

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

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

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

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

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 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.

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.

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 16 GB mirco SD (sold separately)	2GB eMMC 16MB media card included
Display	WVGA 4" touch screen	Retina display 3.5" (diagonal) widescreen multi-touch screen	HGVA 3.1" touch screen	WVGA 3.5" touch screen	3.25" touch screen
Camera	Auto focus 5.0 MP 4x digital zoom Video MPEG4, AAC, AAC+ H.263 H.264 Video streaming	Tap to focus 5.0 MP VGA quality photos LED flash Video recording Geotagging	Auto focus 5 MP Digital zoom LED flash Image editing tools	Auto focus with two-stage capture key 5 MP Dual LED flash Image editing tools Geotagging	Auto focus 3.2 MP 2x digital zoom Flash Auto focus Image stabilization Video recording
Price	\$449-\$599	\$723 \$199 16 GB \$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:

- *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.

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

3.0 Marketing Strategy

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

- *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.

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

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

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

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

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

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

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

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

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.

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 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 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 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 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.

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

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:

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

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


5.0 Controls

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

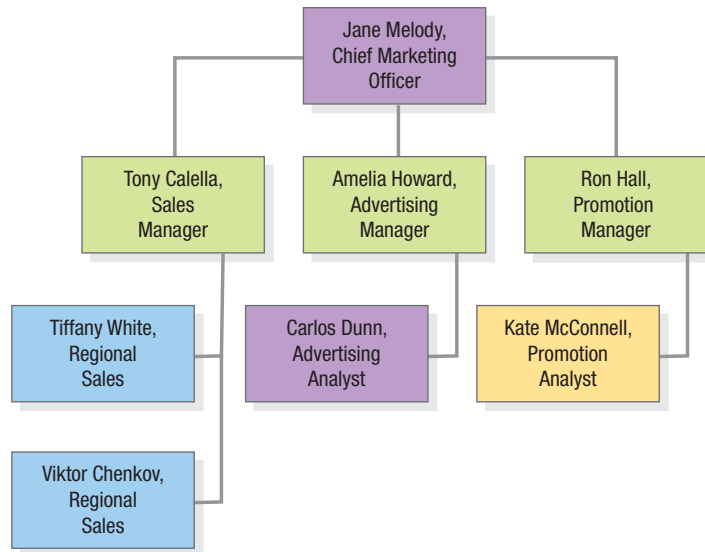
Controls help management measure results and identify any problems or performance variations that need corrective action.

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

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 Assignments¹

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.comunitelligence.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! Falts, 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 Horowitz, "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. Schoemaker, "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 Carabinieri,” *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,” *BusinessWeek*, 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 McLaughlin, “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 Environmentalism: 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.factor-tg.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, Jaesung 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 Horowitz, "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 Hjulær, "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. Kassarian and Mary Jane Sheffet, "Personality and Consumer Behavior: An Update," Harold H. Kassarian 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,” Kassarijian 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 Kassarian, 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 Ruppertsberger, "Shakeouts in Digital Markets: Lessons from B2B Exchanges," *California Management Review* 45 (Winter 2003), pp. 131–51.
38. *Ritchie Bros Auctioneers*, www.rbauktion.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 Hiebel, 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.marciamedd.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, "Ringin' 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. Wathne, "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 Relationships," *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. 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.
 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; Cherrisse 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.