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8 John R. Brandt, “Dare to Be Different,” Chief Executive, May 2003, pp. 34–38.
33 Private conversation with Carpenter.
34 Larry Selden and Geoffrey Colvin, Angel Customers & Demon Customers, Portfolio (Penguin), 2003.
35 Goran Svensson, “Beyond Global Marketing and the Globalization of Marketing Activities,” Management Decision...

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40. Kotler, Kotler on Marketing.
and Medicine Week, December 29, 2003, p. 726.


Chapter 3 NOTES


16. See <www.badfads.com> for examples of fads and collectibles through the years.


19. Although over 10 years old, this breakdown provides useful perspective. See Donella H. Meadows, Dennis L. Meadows, and Jorgen Randers, *Beyond Limits*: (Chelsea Green Publishing Company, 1993) for some commentary. White River Jt., VT.


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4 Irwin P. Levin and Richard D. Johnson, “Estimating Price–Quality Tradeoffs Using Comparative Judgments,” *Journal of Consumer Research* (June 11, 1984): 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.


19 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.


50 Lanning, *Delivering Profitable Value*.
69 www.apple.com
70 www.hog.com


Ian Mount, “Marketing,” Business 2.0, August/September 2001, p. 84.


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5 Schiffman and Kanuk, Consumer Behavior.


13 Jim Hopkins, “Financial Firms Cater to Powerful Women,” USA Today, June 18, 2002, p. 3B.


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


40 Leslie de Chernatony and Simon Knox, “How an

Florida’s Chris Janiszewski has developed a fascinating research program looking at preconscious processing effects. See Chris Janiszewski, “Preattentive Mere Exposure Effects,” Journal of Consumer Research 20 (December 1993): 376–392, as well as some of his earlier and subsequent research.


Earle Eldridge, “Many Car Shoppers’ First Stop Is ‘Consumer Reports,’” USA Today, September 16, 2003, pp. 1B–2B.


Evan I. Schwartz, “Real Community Is Possible,” Business 2.0, March 6, 2001, p. 64.


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19. *Marketing As Strategy*.

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8. Craig Wilson, “Hallmark Hits the Mark,” *USA Today*, June 14, 2001, pp. 1D–2D.
14. www.ostrichesonline.com
27. Another leading supplier of geodemographic data is ClusterPlus (Strategic Mapping).

49. www.conversionmodel.com
52. Dennis H. Pillsbury, “Small Business Niches Differentiate...
Penn National Insurance,” Rough Notes, October 2003, pp. 60–64.


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


17. Aaker, Building Strong Brands.


41 Joann Muller, “Honey, I Shrank the Box,” Forbes, November 10, 2003, pp. 82–86.

42 David Kiley, “To Boost Sales, Volvo Returns to Its Roots: Safety,” USA Today, August 26, 2002, p. 6B.


53 Dan Reed, “Low-fare Rivals Keep a Close Eye on Song,” USA Today, November 25, 2003, p. 6B.

54 Byung-Do Kim and Mary W. Sullivan, “The Effect of


64 Andrea Rothman, “France’s Bic Bets U.S. Consumers


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8. Professor Brian Sternthal, “Miller Lite Case,” Kellogg Graduate School of Management, Northwestern University.


Chapter 11 NOTES :::

52 Jayne O’Donnell, “Family Rolling to Success on Tire Rack,” *USA Today*, December 8, 2003, p. 3B.
55 Thomas A. Fogarty, “Keeping Zippo’s Flame Eternal,” *USA Today*, June 24, 2003, p. 3B.
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2. This discussion is adapted from Theodore Levitt, “Marketing Success through Differentiation: Of Anything,” *Harvard Business Review* (January–February 1980): 83–91. The first level, core benefit, has been added to Levitt’s discussion.
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34 Kotler and Bloom, Marketing Professional Services.


43 William C. Copacino, Supply Chain Management (Boca Raton, FL: St. Lucie Press, 1997).


47 Interestingly, research has shown that customers who switch service providers due to dissatisfaction are likely to exhibit elevated levels of loyalty with their new firm. See Ganesh, Arnold, and Reynolds, “Understanding the Customer Base of Service Providers: An Examination of the Differences Between Switchers and Stayers,” pp. 65–87.


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7. For a thorough, up-to-date review of pricing research, see Chezy Ofir and Russell S. Winer, Pricing: Economic and Behavioral Models, in Handbook of Marketing, edited by Bart Weitz and Robin Wensley, in press.
41. Bill Saporito, “Behind the Tumult at P&G,” Fortune,


69 For more information on specific types of price discrimination that are illegal, see Henry Cheesman, *Contemporary Business Law* (Upper Saddle River, NJ: Prentice Hall, 1995).


Chapter 15 NOTES :::


25. For more on relationship marketing and the governance of marketing channels, see Jan B. Heide, “Interorganizational Governance in Marketing Channels,” *Journal of Marketing* (January 1994): 71–85.

26. Lawrence G. Friedman and Timothy R. Furey, *The Channel Advantage: Going to Marketing with Multiple Sales Channels* (Woburn, MA: Butterworth-Heinemann, 1999). They suggest measuring a channel’s profitability by the expense-to-revenue ratio, or E/R. E/R is the average transaction cost divided by the average order size. The average transaction cost is found by dividing the total expense in operating the channel by the total number of transactions. The lower the E/R, the more profitable the channel because less money is spent on selling cost for each dollar of revenue.


37 Paul Miller, “Merchandise by Medium,” *Catalog Age,* June 2003, pp. 91–95.


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26. Lorrie Grant, “Retailers Take Novel Approach to Get Their Brands in Front of Shoppers,” USA Today, June 17, 2003, p. 2B.


42. Gary McWilliams, “Retailers Create Own-Label PCs as Brand Names Dwindle,” Wall Street Journal, May 3,


46 Bert McCammon, Robert F. Lusch, Deborah S. Coykendall, and James M. Kenderdine, Wholesaling in Transition (Norman: University of Oklahoma, College of Business Administration, 1989).

47 Hoover’s Company Profiles, 1999; and company Web sites.


51 Copacino, Supply Chain Management.


55 The optimal order quantity is given by the formula $Q^* = \sqrt{\frac{2DS}{IC}}$, where $D$ annual demand, $S$ cost to place one order, and $I$ annual carrying cost per unit. Known as the economic-order quantity formula, it assumes a constant ordering cost, a constant cost of carrying an additional unit in inventory, a known demand, and no quantity discounts. For further reading on this subject, see Richard J. Tersine, Principles of Inventory and Materials Management, 4th ed. (Upper Saddle River, NJ: Prentice Hall, 1994).

56 Copacino, Supply Chain Management, pp. 122–123.

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3. Some of these definitions are adapted from Peter D. Bennett, ed., Dictionary of Marketing Terms (Chicago: American Marketing Association, 1995).
34. Stephanie Thompson, “Minimal Hype Nets Max Buzz at Kiehl’s,” Advertising Age, April 5, 2004, pp. 4, 33.
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14. For further reading, see Dorothy Cohen, Legal Issues in Marketing Decision Making (Cincinnati, OH: South-Western, 1995).


52 For a good summary of the research on whether promotion erodes the consumer franchise of leading brands, see Blattberg and Neslin, Sales Promotion.
63 Kenneth Hein, “Samsung Decodes the Matrix Mania,”
75 Ian Mount, “Exploding the Myths of Stadium Naming,” Business 2.0, April 2004, p. 82.
82 <www.coneinc.com>.
Chapter 19 NOTES ::::

2. The terms direct-order marketing and direct-relationship marketing were suggested as subsets of direct marketing by Stan Rapp and Tom Collins in *The Great Marketing Turnaround* (Upper Saddle River, NJ: Prentice Hall, 1990).
11. The average customer longevity (N) is related to the customer retention rate (CR). Suppose the company retains 80 percent of its customers each year. Then the average customer longevity is given by: N = 1/(1-CR) = 1/2 = 5
33. These numbers reflect March 2004, figures and are based on ad impressions available on the homepage of 6MM per day and a rate card CPM (cost-per-thousand) for a standard 728-90 unit (the horizontal unit at the top of the page) of $15 (although most major advertisers do not have to pay this price).


50 Dartnell Corporation, 30th Sales Force Compensation Survey. Other breakdowns show that 12.7 percent is spent in service calls, 16 percent in administrative tasks, 25.1 percent in telephone selling, and 17.4 percent in waiting/traveling.


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8. For details, see Thomas Kuczmarzski, Arthur Middlebrooks, and Jeffrey Swaddling, Innovating the Corporation: Creating Value for Customers and Shareholders (Lincolnwood, IL: NTC, 2000).
35. The present value (V) of a future sum (F) to be received t years from today and discounted at the interest rate (r) is given by V = F/(1 + r)^t. Thus $4,761,000/(1.15)^5 = $2,346,000.
36. David B. Hertz, “Risk Analysis in Capital Investment,”
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25. For an academic review, see Leonidas C. Leonidou, Constantine.


56. “From Head & Shoulders to Kobe,” The Economist, March 27, 2004, p. 64.


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11. <www.pacefoods.com>


33. See Philip Kotler and Nancy Lee, Corporate Social Responsibility: Doing the Most Good for Your Company


For more on developing and implementing marketing plans, see H. W. Goetsch, Developing, Implementing, and Managing an Effective Marketing Plan ( Chicago: NTC Business Books, 1993).

Ibid.


