

Glossary

ad hoc research a research project that focuses on a specific problem, collecting data at one point in time from one sample of respondents

administered vertical marketing system a channel situation where a manufacturer that dominates a market through its size and strong brands may exercise considerable power over intermediaries even though they are independent

advertising agency an organization that specializes in providing services such as media selection, creative work, production and campaign planning to clients

advertising any paid form of non-personal communication of ideas or products in the prime media (i.e. television, the press, posters, cinema and radio, the Internet and direct marketing)

advertising message the use of words, symbols and illustrations to communicate to a target audience using prime media

advertising platform the aspect of the seller's product that is most persuasive and relevant to the target consumer

attitude the degree to which a customer or prospect likes or dislikes a brand

awareness set the set of brands that the consumer is aware may provide a solution to a problem

beliefs descriptive thoughts that a person holds about something

benefit segmentation the grouping of people based on the different benefits they seek from a product

bonus pack pack giving the customer extra quantity at no additional cost

brainstorming the technique whereby a group of people generate ideas without initial evaluation; only when the list of ideas is complete is each one then evaluated

brand a distinctive product offering created by the use of a name, symbol, design, packaging, or some combination of these intended to differentiate it from its competitors

brand equity the goodwill associated with a brand name, which adds tangible value to a company through the resulting higher sales and profits

brand extension the use of an established brand name on a new brand within the same broad market

brand stretching the use of an established brand name for brands in unrelated markets

brand values the core values and characteristics of a brand

business analysis a review of the projected sales, costs and profits for a new product to establish whether these factors satisfy company objectives

business mission the organization's purpose, usually setting out its competitive domain, which distinguishes the business from others of its type

buying centre a group which is involved in the buying decision; also known as a decision-making unit (DMU) in industrial buying situations

catalogue marketing the sale of products through catalogues distributed to agents and customers, usually by mail or at stores

category management the management of brands in a group, portfolio or category, with specific emphasis on the retail trade's requirements

cause-related marketing the commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit

change master a person who develops an implementation strategy to drive through organizational change

channel integration the way in which the players in the channel are linked

channel intermediaries organizations that facilitate the distribution of products to customers

channel of distribution the means by which products are moved from the producer to the ultimate consumer

channel strategy the selection of the most effective distribution channel, the most appropriate level of distribution intensity and the degree of channel integration

choice criteria the various attributes (and benefits) people use when evaluating products and services

classical conditioning the process of using an established relationship between a stimulus and a response to cause the learning of the same response to a different stimulus

cognitive dissonance post-purchase concerns of a consumer arising from uncertainty as to whether a decision to purchase was the correct one

cognitive learning the learning of knowledge, and development of beliefs and attitudes without direct reinforcement

competitive advantage (1) a clear performance differential over the competition on factors that are important to target customers (2) the attempt to achieve superior performance through differentiation to provide superior customer value or by managing to achieve lower delivered cost

competitive bidding drawing up detailed specifications for a product and putting the contract out to tender

competitor analysis an examination of the nature of actual and potential competitors, their objectives and strategies

competitor targets the organizations against which a company chooses to compete directly

concept testing testing new product ideas with potential customers

concession analysis the evaluation of things that can be offered to someone in negotiation, valued from the viewpoint of the receiver

consumer panel household consumers who provide information on their purchases over time

consumer pull the targeting of consumers with communications (e.g. promotions) designed to create demand that will pull the product into the distribution chain

continuous research repeated interviewing of the same sample of people

contractual vertical marketing system a franchise arrangement (e.g. a franchise) tying producers and resellers together

control the stage in the marketing planning process or cycle when the performance against plan is monitored so that corrective action can be taken, if necessary

core strategy the means of achieving marketing objectives, including target markets, competitor targets and competitive advantage

corporate vertical marketing system a channel situation where an organization gains control of distribution through ownership

culture the traditions, taboos, values and basic attitudes of the whole society in which an individual lives

customer analysis a survey of who the customers are, what choice criteria they use, how they rate competitive offerings and on what variables they can be segmented

customer benefits those things that a customer values in a product; customer benefits derive from product features

customer relationship management (CRM) the practice of using information technology to build customer profiles with the objective of identifying, serving and retaining the 'best' customers

customer satisfaction the fulfilment of customers' requirements or needs

customer value perceived benefits minus perceived sacrifice

customized marketing a market coverage strategy where a company decides to target individual customers, and to develop separate marketing mixes for each

database marketing an interactive approach to marketing, which uses individually addressable marketing media and channels to provide information to a target audience, stimulate demand and stay close to customers

decision-making process the stages that organizations and people pass through when purchasing a physical product or service

depth interviews the interviewing of consumers individually for perhaps one or two hours with the aim of understanding their attitudes, values, behaviour and/or beliefs

differentiated marketing a market coverage strategy where a company decides to target several market segments, and to develop separate marketing mixes for each

differentiation strategy the selection of one or more customer choice criteria, and positioning the offering accordingly to achieve superior customer value

diffusion of innovation process the process by which a new product spreads throughout a market over time

direct mail material sent through the postal service to the recipient's house or business address promoting a product and/or maintaining an ongoing relationship

direct marketing (1) acquiring and retaining customers without the use of an intermediary; (2) the distribution of products, information and promotional benefits to target consumers through interactive communication in a way that allows response to be measured

direct response advertising the use of the prime advertising media such as television, newspapers and magazines to elicit an order, enquiry or a request for a visit

distribution analysis an examination of movements in power bases, channel attractiveness, physical distribution and distribution behaviour

distribution push the targeting of channel intermediaries with communications (e.g. promotions) to push the product into the distribution chain

e-commerce the use of technologies such as the Internet, electronic data interchange (EDI), e-mail and electronic payment systems to streamline business transactions

e-commerce marketing mix the extension of the traditional marketing mix to include the opportunities afforded by new electronic media such as intranets

economic value to the customer (EVC) the amount a customer would have to pay to make the total life cycle costs of a new and a reference product the same

effectiveness doing the right thing, making the correct strategic choice

efficiency a way of managing business processes to a high standard, usually concerned with cost reduction; also called 'doing things right'

electronic data interchange (EDI) a pre-Internet technology, which was developed to permit organizations to use linked computers for the rapid exchange of information

environmental scanning the process of monitoring and analysing the marketing environment of a company

ethics the moral principles and values that govern the actions and decisions of an individual or group

evoked set the set of brands that the consumer seriously evaluates before making a purchase

exclusive distribution an extreme form of selective distribution where only one wholesaler, retailer or industrial distributor is used in a geographical area to sell the products of a particular supplier

experimentation the application of stimuli (e.g. two price levels) to different matched groups under controlled conditions for the purpose of measuring their effect on a variable (e.g. sales)

exploratory research the preliminary exploration of a research area prior to the main data collection stage

family brand name a brand name used for all products in a range

focus group a group, normally of six to eight consumers, brought together for a discussion focusing on an aspect of a company's marketing

focused marketing a market coverage strategy where a company decides to target one market segment with a single marketing mix

franchise a legal contract in which a producer and channel intermediaries agree each others' rights and obligations; the intermediary usually receives marketing, managerial, technical and financial services in return for a fee

full cost pricing pricing so as to include all costs, and based on certain sales volume assumptions

functional organization an organizational structure built around specific functions such as selling, marketing, finance, production, etc.

geodemographics the process of grouping households into geographic clusters based upon such information as type of accommodation, occupation, number and age of children, and ethnic background

global branding achievement of brand penetration worldwide

going-rate prices prices at the rate generally applicable in the market, focusing on competitors' offerings rather than on company costs

group discussion a group, usually of six to eight consumers, brought together for a discussion focusing on an aspect of a company's marketing strategy

hall tests bringing a sample of target consumers to a room that has been hired so that alternative marketing ideas (e.g. promotions) can be tested

horizontal electronic marketplaces online procurement sites that cross several industries and are typically used to source low-cost supplies such as MRO items

individual brand name a brand name that does not identify a brand with a particular company

industry a group of companies that market products that are close substitutes for each other

information framing the way in which information is presented to people

information processing the process by which a stimulus is received, interpreted, stored in memory and later retrieved

information search the identification of alternative ways of problem solving

inseparability a characteristic of services, namely that their production cannot be separated from their consumption

intangibility a characteristic of services, namely that they cannot be touched, seen, tasted or smelled

integrated marketing communications the concept that companies co-ordinate their marketing communications tools to deliver a clear, consistent, credible and competitive message about the organization and its products

intensive distribution the aim is to provide saturation coverage of the market by using all available outlets

internal marketing training, motivating and communicating with customer-facing employees to cause them to work effectively in providing customer satisfaction; more recently the term has been expanded to include marketing to all staff with the aim of achieving the acceptance of marketing ideas and plans

Internet a vast global computer network that permits instant global communication, such as the gathering and sharing of information, and offers the facility for users to communicate with one another

Internet and online marketing the distribution of products, information and promotional benefits to consumers through electronic media

just-in-time (JIT) the JIT concept aims to minimize stocks by organizing a supply system that provides materials and components as they are required

key account management an approach to selling that focuses resources on major customers and uses a team selling approach

lifestyle the pattern of living as expressed in a person's activities, interests and opinions

lifestyle segmentation the grouping of people according to their pattern of living as expressed in their activities, interests and opinions

macroenvironment a number of broader forces that affect not only the company but the other actors in the environment, e.g. social, political, technological and economic

manufacturer brands brands that are created by producers and bear their chosen brand name

marginal cost pricing the calculation of only those costs that are likely to rise as output increases

market segmentation the process of identifying individuals or organizations with similar characteristics that have significant implications for the determination of marketing strategy

market testing the limited launch of a new product to test sales potential

market-centred organization an organizational structure built around specific market segments or distributors

marketing audit a systematic examination of a business's marketing environment, objectives, strategies and activities with a view to identifying key strategic issues, problem areas and opportunities

marketing concept the achievement of corporate goals through meeting and exceeding customer needs better than the competition

marketing control the stage in the marketing planning process or cycle when performance against plan is monitored so that corrective action can be taken if necessary

marketing environment the actors and forces that affect a company's capability to operate effectively in providing products and services to its customers

marketing information system a system in which marketing information is formally gathered, stored, analysed and distributed to managers in accordance with their informational needs on a regular, planned basis

marketing mix a framework for the tactical management of the customer relationship, including product, place, price, promotion (the 4-Ps); in the case of services, three other elements to be taken into account are process, people and physical evidence

marketing objectives there are two types of marketing objective—strategic thrust, which dictates which products should be sold in which markets, and strategic objectives, which are product-level objectives, such as build, hold, harvest and divest

marketing orientation companies with a marketing orientation focus on customer needs as the primary drivers of organizational performance

marketing planning the process by which businesses analyse the environment and their capabilities, decide upon courses of marketing action and implement those decisions

marketing research the gathering of data and information on the market

marketing structures the marketing frameworks (organization, training and internal communications) on which marketing activities are based

marketing systems sets of connected parts (information, planning and control) that support the marketing function

mass customization the opposite to mass production, which means that all products produced are customized to the predetermined needs of a specific customer

matrix organization an organizational structure that combines two approaches, such as a product-based and market-centred structures

media class decision the choice of prime media (i.e. the press, cinema, television, posters, radio) or some combination of these

media vehicle decision the choice of the particular newspaper, magazine, television spot, poster site, etc.

microenvironment the actors in the firm's immediate environment that affect its capability to operate effectively in its chosen markets—namely, suppliers, distributors, customers and competitors

modified rebuy where a regular requirement for the type of product exists and the buying alternatives are known but sufficient (e.g. a delivery problem has occurred) to require some alteration to the normal supply procedure

money-off promotions sales promotions that discount the normal price

motivation the process involving needs that set drives in motion to accomplish goals

new task refers to the first-time purchase of a product or input by an organization

omnibus survey a regular survey, usually operated by a market research specialist company which asks questions of respondents

operant conditioning the use of rewards to generate reinforcement of response

own-label brands brands created and owned by distributors or retailers

parallel importing when importers buy products from distributors in one country and sell them in another to distributors who are not part of the manufacturer's normal distribution; caused by significant price differences for the same product between different countries

perception the process by which people select, organize and interpret sensory stimulation into a meaningful picture of the world

perishability a characteristic of services, namely that the capacity of a service business, such as a hotel room, cannot be stored—if it is not occupied, there is lost income that cannot be recovered

personal selling oral communication with prospective purchasers with the intention of making a sale

personality the inner psychological characteristics of individuals that lead to consistent responses to their environment

place the distribution channels to be used, outlet locations, methods of transportation

portfolio planning managing groups of brands and product lines

positioning the choice of target market (*where* the company wishes to compete) and differential advantage (*how* the company wishes to compete)

premiums any merchandise offered free or at low cost as an incentive to purchase

price (1) the amount of money paid for a product; (2) the agreed value placed on the exchange by a buyer and seller

price unbundling pricing each element in the offering so that the price of the total product package is raised

product a good or service offered or performed by an organization or individual, which is capable of satisfying customer needs

product features the characteristics of a product that may or may not convey a customer benefit

product life cycle a four-stage cycle in the life of a product, illustrated as a curve representing the demand; the four stages being introduction, growth, maturity and decline

product line a group of brands that are closely related in terms of the functions and benefits they provide

product mix the total set of products marketed by a company

product-based organization an organizational structure built around specific products or product categories

production orientation a business approach that is inwardly focused either on costs or on a definition of a company in terms of its production facilities

profile segmentation the grouping of people in terms of profile variables such as age and socio-economic group so that marketers can communicate to them

promotional mix advertising, personal selling, sales promotion, public relations and direct marketing

proposal analysis the prediction and evaluation of proposals and demands likely to be made by someone with whom one is negotiating

prospecting searching for and calling upon potential customers

psychographic segmentation the grouping of people according to their lifestyle and personality characteristics

psychological pricing taking into consideration the psychological impact of the price level that is being set

public relations the management of communications and relationships to establish goodwill and mutual understanding between an organization and its public

publicity the communication of a product or business by placing information about it in the media without paying for time or space directly

qualitative research exploratory research that aims to understand consumers' attitudes, values, behaviour and beliefs

reasoning a more complex form of cognitive learning where conclusions are reached by connected thought

reference group a group of people, which influences an individual's attitude or behaviour

relationship marketing the process of creating, maintaining and enhancing strong relationships with customers and other stakeholders

repositioning changing the target market or differential advantage, or both

research brief written document stating the client's requirements

research proposal a document defining what the marketing research agency promises to do for its client and how much it will cost

retail audit a type of continuous research tracking the sales of products through retail outlets

retail positioning the choice of target market and differential advantage for a retail outlet

reverse marketing the process whereby the buyer attempts to persuade the supplier to provide exactly what the organization wants

rote learning the learning of two or more concepts without conditioning

safety (buffer) stocks stocks or inventory held to cover against uncertainty about resupply lead-times

sales promotion incentives to customers or the trade that are designed to stimulate purchase

salesforce evaluation the measurement of salesperson performance so that strengths and weaknesses can be identified

salesforce motivation the motivation of salespeople by a process that involves needs, which set encouraging drives in motion to accomplish goals

sampling process a term used in research to denote the selection of a subset of the total population in order to interview them

secondary research data that has already been collected by another researcher for another purpose

selective attention the process by which people screen out those stimuli that are neither meaningful to them nor consistent with their experiences and beliefs

selective distortion the distortion of information received by people according to their existing beliefs and attitudes

selective distribution the use of a limited number of outlets in a geographical area to sell the products of a particular supplier

selective retention the process by which people only retain a selection of messages in memory

service any deed, performance or effort carried out for the customer

shareholder value the returns to a company's shareholders, which grow when the company increases its dividends or its share price rises

social responsibility the ethical principle that a person or an organization should be accountable for how its actions might affect the physical environment and the general public

straight rebuy refers to a purchase by an organization from a previously approved supplier of a previously purchased item

strategic business unit a business or company division serving a distinct group of customers and with a distinct set of competitors, usually strategically autonomous

strategic issues analysis an examination of the suitability of marketing objectives and segmentation bases in the light of changes in the marketplace

strategic objectives product-level objectives relating to the decision to build, hold, harvest or divest products

strategic thrust the decision concerning which products to sell in which markets

SWOT analysis a structured approach to evaluating the strategic position of a business by identifying its strengths, weaknesses, opportunities and threats

target audience the group of people at which an advertisement or message is aimed

target market a segment that has been selected as a focus for the company's offering or communications

target marketing selecting a segment as the focus for a company's offering or communications

telemarketing a marketing communications system whereby trained specialists use telecommunications and information technologies to conduct marketing and sales activities

test marketing the launch of a new product in one or a few geographic areas chosen to be representative of the intended market

trade-off analysis a measure of the trade-off customers make between price and other product features, so that their effects on product preference can be established

undifferentiated marketing a market coverage strategy where a company decides to ignore market segment differences, and to develop a single marketing mix for the whole market

value chain the set of the firm's activities that are conducted to design, manufacture, market, distribute and service its products

variability a characteristic of services, namely that being delivered by people; the standard of their performance is open to variation

vertical electronic marketplaces online procurement sites that are dedicated to sourcing supplies for producers in one particular industry

vicarious learning learning from others without direct experience or reward

website a www file that contains text, pictures and/or sound

World Wide Web a collection of computer files that can be accessed via the Internet allowing documents containing text, images, sound and/or video to be used