

Circulation of this edition outside the Indian subcontinent is UNAUTHORIZED

14e



Philip *Kotler*
Kevin Lane *Keller*
Abraham *Koshy*
Mithileshwar *Jha*

Brief Contents

Preface xviii

Acknowledgments xxii

PART 1 Understanding Marketing Management 2

- Chapter 1 Defining Marketing for the 21st Century 2
Chapter 2 Developing Marketing Strategies and Plans 30

PART 2 Assessing Market Opportunities and Customer Value 58

- Chapter 3 Scanning the Marketing Environment, Forecasting Demand, and Conducting Marketing Research 58
Chapter 4 Creating Customer Value and Customer Relationships 106
Chapter 5 Analyzing Consumer Markets 132
Chapter 6 Analyzing Business Markets 160

PART 3 Choosing Value 188

- Chapter 7 Identifying Market Segments and Targets 188
Chapter 8 Competitive Dynamics 212
Chapter 9 Crafting the Brand Positioning 238
Chapter 10 Creating Brand Equity 260

PART 4 Designing Value 290

- Chapter 11 Setting Product Strategy 290
Chapter 12 Designing and Managing Services 320
Chapter 13 Developing Pricing Strategies and Programs 346

PART 5 Delivering Value 374

- Chapter 14 Designing and Managing Integrated Marketing Channels 374
Chapter 15 Managing Retailing, Wholesaling, and Logistics 402

PART 6 Communicating Value 426

- Chapter 16 Designing and Managing Integrated Marketing Communications 426
Chapter 17 Managing Mass Communications 450
Chapter 18 Managing Personal Communications 478

PART 7 Sustaining Growth and Value 506

- Chapter 19 Introducing New Market Offerings 506
Chapter 20 Tapping into Global Markets 536
Chapter 21 Managing a Holistic Marketing Organization for the Long Run 562

Appendix: Sonic Marketing Plan A1

Endnotes E1

Glossary G1

Image Credits C1

Name Index I1

Company, Brand, and Organization Index I3

Subject Index I8

Contents

Preface xviii

Acknowledgments xxii

PART 1 Understanding Marketing Management 2

CHAPTER 1 Defining Marketing for the 21st Century 2

The Importance of Marketing 3

The Scope of Marketing 4

What Is Marketing? 5

What Is Marketed? 5

Who Markets? 8

MARKETING INSIGHT Rural Markets in South Asia 10

Core Marketing Concepts 11

Needs, Wants, and Demands 11

Target Markets, Positioning, and Segmentation 11

Offerings and Brands 11

Value and Satisfaction 12

Marketing Channels 12

Supply Chain 12

Competition 12

Marketing Environment 12

The New Marketing Realities 13

Major Societal Forces 13

New Company Capabilities 15

Marketing in Practice 16

MARKETING INSIGHT Marketing in an Age of Turbulence 17

Company Orientation Toward the Marketplace 18

The Production Concept 18

The Product Concept 18

The Selling Concept 18

The Marketing Concept 18

The Holistic Marketing Concept 18

MARKETING MEMO Marketing Right and Wrong 19

Relationship Marketing 19

Integrated Marketing 20

Internal Marketing 20

Performance Marketing 21

Updating the Four Ps 23

Marketing Management Tasks 24

Developing Marketing Strategies and Plans 24

MARKETING MEMO Marketers' Frequently

Assessing Market Opportunities and

Customer Value 25

Choosing Value 25

Designing Value 25

Delivering Value 25

Communicating Value 25

Sustaining Growth and Value 26

Summary 26

Applications 26

CHAPTER 2 Developing Marketing Strategies and Plans 30

Marketing and Customer Value 31

The Value Delivery Process 32

The Value Chain 32

Core Competencies 33

A Holistic Marketing Orientation and Customer Value 34

The Central Role of Strategic Planning 34

Corporate and Division Strategic Planning 35

Defining the Corporate Mission 36

Establishing Strategic Business Units 36

Assigning Resources to Each SBU 38

Assessing Growth Opportunities 38

Organization and Organizational Culture 41

Marketing Innovation 41

MARKETING INSIGHT Creating Innovative Marketing 42

Business Unit Strategic Planning 43

The Business Mission 43

SWOT Analysis 43

MARKETING MEMO Checklist for Performing Strengths/Weaknesses Analysis 45

Goal Formulation 45

Strategy Formulation 46

Program Formulation and Implementation 47

Feedback and Control 48

Product Planning: The Nature and Contents of a Marketing Plan 48

MARKETING MEMO Marketing Plan Criteria 49

The Role of Research 50

The Role of Relationships 50

From Marketing Plan to Marketing Action 50

Summary 50

Applications 51

Sample Marketing Plan: Kautilya Institute of Development Management and Research 54

ng Market
unities and
er Value 58

the Marketing
ent, Forecasting Demand,
ucting Marketing
58

Modern
ation System 60
61
ayment Cycle 61
n Systems 61
a Warehousing, and Data

nce 62
ntelligence System 62
eting Intelligence on the

and Acting
ntelligence 64
roenvironment 65
ds 65
major Forces 65
c Environment 66

INSIGHT Finding Gold at the
ramid 66

INSIGHT Marketing to the
n 67

nvironment 68

MO The Changing
terns of Indian

l Environment 70
onment 71

INSIGHT The Green Marketing

al Environment 73
al Environment 74

INSIGHT Analyzing the Rural

demand Measurement 76

Market Demand 77
Demand

77

nt Demand 79

e Demand 81

The Marketing Research System 82
The Marketing Research Process 84
Step 1: Define the Problem, the Decision
Alternatives, and the Research
Objectives 84
Step 2: Develop the Research Plan 84

MARKETING MEMO Conducting Informative
Focus Groups 86

MARKETING INSIGHT Getting into the
Heads of Consumers 89

MARKETING INSIGHT Understanding Brain
Science 91

Step 3: Collect the Information 93
Step 4: Analyze the Information 93
Step 5: Present the Findings 93
Step 6: Make the Decision 94

MARKETING INSIGHT Bringing Marketing
Research to Life with Personas 94

MARKETING INSIGHT Researching Rural
Markets 95

Overcoming Barriers to the Use of Marketing
Research 96

Measuring Marketing Productivity 96
Marketing Metrics 96
Marketing-Mix Modeling 97
Marketing Dashboards 98

MARKETING INSIGHT Marketing
Dashboards to Improve Effectiveness and
Efficiency 99

Summary 100

Applications 101

CHAPTER 4 Creating Customer Value and
Customer Relationships 106

Building Customer Value, Satisfaction,
and Loyalty 107

Customer Perceived Value 108
Total Customer Satisfaction 110

MARKETING MEMO Delivering Superior
Customer Value 111

Monitoring Satisfaction 112

MARKETING INSIGHT Net Promoter and
Customer Satisfaction 113

Product and Service Quality 114

MARKETING MEMO Marketing and Total
Quality 114

Maximizing Customer Lifetime Value 115
Customer Profitability 115
Measuring Customer Lifetime Value 116

MARKETING MEMO Calculating Customer
Lifetime Value 116

Cultivating Customer Relationships 117
Customer Relationship Management 118

MARKETING INSIGHT Building
Relationships with Rural Consumers 119

Attracting and Retaining Customers 121
Building Loyalty 123
Win-Backs 125

Customer Databases and Database
Marketing 125

Customer Databases 126
Data Warehouses and Data Mining 126
The Downside of Database Marketing
and CRM 127

MARKETING INSIGHT The Behavioral
Targeting Controversy 128

Summary 129

Applications 129

CHAPTER 5 Analyzing Consumer
Markets 132

What Influences Consumer Behavior? 133
Cultural Factors 134
Social Factors 135
Personal Factors 136

Key Psychological Processes 140
Motivation: Freud, Maslow, Herzberg 141
Perception 142
Learning 143
Emotions 144
Memory 144

MARKETING INSIGHT Made to Stick 145

The Buying Decision Process: The Five-Stage
Model 146

Problem Recognition 146
Information Search 147
Evaluation of Alternatives 148
Purchase Decision 149

MARKETING INSIGHT Rural Consumer
Behavior 151

Postpurchase Behavior 151
Moderating Effects on Consumer Decision
Making 153

Behavioral Decision Theory and Behavioral
Economics 154
Decision Heuristics 155

MARKETING INSIGHT Predictably
Irrational 155

Framing 156

Summary 157

Applications 157

CHAPTER 6 Analyzing Business
Markets 160

What Is Organizational Buying? 161
The Business Market versus the Consumer
Market 161
Buying Situations 163
Systems Buying and Selling 165

Participants in the Business

Buying Process 166
The Buying Center 166
Buying Center Influences 167
Targeting Firms and Buying Centers 169

MARKETING INSIGHT Big Sales to Small
Businesses 169

The Purchasing/Procurement Process 171

Stages in the Buying Process 172
Problem Recognition 172
General Need Description and Product
Specification 173
Supplier Search 173
Proposal Solicitation 175
Supplier Selection 176

MARKETING MEMO Developing Compelling
Customer Value Propositions 177

Order-Routine Specification 178
Performance Review 179

Managing Business-to-Business Customer
Relationships 179
The Benefits of Vertical Coordination 179

MARKETING INSIGHT Establishing
Corporate Trust, Credibility, and
Reputation 180

Business Relationships: Risks and
Opportunism 180

New Technology and Business
Customers 181

Institutional and Government Markets 182

Summary 183

Applications 184

ng Value 188

ng Market Segments and
188

nting Consumer

gmentation 190

gmentation 192

INSIGHT Segmenting Rural

Segmentation 197

mentation 198

nting Business Markets 202
203

entation Criteria 203

Selecting the Market

04

INSIGHT Chasing the

08

ive Dynamics 212

egies for Market

INSIGHT When Your

ers More for Less 214

Market Demand 215

et Share 216

et Share 218

Strategies 218

er Strategies 218

Strategies 221

strategies 222

INSIGHT Competition in Rural

r Real? 223

MO Niche Specialist

Marketing Strategies 224

les 225

nd Fad Life Cycles 226

gies: Introduction Stage

Advantage 226

gies: Growth Stage 227

gies: Maturity Stage 228

gies: Decline Stage 229

MARKETING INSIGHT Managing a Brand
Crisis 230

Evidence for the Product Life-Cycle
Concept 231

Critique of the Product Life-Cycle
Concept 231

Market Evolution 232

Marketing in an Economic Downturn 233

Explore the Upside of Increasing
Investment 233

Get Closer to Customers 233

Review Budget Allocations 233

Put Forth the Most Compelling Value
Proposition 234

Fine-tune Brand and Product Offerings 234

Summary 234

Applications 235

CHAPTER 9 Crafting the Brand Positioning 238

Developing and Establishing a Brand
Positioning 240

Determining a Competitive Frame of
Reference 240

MARKETING INSIGHT High Growth
Through Value Innovation 242

Identifying Optimal Points-of-Difference and
Points-of-Parity 243

Choosing POPs and PODs 246

Brand Mantras 247

Establishing Brand Positioning 249

MARKETING MEMO Constructing a Brand
Positioning Bull's-eye 250

Differentiation Strategies 251

Alternative Approaches to Positioning 253

Positioning and Branding a Small
Business 255

Summary 256

Applications 256

CHAPTER 10 Creating Brand Equity 260

What Is Brand Equity? 261

The Role of Brands 262

The Scope of Branding 263

Defining Brand Equity 263

Brand Equity Models 265

MARKETING INSIGHT Brand Bubble

Building Brand Equity 269

Choosing Brand Elements 269

Designing Holistic Marketing Activities 270

Leveraging Secondary Associations 271

Internal Branding 271

Brand Communities 272

Measuring Brand Equity 274

MARKETING INSIGHT The Brand Value
Chain 274

Managing Brand Equity 276

Brand Reinforcement 276

MARKETING INSIGHT What Is a Brand
Worth? 277

Brand Revitalization 278

Devising a Branding Strategy 279

Branding Decisions 280

Brand Portfolios 280

Brand Extensions 282

Customer Equity 285

Summary 285

Applications 286

PART 4 Designing Value 290

CHAPTER 11 Setting Product Strategy 290

Product Characteristics and
Classifications 291

Product Levels: The Customer-Value
Hierarchy 292

Product Classifications 293

Product and Services Differentiation 295

Product Differentiation 295

Services Differentiation 296

Design 297

MARKETING INSIGHT Developing Products
for Rural Markets 298

MARKETING INSIGHT Marketing Luxury
Brands 300

Product and Brand Relationships 302

The Product Hierarchy 302

Product Systems and Mixes 302

Product Line Analysis 304

Product Line Length 305

MARKETING INSIGHT When Less Is
More 306

Product Mix Pricing 309

MARKETING MEMO Product-Bundle Pricing
Considerations 311

Packaging, Labeling, Warranties, and
Guarantees 312

Packaging 312

Labeling 315

Warranties and Guarantees 315

Summary 315

Applications 316

CHAPTER 12 Designing and Managing Services 320

The Nature of Services 322

Service Industries Are Everywhere 322

Categories of Service Mix 323

Distinctive Characteristics of Services 324

The New Services Realities 327

A Shifting Customer Relationship 327

Achieving Excellence in Services

Marketing 330

Marketing Excellence 330

Best Practices of Top Service

Companies 332

Differentiating Services 334

MARKETING INSIGHT Improving Company
Call Centers 334

Managing Service Quality 336

MARKETING INSIGHT Developing Service
Offers for Rural Areas 336

MARKETING MEMO Recommendations for
Improving Service Quality 338

Managing Customer Expectations 338

Incorporating Self-Service Technologies
(SSTs) 340

Managing Product-Support Services 341

MARKETING MEMO Assessing E-Service
Quality 341

Identifying and Satisfying Customer Needs 342

Postsale Service Strategy 342

Summary 343

Applications 343

CHAPTER 13 Developing Pricing Strategies and Programs 346

Understanding Pricing 347

INSIGHT Giving It All Away 348
 es Price 349
 Psychology and Pricing 350
 351
 ng the Pricing Objective 352
 nining Demand 354
 iting Costs 356
 ing Competitors' Costs,
 ffers 357
 ng a Pricing Method 358
 ng the Final Price 363
INSIGHT Stealth Price
 e 364
 Pricing (Cash, Countertrade,
INSIGHT Pricing for Rural
 s and Allowances 365
 cing 366
 Pricing 367
 ponding
 s 368
 Cuts 368
 ncreases 368
 Competitors' Price
 71

ing Value 374

**g and Managing Integrated
 Channels 374**

ls and Value Networks 375
 of Channels 376
 s and Multichannel
 377
INSIGHT Developing
 nels for Rural Markets 378
 ing Channels 379
 ns and Flows 379
 380
 hannels 381
 ecisions 382
 mer Needs and Wants 382
 ctives and Constraints 382

Identifying Major Channel Alternatives 383
 Evaluating Major Channel Alternatives 384
Channel-Management Decisions 386
 Selecting Channel Members 386
 Training and Motivating Channel
 Members 386
 Evaluating Channel Members 387
 Modifying Channel Design and
 Arrangements 387
 Channel Modification Decisions 388
 Global Channel Considerations 388
Channel Integration and Systems 389
 Vertical Marketing Systems 389
MARKETING INSIGHT Channel Stewards
 Take Charge 390
 Horizontal Marketing Systems 391
 Integrating Multichannel Marketing
 Systems 391
Conflict, Cooperation, and Competition 393
 Types of Conflict and Competition 393
 Causes of Channel Conflict 393
 Managing Channel Conflict 394
 Dilution and Cannibalization 395
 Legal and Ethical Issues in Channel
 Relations 395
E-Commerce Marketing Practices 395
 Pure-Click Companies 396
 Brick-and-Click Companies 397
M-Commerce Marketing Practices 398
Summary 399
Applications 400

**CHAPTER 15 Managing Retailing, Wholesaling,
 and Logistics 402**

Retailing 403
 Types of Retailers 404
MARKETING INSIGHT Organized Retailing
 in India 407
 The New Retail Environment 407
 Marketing Decisions 409
 Channels 410
MARKETING MEMO Helping Stores to
 Sell 413
 Private Labels 414
 Role of Private Labels 415
 Private-Label Success Factors 415
MARKETING INSIGHT Manufacturer's
 Response to the Private Label
 Threat 416

Wholesaling 416
 Trends in Wholesaling 418
Market Logistics 418
 Integrated Logistics Systems 419
 Market-Logistics Objectives 420
 Market-Logistics Decisions 421
 Organizational Lessons 422
Summary 423
Applications 424

PART 6 Communicating Value 426

**CHAPTER 16 Designing and Managing Integrated
 Marketing Communications 426**

The Role of Marketing Communications 428
 The Changing Marketing Communications
 Environment 428
 Marketing Communications, Brand Equity,
 and Sales 429
 The Communications Process Models 430
Developing Effective Communications 433
 Identify the Target Audience 433
 Determine the Communications
 Objectives 433
 Design the Communications 434
 Select the Communications Channels 437
 Establish the Total Marketing
 Communications Budget 438
**Deciding on the Marketing Communications
 Mix 440**
 Characteristics of the Marketing
 Communications Mix 440
 Factors in Setting the Marketing
 Communications Mix 441
 Measuring Communication Results 443
**Managing the Integrated Marketing
 Communications Process 444**
 Coordinating Media 444
 Implementing IMC 444
MARKETING MEMO How Integrated Is Your
 IMC Program? 445
Summary 445
Applications 446

**CHAPTER 17 Managing Mass
 Communications 450**

Developing and Managing an Advertising

Setting the Objectives 452
 Deciding on the Advertising Budget 453
 Developing the Advertising Campaign 453
**Deciding on Media and
 Measuring Effectiveness 457**
 Deciding on Reach, Frequency, and
 Impact 457
 Choosing Among Major Media Types 458
 Alternate Advertising Options 459
MARKETING MEMO Brand Placements in
 Bollywood 461
MARKETING INSIGHT Communicating to
 the Rural Audience 462
MARKETING INSIGHT Playing Games with
 Brands 463
 Selecting Specific Media Vehicles 463
 Deciding on Media Timing and
 Allocation 464
 Evaluating Advertising Effectiveness 465
Sales Promotion 466
 Objectives 466
 Advertising versus Promotion 466
 Major Decisions 467
Events and Experiences 470
 Events Objectives 470
 Major Sponsorship Decisions 471
MARKETING MEMO Measuring High
 Performance Sponsorship Programs 472
 Creating Experiences 472
Public Relations 473
 Marketing Public Relations 473
 Major Decisions in Marketing PR 473
Summary 475
Applications 475

**CHAPTER 18 Managing Personal
 Communications 478**

Direct Marketing 479
 The Benefits of Direct Marketing 480
MARKETING INSIGHT Mobile Traders—
 Direct Marketing in Rural Areas 480
 Direct Mail 481
 Catalog Marketing 482
 Telemarketing 483
 Other Media for Direct-Response
 Marketing 483
 Public and Ethical Issues in Direct

Marketing 484
 Disadvantages of Interactive
 Marketing Communication
MEMO How to Maximize the
 Use of E-mails 487
 489
 489
 Marketing 491
 Effects of Word of
MEMO How to Start a Buzz
 Sales Force 493
 Objectives and Strategy 493
 Structure 494
 Size 495
INSIGHT Major Account
 Compensation 496
 Sales Force 496
 Selecting
 Sales 496
 Supervising Sales
 Sales 497
 Productivity 497
 Sales Representatives 498
 Sales Representatives 499
 Personal Selling 500
 500
 Marketing 502
03
 Marketing Growth
 Value 506

Marketing New
 Offerings 506
 Products 508
 508
 Products 508
 New-Product
 510
 Competitive 510

New-Product Success 511
 New-Product Failure 511
Organizational Arrangements 512
 Budgeting for New-Product
 Development 512
 Organizing New-Product Development 513
Managing the Development Process:
 Ideas 515
 Generating Ideas 515
MARKETING MEMO Ten Ways to Find Great
 New-Product Ideas 515
MARKETING INSIGHT P&G's New
 Connect + Develop Approach to
 Innovation 516
MARKETING MEMO Seven Ways to Draw
 New Ideas from Your Customers 517
MARKETING INSIGHT Tapping into the
 Masses for Innovative Ideas—Nurturing
 Innovation at the Grassroots 518
MARKETING MEMO How to Run a
 Successful Brainstorming Session 520
 Using Idea Screening 520
Managing the Development
Process: Concept to Strategy 522
 Concept Development and Testing 522
 Marketing Strategy Development 525
 Business Analysis 525
Managing the Development Process:
 Development to Commercialization 527
 Product Development 527
 Market Testing 528
 Commercialization 530
The Consumer-Adoption Process 531
 Stages in the Adoption Process 531
 Factors Influencing the Adoption
 Process 531
Summary 533
Applications 533

CHAPTER 20 Tapping into Global Markets 536

Competing on a Global Basis 537
 Deciding Whether to Go Abroad 538
MARKETING INSIGHT Indian
 Globalizers 539
 Deciding Which Markets to Enter 540
 How Many Markets to Enter 540
 Developed versus Developing Markets 540

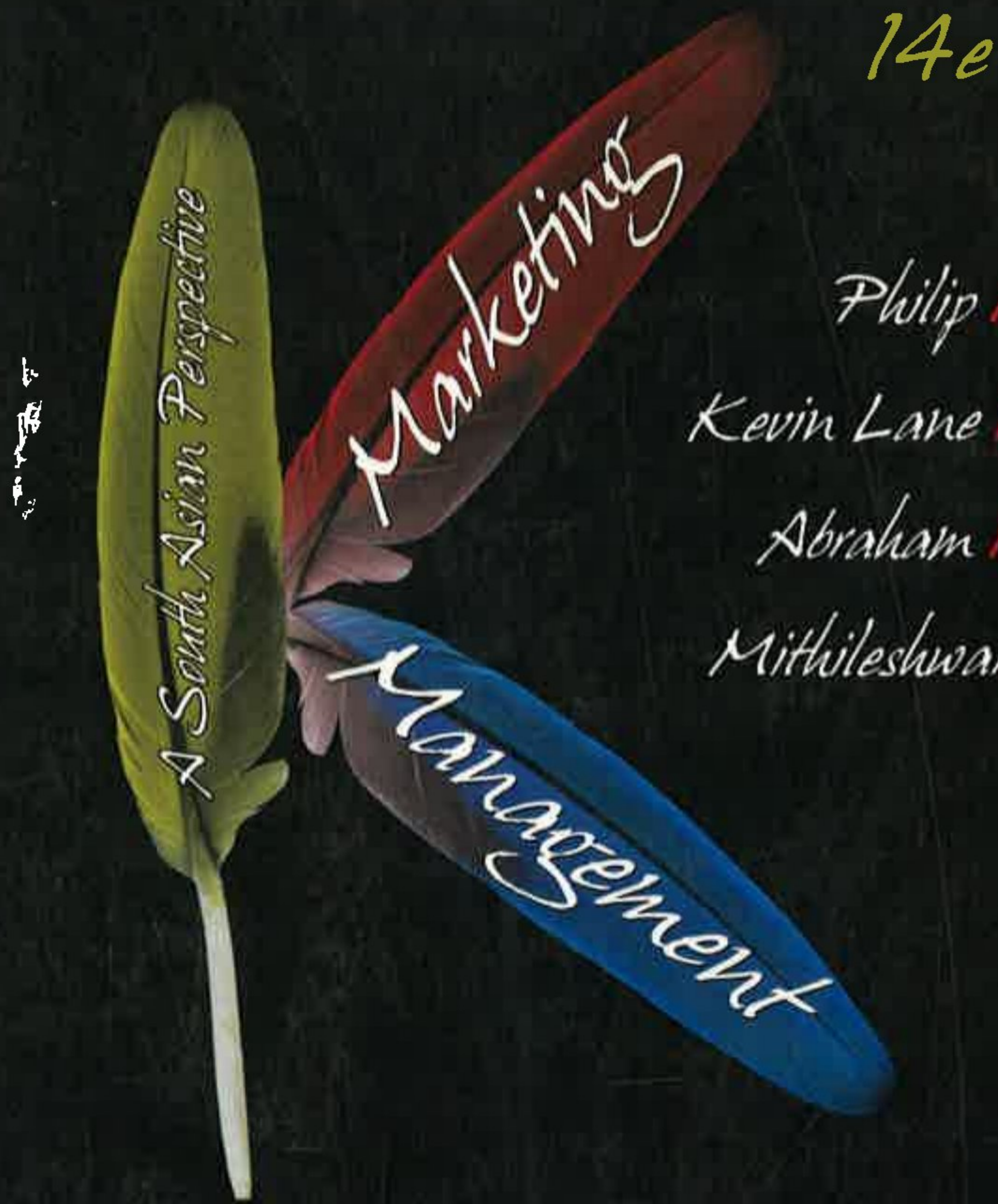
MARKETING INSIGHT Spotlight on Key
 Developing Markets 542
 Evaluating Potential Markets 544
Deciding How to Enter
the Market 545
 Indirect and Direct Export 545
 Licensing 545
 Joint Ventures 547
 Direct Investment 547
Deciding on the Marketing Program 548
 Global Similarities and Differences 548
 Marketing Adaptation 549
 Global Product Strategies 550
MARKETING MEMO The Ten
 Commandments of Global Branding 550
 Global Communication Strategies 552
 Global Pricing Strategies 553
 Global Distribution Strategies 555
Country-of-Origin Effects 556
 Building Country Images 556
 Consumer Perceptions of Country of
 Origin 557
Deciding on the Marketing Organization 558
 Export Department 558
 International Division 558
 Global Organization 558
Summary 559
Applications 559

**CHAPTER 21 Managing a Holistic Marketing
 Organization for the Long
 Run 562**

Trends in Marketing Practices 564
 Internal Marketing 565
 Organizing the Marketing Department 565
MARKETING MEMO Characteristics of
 Company Departments That Are Truly
 Customer Driven 566

Relationships with Other Departments 569
 Building a Creative Marketing
 Organization 569
Socially Responsible Marketing 569
MARKETING INSIGHT The Marketing
 CEO 570
 Corporate Social Responsibility 572
 Socially Responsible Business Models 573
MARKETING INSIGHT The Rise of
 Organic 574
 Cause-Related Marketing 574
MARKETING MEMO Making a Difference:
 Top 10 Tips for Cause Branding 577
 Social Marketing 577
Marketing Implementation and
Control 579
 Marketing Implementation 579
 Marketing Control 580
 Annual-Plan Control 580
 Profitability Control 580
 Efficiency Control 581
 Strategic Control 581
The Future of Marketing 585
MARKETING MEMO Major Marketing
 Weaknesses 586
Summary 587
Applications 587
Appendix Tools for Marketing Control 591

Appendix Sonic Marketing Plan **A1**
Endnotes E1
Glossary G1
Image Credits C1
Name Index I1
Company, Brand, and Organization Index I3
Subject Index I8



14e

Philip Kotler

Kevin Lane Keller

Abraham Kohli

Mithileshwar Jha

Marketing Management is the leading marketing text because it consistently reflects changes in marketing theory and practice. The fourteenth edition of *Marketing Management: A South Asian Perspective* preserves many of the distinguishing features of the past editions and, at the same time, provides revised and updated content from the global as well as local context.

FEATURES

- ◆ **Brand new chapter-opening vignettes** that can serve as great classroom discussion starters
- ◆ Updated and revised **Marketing Memo** and **Marketing Insight** boxes that provide in-depth insights into the practical aspects of marketing and discuss the challenges and opportunities unique to rural markets in South Asia
- ◆ Many new in-text cases, in addition to **Marketing Excellence** cases at the end of each chapter
- ◆ Dramatic changes in the current marketing environment addressed through subsections on issues such as marketing during economic downturns, the rise of sustainability and “green” marketing, and the increasing role of digital media in marketing
- ◆ Reorganized material to focus on **customer value** as the central theme of the South Asian edition
- ◆ Focus on **holistic marketing**—the development, design, and implementation of marketing programs, processes, and activities that recognize the breadth and interdependencies of today’s marketing environment
- ◆ **Powerful teaching and learning support** through a detailed instructors’ manual, PowerPoint lecture slides, and test-item files

ISBN 978-81-317-6716-0

