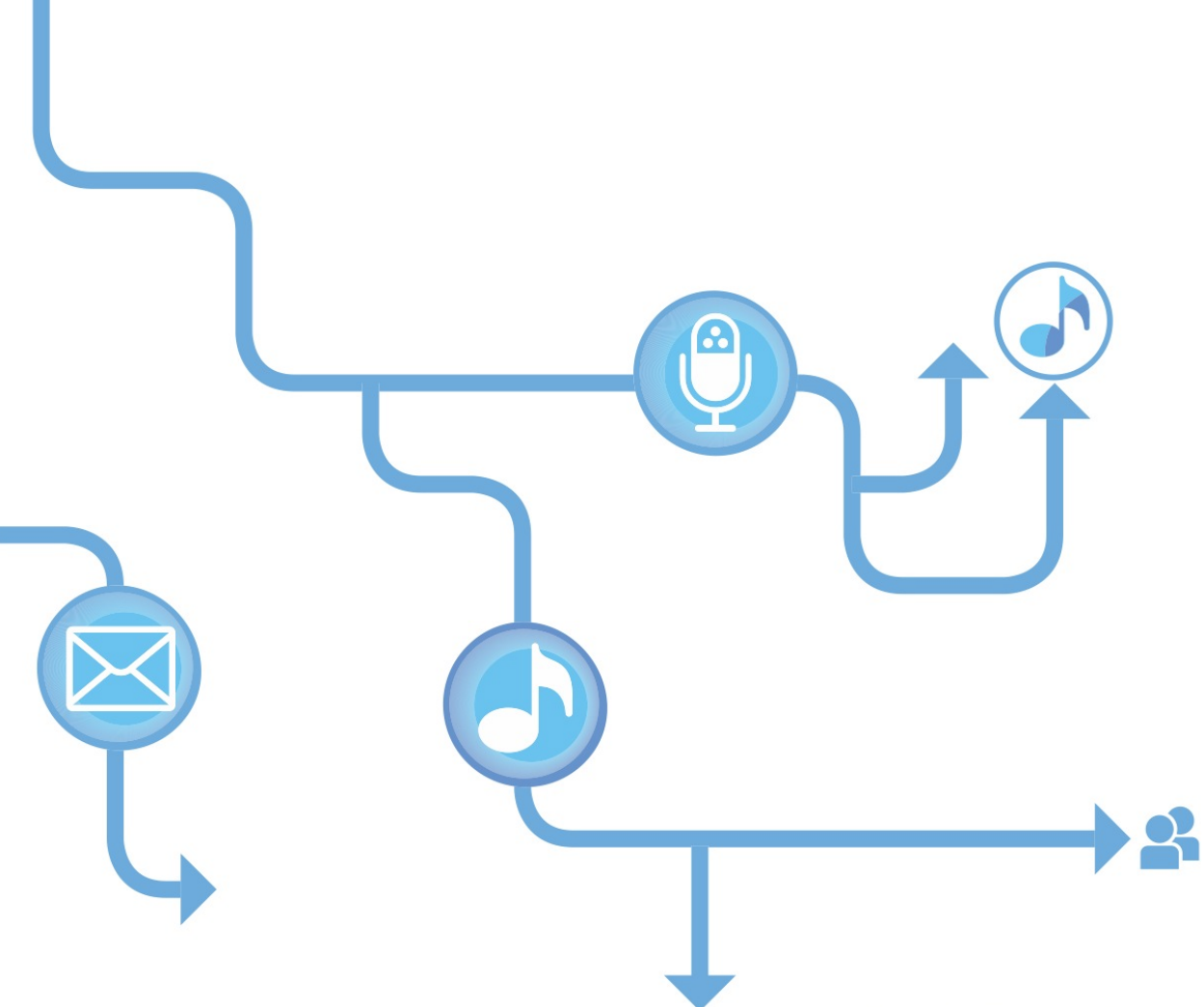


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DEDICATION

From Gary Armstrong

To my family – Kathy, KC, Keri, Mandy and Matt

From Stewart Adam

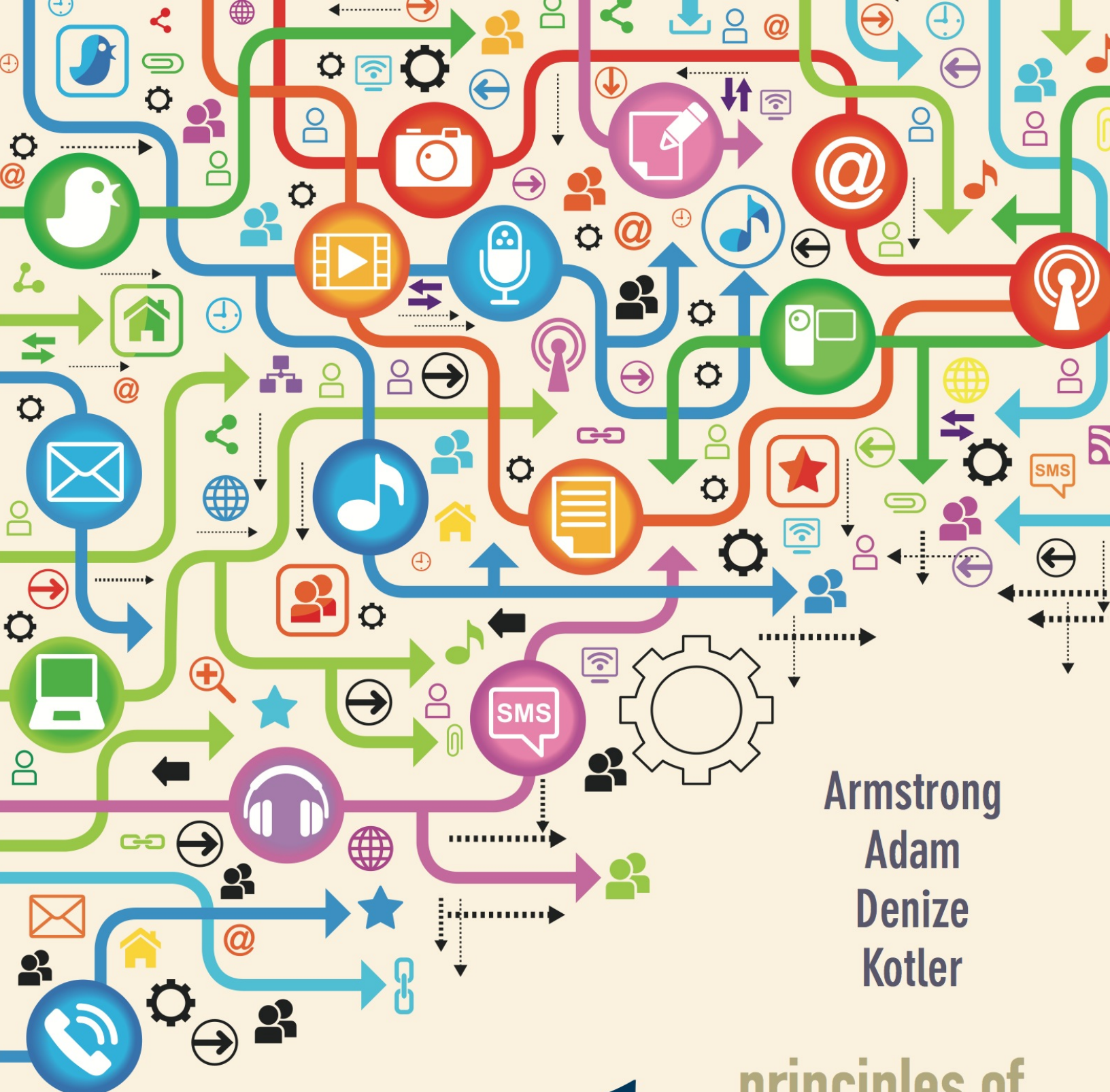
To my family – Maureen, Michael, Melissa and Vanessa

From Sara Denize

To my beautiful monsters – Sharn, Bianca, Pieter, Adele, Brittany, Nelson, Remy, James, Alicia, Jaz and Luca – with love

From Philip Kotler

To my wife Nancy, my daughters Amy, Melissa and Jessica, and my sons-in-law, Joel, Steve and Dan – with love



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PREFACE

Welcome to your *Principles of Marketing* package

The sixth edition of *Principles of Marketing* makes the road to learning and teaching marketing more effective, easier and more enjoyable than ever. Its streamlined approach strikes a careful balance between depth of coverage and ease of learning. The sixth edition's learning design – with revised integrative Concept Map features at the start of each chapter – enhances student understanding. *Principles of Marketing* ensures that you will come to class well prepared and leave with a richer understanding of basic marketing concepts, strategies and practices.

The marketing journey: Creating and capturing customer value

Top marketers all share a common goal: putting the consumer at the heart of marketing. Today's marketing is all about creating customer value and building profitable customer relationships. It starts with understanding consumer needs, wants and demands, deciding which target markets the organisation can serve best, and developing a compelling value proposition by which the organisation can attract, keep and grow targeted consumers. If the organisation does these things well, it will reap the rewards in terms of market share, profits and customer equity. In this sixth edition of *Principles of Marketing*, you will see how *customer value* – creating it and capturing it – drives every good marketing strategy.

New in the sixth edition

We have thoroughly revised the sixth edition of *Principles of Marketing* to reflect the major trends and forces that marketing must take into account in this era of customer value and relationships. Here are just some of the main changes you will find in this edition:

- The sixth edition builds on our **learning design**. The text's more active and integrative presentation includes in-chapter learning enhancements that guide you down the road to learning marketing. The chapter-opening layout provides a Concept Map that graphically previews and positions each chapter and its key concepts, providing you with a visual guide to more easily navigate the chapter. End-of-chapter features summarise important concepts and highlight important themes, such as marketing and the economy, technology, ethics and marketing financial analysis. We have added critical thinking questions and mini-cases to provide opportunities to practise marketing skills. In all, the new design enhances student understanding and facilitates learning.
- Throughout the sixth edition, you will find important coverage of the rapidly **changing nature of customer relationships** with companies and brands. Today's marketers aim to create deeper consumer involvement and a sense of community surrounding a brand – to make the brand a meaningful part of consumers' conversations and their lives. New relationship-building tools include everything from

websites, blogs, in-person events and video sharing, to online communities and social networks such as Facebook, YouTube, Twitter and LinkedIn, or the organisation's own social networking sites.

- Every chapter shows how companies are **marketing in turbulent local and international economies** in the aftermath of the global financial crisis, political unrest in the Middle East, and natural disasters in Asia, Oceania and Japan. Starting with sections on adding customer value in each chapter, and continuing with discussions and examples integrated throughout the text, the sixth edition shows how, now more than ever, marketers must focus on creating customer value and sharpening their value propositions to serve the needs of today's more frugal consumers.
- Increasingly, marketing is taking the form of two-way conversations between consumers and brands. The sixth edition contains material on the exciting trend towards **consumer-generated marketing**, by which marketers invite consumers to play a more active role in providing customer insights that shape new products and marketing communication among other developments. This can be seen in Chapters 11 and 13, in particular.
- This edition provides new and expanded discussions of new **marketing technologies**, from 'the immersive web' in Chapter 13 to radio frequency ID (RFID) in Chapter 10, to the new-age digital marketing and online technologies discussed in Chapters 1, 5, 11 and 13.
- In line with the text's emphasis on **measuring and managing return on marketing**, we have added marketing metrics discussions to an innovative *Appendix 1: Marketing Metrics Spotlights* to encourage students to apply analytical thinking to relevant concepts in related chapters. We have also included a number of mini cases at the end of each chapter to provide further opportunities to practise using marketing metrics.
- When discussing marketing strategy in Chapter 2, we interconnect the discussion with a sample **marketing plan** in Appendix 2. The marketing plan is set in the exciting mobile telephone market – a topic close to the heart of today's wired generations.
- The sixth edition provides refreshed and expanded coverage of the explosive developments in **integrated marketing communications** and **direct and digital marketing**. It discusses how marketers are incorporating a host of new digital and direct approaches in order to build and create more targeted, personal and interactive customer relationships. No other text provides more current or encompassing coverage of these exciting developments.
- In this edition we have cross-referenced the end-of-chapter discussion questions, critical thinking questions and mini cases to the chapter learning objectives and AACSB General Skill Area requirements.

Your marketing tools

A wealth of chapter-opening, within-chapter and end-of-chapter learning devices help students to learn, link and apply major concepts:

- *Chapter-opening Concept Maps*. Each chapter is introduced with a graphical concept map. These maps are designed to contextualise the main topics that are introduced in the chapter and discussed in detail. This innovation is designed to help the reader navigate each chapter and more easily interconnect the various elements that are discussed.
- *Figure Annotations*. Throughout the chapter, figure annotations ease and enhance student learning by explaining the figures.
- *Marketing in Action*. Each chapter contains one Marketing in Action (MIA) feature that delves into the real marketing practices of large and small companies.
- *Reviewing the Learning Objectives*. A summary at the end of each chapter reviews the main chapter concepts and links them to the chapter objectives.
- *Discussion and Critical Thinking Questions*. At the end of each chapter, issues are raised that form ideal tutorial questions since they invite discussion and the critical exploration of marketing ideas.

- *Navigating the Key Terms.* A helpful listing of chapter key terms by order of appearance with page numbers facilitates easy reference.
- *Ethical Reflections.* End-of-chapter ethical reflections present a counterpoint to mainstream marketing thinking.
- *Mini Cases.* Brief sections at the end of each chapter provide short application cases that facilitate discussion of current issues and company situations. The mini cases complement the longer cases provided at the end of each part. The end-of-part case studies link the learning objectives across the various chapters.
- *Marketing Metrics Spotlights.* Appendix 1 provides you with a comprehensive introduction to marketing and financial measures that help to guide, assess and support marketing.
- *Marketing Plan.* Appendix 2 contains a sample marketing plan that helps you to apply important marketing planning concepts.
- *FashionStatementX.* Appendix 3 is a mini case study which provides students with the opportunity to develop a strategic marketing plan for a new business.

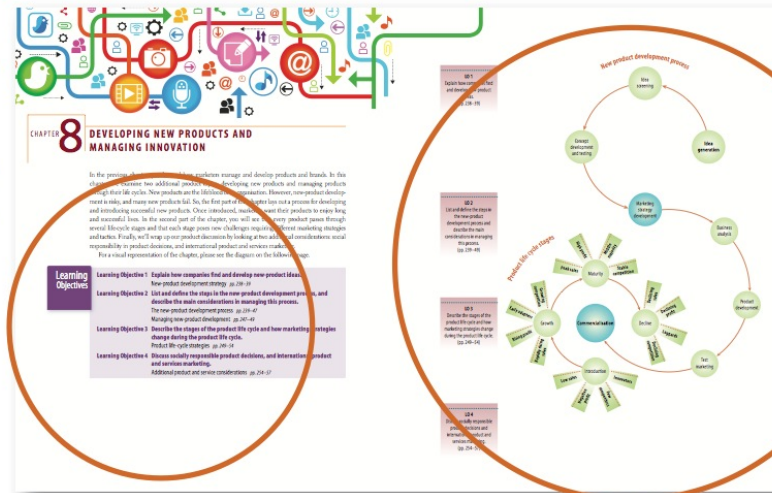
More than ever before, the sixth edition of *Principles of Marketing* provides an effective and enjoyable total package designed to guide you down the road to learning marketing!

Learning aids contained within this book

This text provides a practical, managerial approach to marketing and gives the reader a rich variety of examples and applications to illustrate the main decisions that marketing management faces in its efforts to balance the organisation’s objectives and resources against needs and opportunities in the global marketplace. These learning aids are illustrated on the following pages.

Learning objectives

Each chapter begins with learning objectives that prepare the reader for the chapter material and detail the learning goals.



Concept map

A marketing story introduces every chapter, providing a real-world context for the central themes of the chapter.



A VALUABLE LEARNING PACKAGE

MyMarketingLab for Armstrong/Adam/Denize/Kotler
Principles of Marketing, 6th edition

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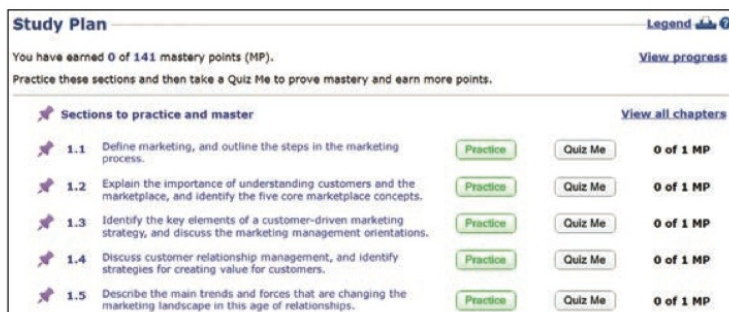
Educators can select content from the Study Plan and/or Test Bank and assign to students as homework or quizzes.

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Learning resources

To further reinforce understanding, Study Plan problems link to additional learning resources, such as relevant sections of the eText. Videos and simulations are also available for students.



Study plan

A personalised Study Plan is generated from each student's results on assignments or sample tests. The Study Plan indicates Learning Objectives where they need more practice, and helps them work towards mastery.



RESOURCES FOR EDUCATORS AND STUDENTS

A full suite of additional supplementary materials is provided with this textbook to assist teaching and learning. The educator resources contain a variety of useful features including:

A Test Bank of questions. Each chapter has a bank of Multiple choice, True/False, Short-answer and Essay type questions featuring problems of varying complexity and is now structured by Learning Objective for the educator's convenience with questions for every LO. The Testgen Test Bank has been tagged by topic, AACSB standards and also by difficulty level. It is now also available in Word as well as Pearson's Testgen which allows the creation of customised exams in minutes.

Solutions Manual. Fully revised and updated by leading subject matter experts to include the answers to all the questions contained in the text. For each chapter it provides the learning objectives, solutions to all end-of-chapter discussion questions, critical thinking exercises, case studies and mini cases, together with suggested answers for the Marketing in Action questions and additional class activities.

The **PowerPoint slides** have been updated to match the new edition. In response to market demand they now include additional teaching tips, illustrating key concepts to enhance the learning experience and engage students.

Digital Image PowerPoint slides. The full set of images, figures and tables from the text is provided together with the new edition's branded PowerPoint template enabling the personalisation of the lecturer's presentation.



ABOUT THE AUTHORS

As a team, the authors Gary Armstrong, Stewart Adam, Sara Denize and Philip Kotler provide a blend of skills and experience uniquely suited to writing the sixth edition of this widely acclaimed marketing text. Together they make the complex world of marketing come alive.



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But Professor Armstrong's first love has always been teaching. His long-held Blackwell Distinguished Professorship is the only permanent endowed professorship for distinguished undergraduate teaching at the University of North Carolina at Chapel Hill. He has been very active in the teaching and administration of Kenan-Flagler's undergraduate program. His administrative posts have included Chair of Marketing, Associate Director of the Undergraduate Business Program, Director of the Business Honors Program, and many others. Through the years, he has worked closely with business student groups and has received several campus-wide and Business School teaching awards. He is the only repeat recipient of the school's highly regarded Award for Excellence in Undergraduate Teaching, which he received three times. Most recently, Professor Armstrong received the UNC Board of Governors Award for Excellence in Teaching, the highest teaching honour bestowed by the 16-campus University of North Carolina system.



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Sara Denize is Associate Professor and Deputy Dean in the School of Business at the University of Western Sydney. A marketer through and through, she completed her Bachelor of Commerce (honours) degree with a major in marketing at the University of Otago, New Zealand, and followed up with a Master of Commerce by research a few years later. After moving to Australia, she completed her PhD at the University of Technology, Sydney. With over 25 years of experience as an educator, Dr Denize oversees undergraduate and postgraduate programs in business at the University of Western Sydney. She loves teaching and is keen to make all aspects of marketing and business education accessible and meaningful.

Her teaching accomplishments have been recognised in national teaching citations. Also a keen researcher, she continues to develop her interest in collaboration and information exchange in business marketing and innovation contexts.



Philip Kotler is the SC Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University, in the United States. He received his master's degree at the University of Chicago and his PhD at MIT, both in economics. Dr Kotler is author of *Marketing Management* (Pearson Prentice Hall), now in its 14th edition and the most widely used marketing textbook in graduate schools of business worldwide. He has authored dozens of other successful books and has written more than 100 articles in leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article in the *Journal of Marketing*.

Professor Kotler was named the first recipient of two major awards: the *Distinguished Marketing Educator of the Year Award* given by the American Marketing Association and the *Philip Kotler Award for Excellence in Health Care Marketing* presented by the Academy for Health Care Services Marketing. His numerous other major honours include the Sales and Marketing Executives International *Marketing Educator of the Year Award*; the European Association of Marketing Consultants and Trainers *Marketing Excellence Award*; the *Charles Coolidge Parlin Marketing Research Award* and the *Paul D Converse Award*, given by the American Marketing Association to honour 'outstanding contributions to science in marketing'. In a recent *Financial Times* poll of 1000 senior executives across the world, Professor Kotler was ranked as the fourth 'most influential business writer/guru' of the 21st century.

Dr Kotler has served as chairman of the College on Marketing of the Institute of Management Sciences, a director of the American Marketing Association and a trustee of the Marketing Science Institute. He has consulted with many major US and international companies in the areas of marketing strategy and planning, marketing organisation and international marketing. He has travelled and lectured extensively throughout Europe, Asia and South America, advising companies and governments about global marketing practices and opportunities.



THE DEVELOPMENT STORY

No book is the work only of its authors. We greatly appreciate the valuable contributions of several people who helped make this new edition possible.

Since the fifth Australian and New Zealand edition was published, a rigorous review and revision has taken place. The text was developed and reviewed by members of the Australian marketing field.

We would like to thank the following reviewers for their reviews, without which we would not have been able to create a text tailored to today's students and academics.

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- Part 1: 'Bellamy's Organic: Providing babies and young children with a pure start to life' – Dr Gemma Lewis, Tasmanian School of Business and Economics, University of Tasmania
- Part 3: 'Posse: Marketing the *social search engine* to business customers' – Benjamin Lucas, The University of Newcastle
- Part 4: 'Supermarket wars: Coles and Woolies battle for Australia's grocery dollar' – Jan Charbonneau, University of Tasmania.
- Appendix 3: 'FashionStatementX: A mini case study and marketing plan' – Michael Callaghan, Deakin University

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Gary Armstrong
Stewart Adam
Sara Denize
Philip Kotler



CHAPTER 1

MARKETING: CREATING AND CAPTURING CUSTOMER VALUE

You're beginning a journey into the science and practice of marketing – a journey that is both exciting and vital in the preparation for the career that awaits you. In this chapter, we start with the question, 'What is marketing?' Simply put, marketing is managing profitable customer relationships. The aim of marketing is to create value *for* customers and to capture value *from* customers in return. We start with a definition of marketing before proceeding to discuss the five steps in the marketing process – from understanding customer needs, to designing customer-driven marketing strategies and integrated marketing programs, to building customer relationships and capturing value for the firm as shown in Figure 1.1. Finally, we discuss the major trends and forces affecting marketing in this age of customer relationships. Understanding these basic concepts, and forming your own ideas about what they really mean to you, will give you a solid foundation for all that follows.

As you start this chapter, we suggest that you pay close attention to the visual representation on the next page, which is designed to give you a 'helicopter' view of the main concepts covered. You will find such a visual representation at the start of each chapter.

Learning Objectives

- Learning Objective 1 Define marketing, and outline the steps in the marketing process.**
What is marketing? pp. 4–5
- Learning Objective 2 Explain the importance of understanding customers and the marketplace, and identify the five core marketplace concepts.**
Understanding the marketplace and customer needs pp. 5–9
- Learning Objective 3 Identify the key elements of a customer-driven marketing strategy, and discuss the marketing management orientations that guide marketing strategy.**
Designing a customer-driven marketing strategy pp. 9–13
Preparing an integrated marketing plan and program pp. 13–14
- Learning Objective 4 Discuss customer relationship management, and identify strategies for creating value *for* customers and capturing value *from* customers in return.**
Building customer relationships pp. 14–18
Capturing value from customers pp. 18–21
- Learning Objective 5 Describe the main trends and forces that are changing the marketing landscape in this age of relationships.**
The changing marketing landscape pp. 21–29

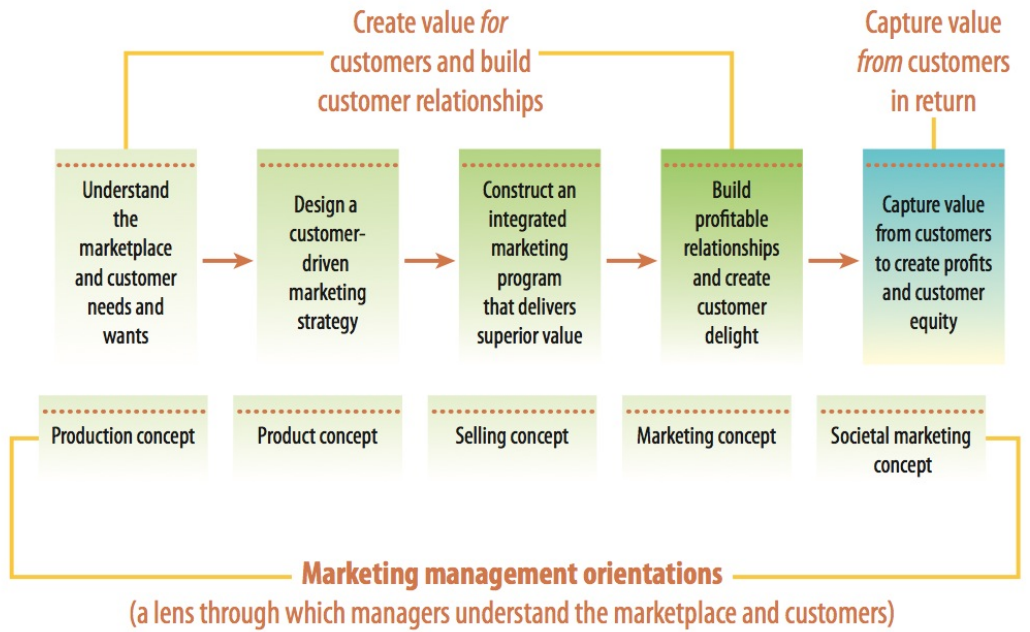
LO 1
 Define marketing and outline the steps in the marketing process.
 (pp. 4–5)

LO 2
 Explain the importance of understanding customers and the marketplace, and identify the five core marketplace concepts.
 (pp. 5–9)

LO 3
 Identify the key elements of a customer-driven marketing strategy and discuss the marketing management orientations that guide marketing strategy.
 (pp. 9–14)

LO 4
 Discuss customer relationship management, and identify strategies for creating value for customers and capturing value from customers in return.
 (pp. 18–21)

LO 5
 Describe the major trends and forces that are changing the marketing landscape in this age of relationships.
 (pp. 21–29)



➔ What is marketing? (pp. 4–5)

Marketing, more than any other business function, deals with customers. Although we will soon explore more-detailed definitions of marketing, perhaps the simplest definition is this one: *Marketing is managing profitable customer relationships*. The twofold goal of marketing is to attract new customers by promising superior value, and to keep and grow current customers by delivering satisfaction.

Marketing comes to you in traditional forms such as the products you see on supermarket shelves and in the windows of shopping centre boutiques, as well as in the advertising you see and hear in newspapers and magazines, and on television and radio. However, in recent years, marketers have adopted a host of new marketing approaches, using everything from imaginative websites and online social networks to smartphone apps. These new approaches do more than just blast out messages to the masses. They reach you directly and personally. Today's marketers want to become a part of your life and enrich your experiences with their brands – to help you *live* their brands.

When we examine successful marketing organisations, we see that many factors contribute to making a business or other organisational type successful. These factors include great strategy, dedicated employees, good information systems and excellent implementation, among others. However, today's successful organisations at all levels have one thing in common – they have a strong market orientation, which means that they are focused on their customers and their competitors, and they have a commitment to sharing this marketing information with all parts of the organisation.¹ These organisations, mostly for-profit companies from our perspective, share an absolute dedication to understanding and satisfying the needs of customers in well-defined target markets. They motivate everyone in the organisation to produce superior value for their customers, leading to high levels of customer satisfaction.

Creating excitement, customer value and satisfaction is at the very heart of modern marketing thinking and practice. The goal of marketing is to attract new customers by promising superior value, and to keep current customers by delivering satisfaction. As Peter Drucker, a leading management thinker, put it:

Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view... Business success is not determined by the producer but by the customer.²

Marketing defined

Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

How is marketing defined? We define **marketing** as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.³ To explain this definition, we examine many important terms in this chapter, some of which originated with an earlier definition of marketing that stood for over 50 years: customer needs, wants and demands; market offerings; value, satisfaction and quality; exchange, transactions and relationships; and markets.

The marketing process

Figure 1.1 presents a simple five-step model of the marketing process. In the first four steps, marketing organisations uncover knowledge about consumers, create customer value and build strong customer relationships. In the final step, companies reap the rewards of creating superior customer value. By creating value *for* consumers, they in turn capture value *from* consumers in the form of sales, profits and long-term customer equity.

In this chapter and the next, we examine the steps in this model of the marketing process. In this chapter, we review each step but focus more on the customer relationship management steps – understanding customers, building customer relationships and capturing value from customers. In Chapter 2, we look more deeply into the second and third steps – designing marketing strategies and constructing marketing programs.

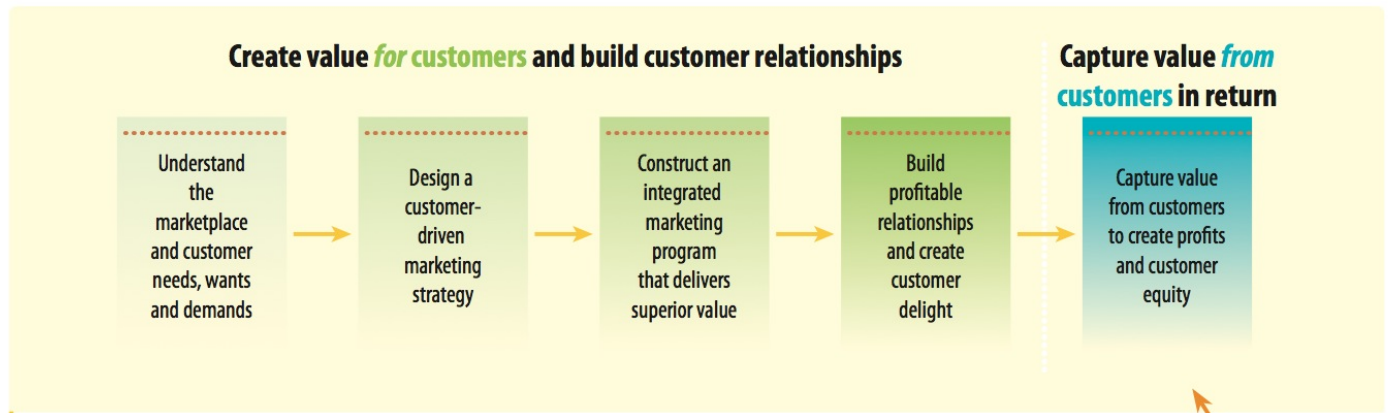


FIGURE 1.1 A simple model of the marketing process

SELF CHECK QUESTION

- 1 Consider the definition of marketing presented in this section. Do you feel that the definition is right for the times?

Understanding the marketplace and customer needs

(pp. 5–9)

As a first step, marketers need to understand customer needs, wants and demands, and the marketplace within which they operate. We now examine five core customer and marketplace concepts: *customer needs, wants and demands*; *market offerings – goods, services and experiences*; *customer value and satisfaction*; *exchanges and relationships*; and *markets*.

Figure 1.2 shows how these core marketing concepts are linked, with each concept building on the one before. Market offerings are the various product forms we examine in detail in Chapters 7 and 8. We discuss value, satisfaction and quality throughout the book. We begin our discussion of customer needs, wants and demands in this chapter, and examine them further in Chapters 4 and 5. The nature of exchange, transactions, relationships and markets is examined in this chapter and throughout the book.

Customer needs, wants and demands

The most basic concept underlying marketing is that of human needs. Human **needs** are states of felt deprivation. Humans have many complex needs. These include basic *physical* needs for food, clothing, warmth and safety; *social* needs for belonging and affection; and *individual* needs for knowledge and self-expression. While marketers may stimulate these needs, they do not create them for they are a basic part of human makeup. When a need is not satisfied, a person will try either to reduce the need or look for an object that will satisfy it. People in less developed societies might try to reduce their desires and satisfy them with what is available. People in industrial societies might try to find or develop objects that will satisfy their needs.

Wants are the form taken by human needs as they are shaped by culture and individual personality. A hungry person in Australia, Singapore or Hong Kong might want a rice or noodle dish for a quick lunch, accompanied by green tea. A hungry person in the South Pacific might want mangoes, suckling pig and beans. Wants are described in terms of objects that will satisfy needs. As a society evolves, the wants of its members expand. As people are exposed to more objects that arouse their interest and desire, producers try to provide more want-satisfying goods and services.

People have almost unlimited wants but limited resources. Thus, they want to choose products that provide the most value and satisfaction for their money. When backed by buying power, wants become

This important figure shows marketing in a nutshell! By creating value for customers, marketers capture value from customers in return. This five-step process forms the marketing framework for the rest of the chapter and the rest of the text.

Needs

States of felt deprivation.

Wants

The form human needs take as shaped by culture and individual personality.

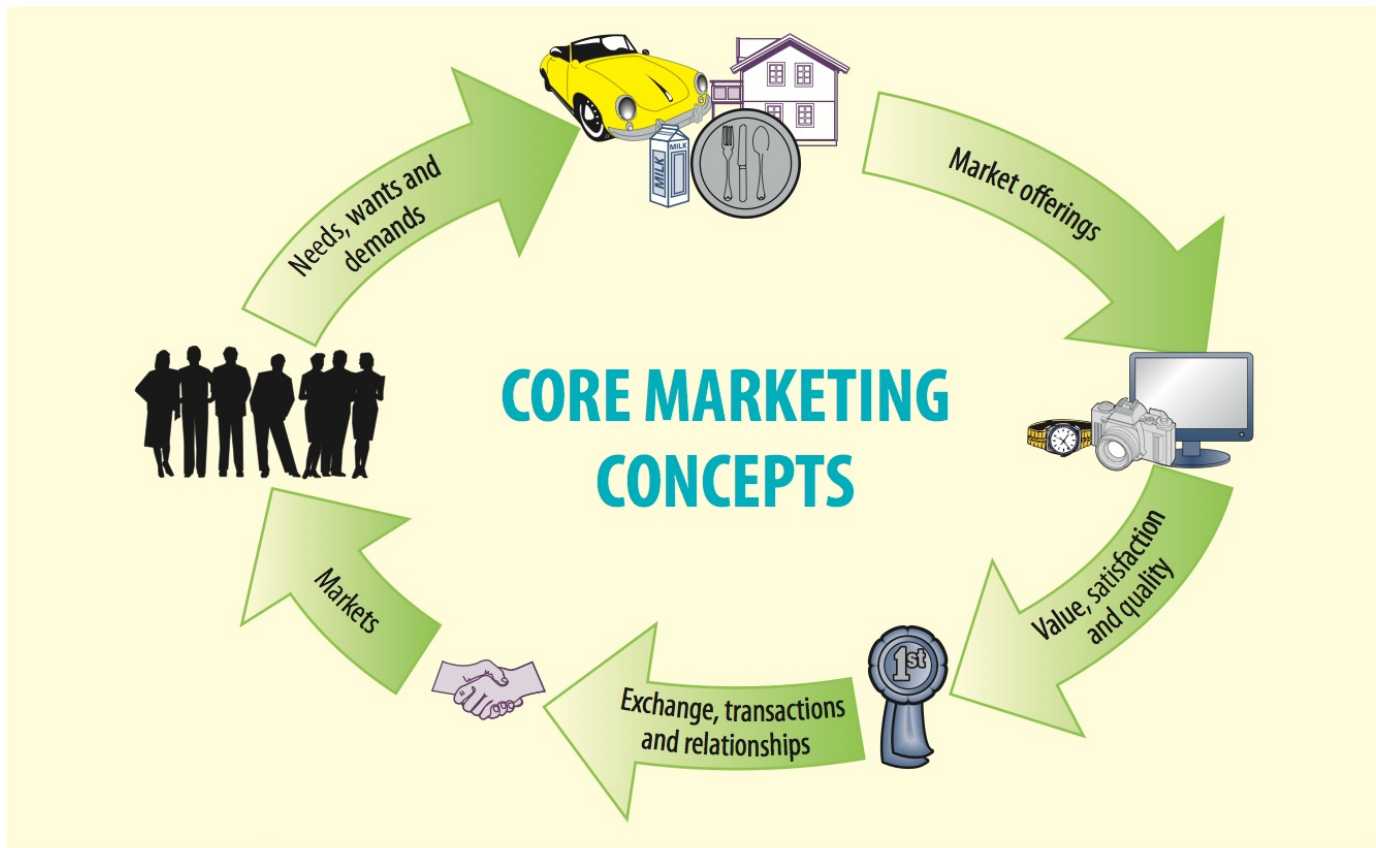


FIGURE 1.2 Five core customer and marketplace concepts

Demands

Human wants that are backed by buying power.

demands. Consumers view products as bundles of benefits and choose products that give them the best bundle for their money. Thus, a Hyundai or Kia brand car from South Korea means basic transportation, low price and fuel economy. An Audi, BMW, Lexus, Infiniti or Mercedes-Benz car means comfort, luxury and status. Given their wants and resources, people demand products with the benefits that add up to the most satisfaction.

Outstanding marketers, whether profit-oriented companies, citizen-focused government or not-for-profit organisations, go to great lengths to learn about and understand their customers' needs, wants and demands. They conduct qualitative research such as small focus groups and customer clinics to ascertain if there are unmet needs, wants and demands. They conduct quantitative research on a larger scale to ascertain the magnitude of the unmet needs, wants and demands. They seek customer insights when they examine their databases for patterns hidden in purchase data, customer complaints, inquiries, warranty claims and service performance data. They train salespeople and other frontline personnel to be on the lookout for unfulfilled customer needs. They observe customers using their own and competing products, and interview them in-depth about their likes and dislikes.⁴ Understanding customer needs, wants and demands in detail provides important input for designing marketing strategies. Managers in these organisations go so far as to spend time in the field getting close to their customers.

Market offerings: Goods, services and experiences

Market offering

Some combination of products, services, information or experiences offered to a market to satisfy a need or want.

People satisfy their needs, wants and demands with products. A **market offering** is a product that is some combination of goods, services and experiences that can be offered to a market to satisfy a need or want. Usually the word *product* suggests a physical object such as a car, an iPad or a bar of soap. However, the concept of product is not limited to physical objects; anything capable of satisfying a need can be called a product. The importance of products that are physical objects lies not so much in owning them as in the

benefits they provide. We buy food not to look at, but because it satisfies our hunger. We buy a microwave not to admire its utility, but because it defrosts or cooks our food.

Marketers often use the expressions *goods* and *services/experiences* to distinguish between products that have physical form and those that do not – that is, those that are intangible. However, in Chapter 9 we show that there is a continuum involved and not a clear-cut dichotomy. Consumers also obtain benefits through experiences, people, places, organisations, activities and ideas, and so we call these products, too. Consumers decide which entertainers to watch at the movies and on television, which places to visit on holiday, which organisations to support through contributions, and which ideas to adopt. Thus, the term *product* covers physical goods, services, experiences, and a variety of other offerings that satisfy consumers' needs and wants. If at times the term seems not to fit, we could substitute words such as *satisfier*, *resource* or *offer*. In the broadest sense, market offerings also include other entities, such as *persons*, *places*, *organisations*, *information* and *ideas*.

Many sellers make the mistake of paying more attention to the attributes of the products they offer than to the benefits produced by these products. They see themselves as selling a product, rather than providing a solution to a need. A manufacturer of drill bits may think that the customer needs a drill bit, but what the customer really needs is a hole. These sellers suffer from '**marketing myopia**'.⁵ They are so taken with their products that they focus only on existing wants and lose sight of underlying customer needs. They forget that a product is only a tool to solve a consumer's problem and they will have trouble if a new product comes along that serves the need better or less expensively. The customer with the same need will, all things being equal, want the new product.

Smart marketers look beyond the attributes of the products and services they sell. By orchestrating several services and products, they create *brand experiences* for consumers. For example, you do not just watch a V8 Supercar or MotoGP motorcycle race; you immerse yourself in the exhilarating, high-octane experience that the many on-board mini-cameras now provide.

Exchanges, transactions and relationships

Marketing occurs when people decide to satisfy needs and wants through exchange relationships. **Exchange** is the act of obtaining a desired object from someone by offering something in return. In the broadest sense, the marketer tries to bring about a response to some market offering. The response may be more than simply buying or trading products and services. A political candidate, for instance, wants votes, a golf club wants members, an orchestra wants an audience, an online community of practice such as BimmerPost (BMW owners) wants subscribers who help each other, and a social action group such as Amnesty Australia wants idea acceptance.

Whereas exchange is the core concept of marketing, a **transaction** is marketing's unit of measurement. A transaction consists of a trade of values between two parties. In a transaction, we must be able to say that one party gives X to another party and gets Y in return. For example, if you pay \$1650 for a television set to Harvey Norman in Sydney, or Electric City store in Singapore, you are engaged in a classic monetary transaction.

Marketing consists of actions taken to build and maintain desirable exchange *relationships* with target audiences involving a product, service, idea or other object. Beyond simply attracting

Marketing myopia

The mistake of paying more attention to the specific products a company offers than to the benefits and experiences produced by these products.

Exchange

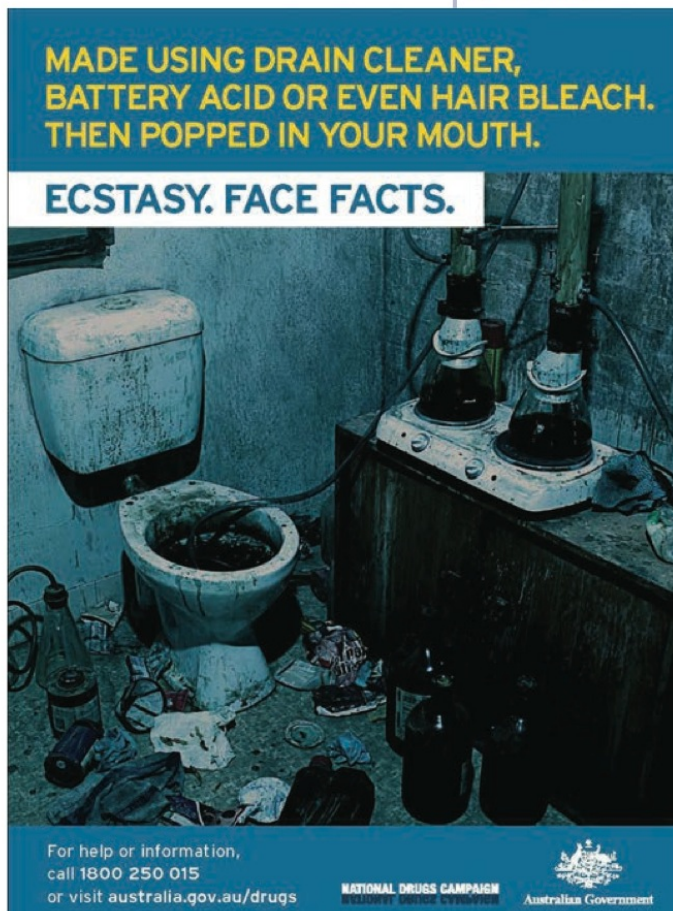
The act of obtaining a desired object from someone by offering something in return.

Transaction

A trade between two parties that involves at least two things of value, agreed-upon conditions, and a time and place of agreement.

Product offerings: Social causes are products ... Often demarketing is involved.

Department of Health



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