of Marketing

Philip Kotler

Northwestons I micesan

Contents

Preface xix

ONE UNDERSTANDING MARKETING

Social Foundations of Marketing: Meeting Human Needs 2

WHAT IS MARKETING? 4 Needs 4 Wants 5 Demands 6 Products 6 Exchange 7 Transactions 9 Markets 10 Marketing 11 MARKETING MANAGEMENT 11 MARKETING MANAGEMENT PHILOSOPHIES 13 The Production Concept 14 The Product Concept 14 The Selling Concept 15 The Marketing Concept 15 The Societal Marketing Concept 16 THE GOALS OF THE MARKETING SYSTEM 18 Maximize Consumption 20 Maximize Consumer Satisfaction 20 Maximize Choice 21 Maximize Life Quality 21 THE RAPID ADOPTION OF MARKETING 21 In the Business Sector 21 In the International Sector 22 In the Nonprofit Sector 22 PLAN OF THE BOOK 24 SUMMARY 25

2

The Marketing Management Process 28

ORGANIZING THE MARKETING PLANNING EFFORT 31 ANNUATING MARKET OPPOSITINITIES 33

Marker Opportunity Elevationies 34 Marker Opportunity Evaluation 35
SELECTING TARGET MARKETS 38

Demand Measurement and Forecasting 38 Market Segmentation 39 Market Positioning 41 DEVELOPING THE MARKETING MIN 42

MANAGING THE MARKETING EFFORT 44

Compensive Marketing Strategies 44 Implementing Marketing Programs 46 Marketing Department Organization 47 Marketing Control 48

LOOKING AHEAD 49 SUMMARY 50

two

ORGANIZING THE MARKETING PLANNING PROCESS.

3

Strategic Planning and Marketing Planning 54

OVERVIEW OF PLANNING 56

Benefits of Planning 56 How Formal Planning Evolves in Organizations 56 STRATEGIC PLANNING 58

Defining the Company Mission 58 Setting Company Objectives and Goals 60 Designing the Business Portfolio 61 Planning Functional Strategies 68

MARKETING PLANNING 72

The Components of a Marketing Plan 72 Developing the Marketing Budget 76 Some Conclusions on Marketing Planning 80 SUMMARY 82

4

Marketing Research and Information Systems 84

THE MARKETING INFORMATION SYSTEM 86
ASSESSING INFORMATION NEEDS 87
DEVELOPING INFORMATION 89
Internal Records 89 Marketing Intelligence 90
Marketing Research 93 The Marketing Research Process 95

Information Analysis 112
DISTRIBUTING INFORMATION 113
SEMMARY 115

CASE 1 SONY CORPORATION: WULKMAN WATCHMAN 117
CASE 2 QUAKER OATS COMPANY: GATORADE 119

three ANALYZING MARKET OPPORTUNITIES

5

The Marketing Environment 123

THE COMPANY'S MICROENVIRONMENT 124

Company 125 Suppliers 126 Marketing Intermediaries 126

Customers 128 Competitors 129 Publics 130

THE COMPANY'S MACROENVIRONMENT 132

Demographic Environment 132 Economic Environment 139

Natural Environment 141 Technological Environment 143

Political Environment 148 Cultural Environment 152

SUMMARY 155

6

Consumer Markets: Influences on Consumer Behavior 158

A MODEL OF CONSUMER BEHAVIOR 162
MAJOR FACTORS INFLUENCING CONSUMER BEHAVIOR 162
Cultural Factors 163 Social Factors 167 Personal Factors 171
Psychological Factors 177
SUMMARY 183

7

Consumer Markets: Buyer Decision Processes 186

IDENTIFYING THE BUYERS AND BUYING DECISION PROCESS 188
Buying Roles 188 Types of Buying Decision Behavior 189
STAGES IN THE BUYER DECISION PROCESS 190
Problem Recognition 190 Information Search 191 Evaluation of Alternatives 192 Purchase Decision 196 Postpurchase Behavior 197
BUYER DECISION PROCESSES TOWARD NEW PRODUCTS 201
Stages in the Adoption Process 202 Individual Differences in Innovativeness 202 Role of Personal Influence 204 Influence of Product