analyzing information, 100
barriers to use of, overcoming, 112, 113
collecting information, 110–11
decision alternatives, 99–100
defining the problem, 99
developing research plan, 100–110
make decisions, 111, 112
objectives, 100
present findings, 111
Marketing resource management (MRM) software, 640, 641
Market leaders, 299
Market leader strategies, 299–305
expanding total market demand, 301–2
increasing market share, 304–5
against price discounter, 300–301
protecting market share, 302–4
Market logistics, 464–69
decisions, 466–69
definition of, 464
integrated logistics systems, 464–65
inventory, 467–68
objectives, 465–66
order processing, 466–67
organizational lessons, 469
transportation, 468–69
warehousing, 467
Market-management organization, 627
Market-nichers, 299
Market-nicher strategies, 308–10
Market offerings, new, 567–93
consumer-adoption process, 589–90
new-product development, 568–70
new-product options, 567–68
organizational arrangements, 570–73
*See also* New-product development
Market offerings, shaping, 27
Market opportunity analysis (MOA), 49
Market-penetration index, 86
Market-penetration pricing, 389–90
Market penetration strategy, 301
Market-penetration strategy, 43
Marketplaces, 9, 17–24
Market productivity, measuring, 114–18
marketing dashboards, 116–18
marketing metrics, 114–16
marketing-mix modeling, 116
Market segmentation, 10, 213–31
behavioral, 227–29
brand valuation, 257
demographic, 216–25, 230
geographic, 214–16
levels of, 233
psychographic, 225–27
variables, 215, 230–31
*See also* Market targeting
Market-sensing process, 34
Market share, 291
budget decisions and, 505
increasing, 304–5
maximum, 389–90
protecting, 302–4
Market-skimming pricing, 390
Marketspaces, 9
Market targeting, 231–36
criteria, 231–32
ethical choice of market targets, 235–36
evaluating and selecting market segments, 232–36
full market coverage, 232–33
individual marketing, 234–35
multiple segment specialization, 234
single-segment concentration, 234
steps in, 231–32
threats, 232
Market testing, 585–88
business-goods testing, 587–88
consumer-goods market testing, 586–87
Market-test method, 91
Markup pricing, 396–97
Masculine dimension, 607
Maslow's theory, 160–61
Mass communication channels, 487–88
Mass customization, 328
Mass marketing, 233

Master brand, 260
Master franchisees, 430
Materials and parts, 327–28
Matrix-management organization, 627
Maturity stage of product life cycle, 310, 313–14
  marketing program modification, 314
  market modification, 314
  product modification, 314
Mavens, 551
Maximum current profit, 389
Maximum market share, 389–90
Maximum market skimming, 390
M-commerce marketing practices, 441–42
Measurable segments, 231
Media
  allocation, 518
  coordination, 495–96
  for direct marketing, 539–40
  earned, 546
  free, 546
  identity, 529
  timing, 517–18
  types, profiles of, 513
  vehicles, 516–17
Media Movers, 545
Media selection, 510–19
  advertising effectiveness, evaluating, 518–19
  alternate advertising options, 512–16
  choosing among major media types, 512
  media allocation, 518
  media timing, 517–18
  media types, profiles of, 513
  media vehicles, selecting specific, 516–17
  reach, frequency, and impact, 511–12
Mediation, 437–38
Megatrend, 74
Membership groups, 153
Memory, 163–66
  encoding, 165
  processes, 165–66
  retrieval, 165, 166
Mental accounting, 176–77
Merchandise managers, 455
Merchandising conglomerate, 450
Merchants, definition of, 416
Merchant wholesalers, 462
MERCOSUR, 602
Merging, 622
Message
  generation in advertising campaign, 506–7
  in marketing public relations, 528–29
  source, 485–86
  strategy, 484
Metamarkets, 9
Metamediaries, 9
Microenvironment forces, 47
Micromodel of consumer responses, 480–82
Microscheduling decision, 517
Microsites, 542
Middle-market retailers, decline of, 452
Millenials (Gen Y), 219–21, 635
Mind mapping, 578
Mind share, 291
Missionary, 553
Mission statements, 38–39
Mixed bundling, 344
Mobile commerce (m-commerce), 441–42
Mobile defense, 303–4
Mobile marketing, 543–45
Mobile Newbies, 545
Models of brand equity
  BrandAsset® Valuator, 245–46
  brand resonance, 246, 248–49
  BrandZ, 246
Modified rebuy, 186
Money-constrained consumers, 158
Monitoring, 622
Monitoring systems, 367–68
Morphological analysis, 577
Most valuable customers (MVCs), 137
Motivating sales representatives, 558–59
  intrinsic *vs.* extrinsic rewards, 558
  sales quotas, 558–59
Motivation, 160–61
  Freud's theory, 160
  Herzberg's theory, 161
Maslow's theory, 160–61
Motive, definition of, 160
MRO goods, 328
Multichannel conflict, 435–36
Multichannel marketing, 416–17
  integrated systems, 433–35
Multicultural marketing
  African Americans, 224
  Asian Americans, 224–25
  Hispanic Americans, 222–24
  lesbian, gay, bisexual, and transgender (LGBT), 225
Multilevel in-depth selling, 193
Multilevel selling, 449
Multiple bases, 229
Multiple-factor index method, 89–90
Multiple frames of reference, 282–83
Multiple niching, 309
Multiple segment specialization, 234
Multiple-sponsor co-branding, 344
Multiple-stage campaigns, 495
Multiple-vehicle campaigns, 495
Multitasking, 158
Mutual services and responsibilities, 426
Mystery in emotional branding, 291

NAFTA, 602
Naked solution, 231
Narrative branding, 292
Nation-dominant hierarchy, 168
Natural environment, 80–81, 82
Natural products, 327
Nature, views of, 79
Near-zero inventory, 468
Need
  in behavioral segmentation, 227
  family, 336
  general need description, 196
  level, 580
  macroenvironment, 74
  met by service offerings, 357
  as motives, 160
Need-payoff questions, 560
Needs-based segmentation, 231
Negative demand, 8
Net price analysis, 405
Network information technology, 12
Network marketing, 449
Neuromarketing, 108
New contexts, 578
New entrants, threat of, 232
New-market segment strategy, 301
New-offering realization process, 34
New-product department, 572
New-product development, 567–93
  business analysis, 583
  commercialization, 588
  concept to strategy, 579–84
  customer tests, 585
  development, 585–88
  failures, 570
  ideas, 573–79
  innovation imperative, 568–69
  market testing, 585–88
  organizational arrangements, 570–73
  physical prototypes, 585
  process, 573–88
  successes, 569–70
New-product failure, 570
New product launch, 527
New-product managers, 572
New-product options, 567–68
  make or buy, 567–68
  types of new products, 568
New-product success, 569–70
News, 529
New-task buying situations, 186
New technology, 204–5
Niche marketing, 234
Niche specialist roles, 309
Noise, 480
Noncompensatory models of consumer choice, 170
Nondurable goods, 327
Nonexistent demand, 8
Nonexpansible market, 86
Nonpeak demand, 361
Nonpersonal communication channels, 487–88
Nonprofit markets, 9
Nonprofit pricing objectives, 390
Nonstore retailing, 449
Nonsurviving pioneers, 313
North American Industry Classification System (NAICS), 88–89

Objective-and-task method, 489–90
Objectives of service offerings, 357
Observational research, 101
Occasion segmentation, 228
Occupation, influence on consumption patterns, 156
Offices of manufacturers/retailers, 462
Office staff, 554
Off-invoice, 521
Off-list, 521
Off-price retailer, 449
Offset, 404
Offshoring, 78
Off the Network, 545
On-air tests, 518
One-level channel, 421
One-to-one marketing, 137
Online business buying, 197
Online buzz marketing, 220
Online communities and forums, 546–47
Online contacts, 109–10
Online travel agents, 370
Operating segmentation variables, 230
Operating supplies, 328
Opinion leader, 153, 551
Opportunism in business relationships, 203–4
Opportunity and threat analysis, 48–49
Opportunity space, 574
Optimal market share, 304
Optimism bias, 176
Optional-feature pricing, 342–43
Ordering ease, 331
Order processing, 466–67
Order-processing costs, 467
Order quantity, optimal, 467–68

Order/reorder point, 467
Order-routine specification, 201
Order taker, 553
Order-to-payment cycle, 70, 466–67
Organic growth, 567
Organic products, 633
Organization, 6
components of, 45
in corporate and division strategic planning, 45
marketing in, 17
views of, 78–79
Organizational buying, 183–88
business market *vs.* consumer market, 183–85
buying situations, 185–87
systems buying, 187
systems selling, 187–88
Organizational culture
in corporate and division strategic planning, 45
Organizing internal marketing department, 623–27
functional organization, 623, 625
geographic organization, 625
market-management organization, 627
matrix-management organization, 627
product- or brand-management organization, 625–27
Organizing new-product development, 570–73
budgeting for new-product development, 571–72
cross-functional teams, 572
decision process, 573
organizing new-product development, 572–73
stage-gate systems, 572–73
Orphan brands, 316
Others
self-concept, 157
views of, 78
Outbound telemarketing, 539
Out-of-home advertising. *See* Place advertising
Out-of-pocket costs, 376
Outsourcing, 622
Overdemand, 408
Overfull demand, 8
Overhead, 393
Overseas sales branch or subsidiary, 604
Overwhelmed segment, 227
Ownership of service offerings, 357

Packaging, 346–48
color wheel of, 347
as marketing tool, 346
objectives, 347
structural design of, 348
testing, 348
Paid search, 542
Parallel entry, 588
Parent brand, 260
Partial cost recovery, 390
Participants in business buying process, 188–93
buying center, 188–89
buying center influences, 189–90
targeting firms, 191–92
targeting within business center, 192–93
Partner relationship management (PRM), 52
Part-time employees, 361
Past-sales analysis, 91
Patronage awards, 521
Payment equity, 375
Payment terms, longer, 405
Pay-per-click ads, 542
Peak-time efficiency, 361
Penetrated market, 85
People, in new four Ps, 25
People-based services, 357
Perceived risk, 171
Perceived services, 373
Perceived value, 580
Perceived-value pricing, 398–99
Percentage-of-sale method, 489
Perception, 161–62
differences in, 436
selective attention, 162
selective distortion, 162
selective retention, 162
subliminal, 162
Perceptual maps, 283–84
Performance
in new four Ps, 26
quality, 131, 329
review, 201
Performance marketing, 22, 24
financial accountability, 22
social responsibility marketing, 22, 23
Periodic audit, 643
Peripheral cues, 173
Peripheral route, 173
Perishability, 361
Permission marketing, 136–37
Personal characteristics in segmentation, 230
Personal communications channels, 486–87
Personal contacts, 109
Personal factors influencing consumer behavior, 155–59
age and stage in life cycle, 155–56
lifestyle and values, 157–59
occupation and economic circumstances, 156
personality and self-concept, 156–57
Personal influence, 590
Personal information sources, 167
Personal interaction, 492
Personal interviewing, 109
Personality
definition of, 156
influencing consumer behavior, 156–57
Personalizing marketing, 135–37
Personal selling, 560–62
in consumer-goods marketing, 493
definition of, 478
qualities, 492
relationship marketing, 562
six steps in, 561–62
Personal word-of-mouth marketing, 492
Personas, 112
Persons, marketing through, 6
Persuasive advertising, 505
Pervasiveness, 490
Physical attractiveness, 542
Physical evidence, 358
Physical risk, 171
Piggyback, 468
Pioneer advantage in product life cycle, 312–13
Place, in old four Ps, 25
Place advertising, 512–15
billboards, 512–13
point of purchase, 514–15
product placement, 514
public spaces, 513–14
Place marketing, 6
Planned contraction, 304
Podcasts, 204, 205, 543
Point-of-purchase (P-O-P)
definition of, 514–15
displays and demonstration, 521
Points-of-difference (PODs), 280–85
brand mantras, 284–85, 286
category membership, 287–88
choosing, 283–84
communicating, 288–89
criteria, 280
definition of, 280
multiple frames of reference, 282–83
straddle positioning, 283
*vs.* points-of-parity, 281–82
Points-of-parity (POPs), 280–85
brand mantras, 284–85, 286
category, 280–81
choosing, 283–84
communicating, 288–89
competitive, 281
definition of, 280
multiple frames of reference, 282–83
straddle positioning, 283
*vs.* points-of-difference, 281–82
Political-legal environment, 84
business legislation, increase in, 84
special interest groups, growth of, 84
Pooling of individual estimates, 91
Population age mix, 75, 76
Population growth, worldwide, 75
Porter's generic strategies, 51
Position defense, 303
Positioning, definition of, 276
*See also* Brand positioning
Positioning statement, 506
Positivity illusion, 176
Postpurchase
actions, 172
behavior, 172–73
satisfaction, 172
services, 457
uses and disposal, 172–73
Postsale service strategy, 377
customer-service evolution, 377–78
customer-service imperative, 378
Potential market, 85
Potential product, 326
Power distance, high *vs.* low, 607
Power grid, 245, 247
Preemptive cannibalization, 265
Preemptive defense, 303
Premiums, 521
Prepurchase services, 457
Presentation, service quality and, 358
Press relations, 527
Price
allowances, 404–5
changes by competitors, 409–10
cuts, initiating, 407–8
cutting traps, 408
discounts, 404–5
discrimination, 406, 407
elasticity of demand, 392
endings, 388
escalation, 611–12
experiments, 392
impact on other parties, 403
indifference band, 392
in old four Ps, 25
packs, 521
policy, 426
pressures in supplier selection, 199–200
as retail channel, 456–57
sensitivity, 390–91
Price, adapting, 403–7
differentiated pricing, 406–7
geographical pricing, 404
price allowances, 404–5
price discounts, 404–5
promotional pricing, 405

Price, selecting final, 402–3
company pricing policies, 402–3
gain-and-risk-sharing pricing, 403
impact of other marketing activities, 402
impact of price on other parties, 403
Price increases
avoiding, approaches for, 409
competitors, responding to, 409–10
initiating, 408–9
markup pricing, 396–97
profits before and after, 408
stealth, 403
Price-off, 521
Price-quality inferences, 388
Price setting, 389–403
analyzing competitor's costs, prices, and offers, 395
determining demand, 390–92
estimating costs, 392–95
pricing objective, selecting, 389–90
selecting final price, 402–3
selecting pricing method, 395–402
summary of steps in, 389
Price/value customers, 422
Price-war trap, 408
Pricing
adapting the price, 403–7
competitor's price changes, responding to, 409–10
consumer psychology and pricing, 386–88
methods of pricing, 386
price cuts, initiating, 407–8
price increases, initiating, 408–9
pricing environment, changing, 384–86
setting the price, 389–403
understanding, 383–88
*See also* Global pricing strategies
Pricing collaborations, 51
Pricing method, selecting, 395–402
auction-type pricing, 401–2
going-rate pricing, 401
markup pricing, 396–97
perceived-value pricing, 398–99
target-return pricing, 397–98
value pricing, 399–401
Pricing objective, selecting, 389–90
maximum current profit, 389
maximum market share, 389–90
maximum market skimming, 390
nonprofit and public organization objectives, 390
product-quality leadership, 390
survival, 389
Primal branding, 292
Primary activities in value chain, 34
Primary data, 100
Primary demand, 86
Primary groups, 153
Primary packaging, 346
Primary service options, 368–69
Primary service package, 369
Prime contractors, 187
Principle of congruity, 486
Print ads, 507–9, 518
Privacy, 84, 376, 540
Private aviation, 370
Private carrier, 468
Private exchanges, 197
Private label brand, definition of, 459
Private labels, 459–61
role of, 460
success factors, 460
threat, manufacturer's response to, 461
top 10, of 2009, 459
Private nonprofit sector, 356
Privatization, 12
Prizes, 521
PRIZM clusters, 215–16
Proactive marketing, 302–3
Problem detection method, 47
Problem questions, 560
Problem recognition, 167, 196
Process
in customer perceived value, 126
elements in, 480
models, 480
in new four Ps, 25
Procurement
process, 193–95
as retail channel, 455–56
Product, 5
adaptation, 608–9
alliances, 51
category interest, 527
characteristics, 325–27
class, 336
companies, service strategies for, 377
definition of, 325
definitions, 39, 40
encountering public problems, 528
family, 336
in four Ps, 25
hierarchy, 336
imitation, 307
innovation, 307
invention, 609
manager, 572, 626
map, 338
modification, 314
offerings, fine-tuning, 320
pioneer, 312
placement, 514
planning, marketing plan and, 54–55
product-line specialist, 309
publicity, 527
quality, 131–32
specialization, 234
specification, 196
substitutability, budget decisions and, 505
systems and mixes, 336–37
teams, 626
variant, 336
variety, 423
warranties, 521
Product assortment
must-haves, 455
as retail channel, 454–55
Product-bundling pricing, 344
Product classifications, 327–28
consumer-goods classification, 327
durability, 327
industrial-goods classification, 327–28
tangibility, 327
Product-development strategy, 43
Product differentiation, 329–30
conformance quality, 329–30
customization, 329
durability, 330
features, 329
form, 329
performance quality, 329
reliability, 330
repairability, 330
style, 330
Product-feature specialist, 309
Product-form pricing, 406
Production
accumulated, in estimating costs, 393–94
concepts, 18
levels of, in estimating costs, 393
Productivity of sales representatives, 557–58
prospect call, norms for, 557
sales technology, 558
sales time, efficient use of, 557–58
Product life cycle (PLC)
budget decisions and, 505
critique of, 317
curves, 310–11
decline stage, 314–16
evidence for, 316–17
growth stage, 313
introduction stage, 312–13
market evolution, 317
marketing strategies, 310–18
maturity stage, 313–14
pioneer advantage, 312–13
stage, 493
style, fashion, and fad life cycles, 311
summary of, 317
Product line, 336
analysis, 337–39
market profile, 338
pricing, 342
sales and profits, 337–38
Product-line length, 339–42
line featuring, 341
line filling, 341
line modernization, 341
line pruning, 342
line stretching, 339–40
Product-management organization, 625–27
Product-market type, 492–93
Product mix
definition of, 336
dimensions, 336–37
Product-mix pricing, 342–44
by-product pricing, 343–44
captive-product pricing, 343
optional-feature pricing, 342–43
product-bundling pricing, 344
product-line pricing, 342
two-part pricing, 343
Product-penetration percentage, 87
Product-positioning map, 580
Product-quality leadership, 390
Product strategy, 325–53
co-branding, 344–45
design, 332–33
ingredient branding, 345–46
labeling, 348–49
packaging, 346–48
product characteristics, 325–27
product classifications, 327–28
product differentiation, 329–30
product hierarchy, 336
product-line analysis, 337–39
product-line length, 339–42
product-mix pricing, 342–44
product systems and mixes, 336–37
services differentiation, 330–32
warranties and guarantees, 349
Product-support services, 375–78
customer needs, identifying and satisfying, 376–77
e-service quality, assessing, 376
postsale service strategy, 377
service strategies for product companies, 377

Product value analysis
(PVA), 196
Professional purchasing, 185
Profitability control, 641, 642
Profits, maximum current, 389
Profits and sales, 337–38
Profittiers, 366–67
Program
formulation, 53
implementation, 53
multiplier, 255, 256
in new four Ps, 25
Projective techniques,
106, 160
Promoting, wholesale, 462
Promotion, 523
in old four Ps, 25
Promotional alliances, 51
Promotional pricing, 405
Promotion cost, marketing
public relations and, 528
Promotion tools
business, 522
consumer, 520, 521
marketing public
relations, 529
sales force, 522, 523
trade, 520, 521–22
Properties, 6
Proposal solicitation, 198
Prospect call, norms for, 557
Prospecting, 554
Prospect theory, 177
Protecting market share, 302–4
defensive marketing, 303–4
proactive marketing,
302–3
Psychic proximity, 602
Psychogenic needs, 160
Psychographics, 225
Psychographic segmentation,
225–27
Psychological discounting, 405
Psychological life-cycle
stages, 155
Psychological processes, key,
160–66
emotions, 163
learning, 163
memory, 163–66
motivation, 160–61
perception, 161–62
Psychological repositioning, 170
Psychological resistance, 561
Psychological risk, 171
Public
definition of, 527
direct marketing
issues, 539
information sources, 167
Publications, 529
Publicity, 478, 491, 527
Public organization pricing
objectives, 390
Public relations, 478, 491
Public relations (PR)
definition of, 527
functions of PR
department, 527
*See also* Marketing public
relations (MPR)
Public service activities, 529
Public spaces, 513–14
Pull strategy, 416
Pulsing, new product advertising
and, 517
Purchase decision, 170–71
intervening factors, 170–71
noncompensatory models of
consumer choice, 170
Purchase intention, 581
Purchase occasions, 581
Purchase probability scale, 91
Purchasing
approaches in segmentation,
230
frequency, 581
process, 193–95
professional, 185
upgrading of, 194
Pure bundling, 344
Pure-click companies, 439–40
business-to-business
e-commerce, 439–40
e-commerce success factors,
439
"Pure Play" auction sites, 196–97
Pure service offering, 357
Pure tangible good, 356
Push strategy, 416

Qualified available market, 85
Qualitative measures, 104,
106–7
brand personification, 107
laddering, 107
projective techniques, 106
pros and cons of, 104
visualization, 106
word associations, 106
Quality
control, 360
credence, 357
customer expectations,
managing, 373–75
determinants of, 374
e-service, 376
functional, 365
gaps in, 373–74
impact of, 131–32
improvement, 314, 372
managing, 370–75
marketing excellence,
achieving, 365–66
marketing tools for, 358
market share expansion
and, 304
measuring dimensions of
service, 371, 372
of product, 131–32
self-service technologies,
incorporating, 375
of service, 131–32
service-quality model,
373–74
standards of, 366
total, marketing and, 132
Quality function deployment
(QFD), 585
Quality-price specialist, 309
Questionnaires, 104, 105
dos and don'ts, 104, 105
mail, 108
online, 109
types of questions in, 105
Quick response systems
(QRS), 331

Race in demographic
segmentation, 222–25
African Americans, 224
Asian Americans, 224–25
Hispanic Americans, 222–24
lesbian, gay, bisexual, and
transgender (LGBT), 225
Racial diversity, 76–77
Radio ads, 509
Radio frequency identification
(RFID) systems, 455
Rapid phototyping, 580
Raw-material-exporting
economies, 78
Raw materials, 327–28
Reach, media selection and,
511–12
Reactive response, 302
Real positioning, 170
Rebates, 521
Receiver in communication
process, 480
Recovery, service quality
and, 372
Recruiting/selecting sales
representatives, 556–57
Red-ocean thinking, 278
Reduced-price pack, 521
Reduction of discounts, 408
Reengineering, 622
Reference groups influencing
consumer behavior,
153–54
Reference prices, 387–88
Referent power, 428
Regional product version, 609
Regional shopping
centers, 459
Regional trade areas and
agreements, 602
Reinforcement advertising, 505
Relationship marketing in
personal selling, 562
Relationships
business partner, 202
buyer-supplier, 202–3
in marketing plan, 55
supplier-customer, 184
*See also* Business-to-business
customer relationships
Relationship-specific
adaptations, 203
Relative advantage, 590
Relevance, 245
Relevant events and
experiences, 492
Reliability, 330
online, 376
in service quality, 372, 374
in services differentiation, 290
Reminder advertising, 505
Repairability, 330
Repositioning mature
product, 527
Representativeness
heuristics, 175
Research. *See* Marketing
research
Research and development
(R&D) budgets, 84
Reservation systems, 361
Resilience in services
differentiation, 290
Resonance, 249
Response, 480
Response hierarchy model,
480–82
Response in personal selling, 492
Responsive anticipation, 302
Responsiveness, service quality
and, 372
Results data, 71
Retail co-branding, 344
Retailer
cooperative, 433, 450
corporate retailing, 450
definition of, 447
franchising, 450
nonstore retailing, 449
product version, 609
promotions, 520
store retailers, 448–49
types of, 448–50
Retail health clinics, 370
Retailing, 447–59
channels (*See* Retailing
channels)
innovative retail
organization, 448
marketing decisions, 453–54
new environment of, 451–53
*vs.* wholesaling, 461–62
Retailing channels, 454–59
communications, 458
location, 458–59
prices, 456–57
procurement, 455–56
product assortment, 454–55
services, 457
store activities and
experiences, 457–58
store atmosphere, 457

Retail sector, 356
Retail store, definition of, 447
Retail transformation, 12–13
Retention, 268
Return on investment (ROI), 50
Returns, 331–32
Reverse assumption analysis, 577
Reverse auction, 13
Reverse-flow channels, 421
Reward power, 428
RFM formula, 71, 538
Rights, channel conflict and, 436
Risk
analysis, 54–55
bearing, 462
in business relationships, 203–4
gain sharing and, 200
Role
channel conflict and, 436
definition of, 154
Roving Nodes, 545
Running costs, 467
Russia's developing markets, 598, 600

Sales
assistants, 558
budget, 87
calls, multiple, 185
channel, 418
contests, 523
information systems, 70
marketing exchange, hypothetical, 554
metrics, 642
profits and, 337–38
quota, 87
quotas, 558–59
technology, 558
time, efficient use of, 557–58
volume, alternate ways to increase, 315
Sales-effect research, 518–19
Sales force, 553–60
compensation, 556
contractual, 555
direct, 555
inside salespeople, 558
objectives and strategies, 554–55
opinions, composite of, 91
promotion, 519
promotion tools, 522, 523
size, 556
structure, 555
*See also* Sales representatives
Salesmen, 551
Sales promotion, 478, 491, 519–24
business/sales force promotion tools, selecting, 522, 523
consumer promotion tools, selecting, 520
decisions in, 519
definition of, 519
objectives, 519, 520
program, 522–24
trade promotion tools, selecting, 520, 521–22
*vs.* advertising, 519–20
Sales representatives, 556–60
evaluating, 559–60
motivating, 558–59
positions, 553
productivity of, 557–58
recruiting and selecting, 556–57
training and supervising, 557
*See also* Sales force
Sales-wave research, 586
Same-company co-branding, 344
Samples, 521
Sample size, 107
Sampling
plan, 107
procedure, 107
unit, 107
Satisfaction, definition of, 128
Satisfied sippers, 227
Satisfiers, 161
Savings, 78
Savvy shoppers, 227
Scalloped product life cycle, 311
Scenario analysis, 45
Scientific method, 113
Sealed-bid auctions, 402
Search dynamics, 167–68
Search engine optimization, 542
Search options in interactive marketing, 542
Secondary associations, leveraging
in building brand equity, 252–53
in small business, 294
Secondary beliefs, 79
Secondary data, 100
Secondary groups, 153
Secondary packaging, 346
Secondary service options, 368–69
Second-mover advantage, 312
Second-tier contractors, 187
Security, online, 376
Segment acid test, 231
Segmentation. *See* Market segmentation
Segmentation, targeting, positioning (STP), 34
Segment attractiveness, 231
Segment identification, 231
Segment positioning, 231
Segment profitability, 231
Segment rivalry, threat of, 232
Selective attention, 162
Selective distortion, 162
Selective distribution, 425
Selective retention, 162
Selective specialization, 234
Self, views of, 78
Self-concept influencing consumer behavior, 156–57
Self-liquidating premium, 521
Self-selection retailer, 448
Self-service retailer, 448
Self-service technologies (SSTs), 375
Seller's international marketing headquarters, 613
Selling, 462, 554
Sell-in time, 523
Sender in communication process, 480
Sensuality in emotional branding, 291
Servant leadership, service quality and, 372
Service, 355–81
alliances, 51
backup, 423
blueprint, 360
channel, 418
characteristics of, 358–61
complementary, 361
contracts, 377, 405
customer relationship, shifting, 362–65
definition of, 327, 356
delivery of, unsuccessful, 373
dependability, 376
design, service quality and, 372
differentiating, 368–70
dimensions, measuring, 371, 372
equipment-based, 357
expected, 373
facilitating, 377
government sector, 356
guarantees, 360
innovation with, 370
marketing, 5, 365
nature of, 355
offerings, 356–57
options, primary and secondary, 368–70
people-based, 357
perceived, 373
product-support, 375–78
quality, managing, 370–75
quality of, 131–32
as retail channel, 457
sector channels, 421–22
shared, 361
specialist, 309
unsuccessful delivery of, 373–74
value-augmenting, 377
Service-firm-sponsored retailer franchise, 433
Service/quality customers, 422
Service-quality model, 373–74
Services differentiation, 290, 330–32
customer consulting, 331
customer training, 331
delivery, 331
installation, 331
maintenance and repair, 331
ordering ease, 331
returns, 331–32
Services marketing, 365
best practices of top service companies, 366–68
differentiating services, 368–70
excellence in, 365–66
types of, 365
Servicing, 554
SERVQUAL scale, 374
Setup costs, 467
Shallow-pockets trap, 408
Shared services, 361
Shareholder value, 42, 115, 140, 246, 255–56, 476
Share of advertising expenditures, 519
Share of consumers' minds and hearts, 519
Share of market, 519
Share of voice, 519
Share of wallet, 141
Share-penetration index, 87
Shifting loyals, 228
Shill marketing, 551
Shipping packaging, 346
Shopper marketing, growth of, 453
Shopping goods, 327
Shopping strips, 459
Short-term memory (STM), 163
Silent Generation, 221–22
Simulated test marketing, 586
Single niching, 309
Single-segment concentration, 234
Situational factors in segmentation, 230
Situation analysis, 54
Situation questions, 560
Six steps in personal selling, 561–62
closing, 561–62
follow-up and maintenance, 562
overcoming objections, 561
preapproach, 561
presentation and demonstration, 561
prospecting and qualifying, 561

Skepticism in marketing research process, 113
Skunkworks, 572
Slotting fee, 460
Small businesses
brand positioning for, 293–94
definition of, 191
opportunities and challenges of, 192
Social channels, 487
Social classes, 153
Social-cultural forecasts, 74
Social factors influencing consumer behavior, 12–14, 153–55
family, 154
reference groups, 153–54
social roles and status, 154, 155
Social issues in advertising campaign, 510
Socially responsible business models, 634
Socially responsible marketing, 629–40
cause-related marketing, 634–38
corporate social responsibility, 630–34
firms of endearment, 630
socially responsible business models, 634
social marketing, 638–40
Social marketing, 638–40
Social media, 546–49
Social media in word of mouth, 546–49
blogs, 547–48
online communities and forums, 546–47
social networks, 548
using, 548–49
Social networks, 254, 255, 548
Social responsibility behavior, 630, 632–33
Social responsibility marketing, 22, 24
Social risk, 171
Social roles/status influencing consumer behavior, 154, 155
Social stratification, 153
Society, views of, 79
Sociocultural environment, 78–80
core cultural values, 79
subcultures, existence of, 80
views, 78–79
Software of success, 53
Solution selling, 200
Solution vendor, 553
Sourcing strategy, 50
South Africa's developing markets, 598, 601
Spatial convenience, 422–23
Special customer pricing, 405
Special event pricing, 405
Special interest groups, growth of, 84
Specialist buyers, 455
Specialized wholesalers, 462
Specialty advertising, 523
Specialty goods, 327
Specialty-line marketing research firms, 99
Specialty store, 449
Specific-customer specialist, 309
Specific investments, 203–4
Specific marketing research, 100
Speeches, 529
Spiral development process, 573
Split loyals, 228
Sponsorship
activities, 526
in marketing public relations, 529
programs, 525
Sponsorship decisions, 525–26
events, choosing, 525
sponsorship activities, measuring, 526
sponsorship programs, designing, 525
Sports marketing, 220
Spot markets, 197
Sprinkler approach, 598
Stage-gate systems, 572–73
Stakeholder-performance scorecard, 116
Stand-alone stores, 459
Standardized marketing program, 606
Standards of service quality, 366
Statistical analysis, 392
Statistical demand analysis, 91
Status, definition of, 154, 155
Stealth marketing, 551
Stealth price increases, 403
Stock-keeping unit, 336
Stockless purchase plans, 201
Storage warehouses, 467
Store activities/experiences as retail channel, 457–58
Store atmosphere as retail channel, 457
Store retailers, 448–49
Store within larger store, 459
Storytelling, 292
Straddle positioning, 283
Straight extension, 608
Straight rebuy, 185
Strategic alliances, 51–52
Strategic blueprint, 574
Strategic business units (SBUs)
characteristics of, 41
establishing, 39–42
resources assigned to, 42
Strategic concept, 366
Strategic control, 641, 643–46
marketing audit, 643, 644–45
marketing excellence review, 643, 646
Strategic formulation, 50–52
Porter's generic strategies and, 51
strategic alliances and, 51–52
Strategic group, 51
Strategic justification, 437
Strategic marketing plan
business unit, 47–54
corporate, 37–47
definition of, 36–37
division, 37–47
role of, in customer value, 36–37
Strategic objective and opponent(s), 305–6
Strategic-planning gap, 42
Strategic withdrawal, 304
Strategy, definition of, 51
Street teams, 221
Strengths and weaknesses analysis, 49–50, 52
Strivers, 227
Student ambassadors, 220
Style, 330
Style improvement, 314
Style life cycles, 311
Sub-brand, 260, 261
Subcultures
definition of, 153
existence of, 80
Subliminal perception, 162
Subsistence economies, 78
Substantial segments, 231
Substitute products, threat of, 232
SUCCESS, 165
Successive sets in consumer decision making, 167–68
Supermarket, 449
Superordinate goals, 437
Supersegment, 234
Superstore, 449
Supervising sales representatives, 557
Supplier-customer relationship, 184
Supplier-evaluation model, 198
Supplier partnering, 622
Suppliers, number of, 200–201
Supplier search, 196–98
e-procurement, 197–98
lead generation, 198
Supplier selection, 198–201
number of suppliers, 200–201
price pressures, overcoming, 199–200
Supplies, 328
Supply chain, 35
Supply chain management (SCM), 418, 464
Supply-side management, 428
Supply-side method, 526
Support activities in value chain, 34
Surveys
of buyer intentions, 91
consumer, 523
direct questions, 199
estimating demand curves, 391
research, 103
Survival, 389
Survival-age distribution, 583
Survivors, 227
Sustainability, 633–34
Swag, 384–85
Sweepstakes, 521
Switchers, 228
SWOT analysis, 48–50
external environment analysis, 48–49
internal environment analysis, 49–50
*See also* Marketing opportunity
Syndicated-service research firms, 99
Systematic audit, 643
Systems buying, 187
Systems contracting, 187
Systems selling, 187–88

Table of contents, 54
Tactical marketing plan, 37
Tangibility, 327
Tangible good
with accompanying services, 356
pure, 356
service quality and, 372
Target audience, identifying, 482
Target costing, 394
Target groups, 527
Targeting, 554
behavioral, 146
within business center, 192–93
firms, 191–92
*See also* Market targeting
Target market
definition of, 10, 85
definitions, 39
direct mail, 538
Target-return pricing, 397–98
Teamwork, service quality and, 372
Tech Indifferent, 545
Technical people, 554
support, 558
Technician, 553
Technology, 81, 83–84
change, accelerating pace of, 83
innovation opportunities, 83
in marketing research, 107
R&D budgets, 84
regulation of technological change, 84
in retailing, growing investment, 452
strategy, 50

Telemarketers, 558
Telemarketing, 539
Telephone contacts, 108–9
Telephone interviewing, 108
Television ads, 507
Television direct-response marketing, 449
Ten commandments of global branding, 608
Territorial rights of distributors', 426
Testing elements in direct mail, 539
Test markets, 587
Text messaging used in online research, 110
Theater tests, 518
Thinkers, 226
Threats, 232
Three Cs model for price setting, 395
Three-level channel, 421
"Three minutes" research approach, 192
Tie-in promotions, 521
Time-and-duty analysis, 556
Time-constrained consumers, 158
Timely word-of-mouth marketing, 492
Time pricing, 406
Time risk, 171
Time-series analysis, 91
*Today Show, The* (television show), 74
Top management, 554
Top-management commitment, 366
Total cost of ownership (TCO), 391
Total customer benefit, 125
Total customer cost, 125
Total market potential, 88
Total number of exposures, 511
Total sales, estimating, 583–83
Total set, 167
Trade promotion, 519
  tools, 520, 521–22
Trade shows, 523
Trading-up/down/over trend, 218
Traditionalist, 227
Trailer tests, 518
Training, 428
  channel partnerships, 428
  channel power, 428
  procedures, 360
  of sales representatives, 557
Trainship, 468
Transfer prices, 612
Transformational appeals, 484–85
Transportation, 462, 468–69
Traveling export sales representatives, 604
Trends in macroenvironment, 74
Trials, 511, 521, 589
Trust, 203
Trustworthiness, 485
Two-level channel, 421
Two-part pricing, 343
Two-way stretch, 340
Tying agreements, 438

Unbundling, 408
Uncertainty avoidance, weak *vs.* strong, 607
Uncertainty management, 302–3
Uncontrollable returns, 331
Undifferentiated marketing, 233
Unfairness in direct marketing, 540
Unit metrics pathway, 117
Universe, views of, 79
Unsought goods, 327
Unwholesome demand, 8
Up-market stretch, 340
Up-selling, 141
Up-to-date marketing, 492
Usage
  in behavioral segmentation, 228–29
  more, in expanding total market demand, 301–2
  rate, 228
User
  in behavioral segmentation, 228–29
  in buying center, 188
  decision roles, 227
  status, 228
  targets, 581

VALS segmentation, 226–27
Value, 10
  campaigns, 638
  communicating, 27
  concepts, applying, 125–26
  core, 159
  core cultural, 79
  creation, 36
  delivery, 27, 36
  delivery network, 35
  delivery process, 33–34
  delivery system, 127
  exploration, 36
  lifestyle and, 157–59
  networks, 417–18
  pricing, 399–401
  proposition, 10, 127
  *See also* Customer-perceived value (CPV)
Value-adds *vs.* costs of different channels, 426
Value-augmenting services, 377
Value chain
  customer value and, 34–35
  partner, 203–4
Value proposition
  customer-focused, 276
  in economic downturn, 319–20
Variability, 359–60
Variable-amount compensation, 556
Variable costs, 393
Variables in market segmentation, 230–31
Variety-seeking buying behavior, 174
Vendor-managed inventory (VMI), 201
Venture teams, 572
Versatility, 496
Vertical coordination, benefits of, 202–3
Vertical hubs, 197
Vertical-level specialist, 309
Vertical marketing systems (VMS), 431–33
  administered, 432
  competition in retailing, new, 433
  contractual, 433
  corporate, 432
Vertical markets, 196
Videos in marketing, 221
Views in sociocultural environment, 78–79
Viral marketing, 549–50
Virtual reality, 580
Visualization, 106
Visual tests on packaging, 348
Voice of the customer (VOC) measurements, 367
Voluntary chain, 450

Waiting and delivery time, 422
Warehousing, 462, 467
Warranties, 349
  extended, 377
  product, 521
  in promotional pricing, 405
Waterfall approach, 598
Webinar, 204, 205
Web sites
  business-to-business e-commerce, 439
  design, 376, 542
  interactive marketing communications, 541–42
Weighted number of exposures, 511
Wholesaler-sponsored voluntary chain, 433
Wholesaling, 461–64
  definition of, 461
  functions of, 462–63
  major wholesaler types, 462
  trends in, 463–64
  *vs.* retailing, 461–62
Win-backs, 143
With-pack premiums, 521
Word associations, 106
Word of mouth, 546–53
  buzz marketing, 549–51, 552
  effects, measuring, 552–53
  in marketing communications mix, 478, 492
  opinion leaders, 551
  social media, 546–49
  viral marketing, 549–50
Workload approach, 556
World product groups, 616
Write-ups of activity results, 559

Yield pricing, 406

Zaltman Metaphor Elicitation Technique (ZMET), 106
Zero-level channel, 420
Zone of tolerance, 374