

Glossary

- Above-the-line advertising** advertising in the mass media, including press, radio, television, and posters
- ACORN** stands for A Classification of Residential Neighbourhoods, which is a system of UK geodemographic segmentation provided by the CACI company
- Acquisition** usually, the purchase of a company by another company
- Adapted marketing mix** an international marketing strategy for changing the marketing mix for each international target market
- Ad-hoc research** a research project which focuses on a specific problem
- Administered vertical marketing system** a channel situation where a manufacturer who dominates a market through its size and strong brands may exercise considerable power over intermediaries even though they are independent
- 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 agency** an organization which specializes in providing services such as media selection, creative work, production and campaign planning to clients
- Advertising allowance** money paid to a retailer by a manufacturer for featuring its brands in the retailer's advertising
- Advertising clutter** the confusion caused by the presence of many advertisers using the same media
- 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
- Agent** (1) generally, a representative of a company (2) an organization which acts for another usually in an intermediary role and paid on commission
- AIDA** awareness, interest, desire, action – the stages through which a consumer is believed to pass before purchasing a product
- Ambush marketing** originally referred to activities of companies who try to associate themselves with an event (e.g. the Olympics) without paying any fee to the event owner; now meaning the sponsoring of the television coverage of a major event, national teams and the support of individual sportspeople
- ATR** awareness, trial, reinforcement – the stages a consumer is said to pass through when buying a product in a low involvement situation
- Attitude** the degree to which a customer or prospect likes or dislikes a product
- Automatic vending** machines retailing products in convenient locations 24 hours a day
- Awareness set** the set of brands that the consumer is aware may provide a solution to the problem
- Banded pack offer** a free sample of one brand banded to another
- Barter** payment for goods with goods with no direct use of money
- Beliefs** descriptive thoughts that a person holds about something
- Below-the-line advertising** point-of-purchase material, direct mail, exhibitions – i.e. non-mass-media advertising
- Benefit segmentation** the grouping of people based upon the different benefits they seek from a product

- Benefits** the advantages which customers seek from buying a particular brand or product
- Bonus** an additional amount paid to e.g. a salesperson on top of salary and commission in recognition of exceptional performance
- Bonus pack** giving a customer extra quantity at no additional cost
- Brainstorming** the technique where a group of people generate ideas without initial evaluation. Only when the list of ideas is complete is each idea 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 assets** the distinctive features of a brand
- Brand domain** the brand's target market
- Brand extension** the use of an established brand name on a new brand within the same broad market
- Brand equity** the goodwill associated with a brand name which adds tangible value to a company through the resulting higher profits and sales
- Brand heritage** the background to the brand and its culture
- Brand personality** the character of a brand described in terms of other entities such as people, animals and objects
- Brand reflection** the relationship of the brand to self-identity
- Brand stretching** the use of an established brand name for brands in unrelated markets
- Brand values** the core values and characteristics of a brand
- Branding** the process by which companies distinguish their offerings from the competition
- Brands** the distinctive identity of a product
- Break-even analysis** the calculation of the quantity needed to be sold to cover total costs
- Breaking bulk** usually an activity performed by a wholesaler by buying in bulk and breaking the quantities down into smaller quantities for further distribution
- Broadcast sponsorship** a form of sponsorship where a television or radio programme is the focus
- Buffer stocks** Safety stocks stocks or inventory held to cover against uncertainty about re-supply lead-times
- Build** a strategy of managing a product for sales and share growth
- Bundled prices** the pricing of a number of separable products as one package, usually effectively lowering the price
- Business analysis** a review of the projected sales, costs and profits for a new product to establish whether these factors satisfy company objectives
- Business format franchising** a franchising method whereby marketing approaches, quality control and operating procedures are offered to the franchisee
- Business mission** the organization's purpose, usually setting out its competitive domain
- Buy-back** where part of e.g. a sale of production plant is financed by buying back some of the final product
- Buy class** a category of organizational purchase, generally of three kinds, namely, new task, straight re-buy or modified re-buy
- Buy-response method** a study of the value customers place on a product by asking them if they would be willing to buy it at varying price levels
- Buyer** an individual who purchases a product or service
- Buyer** those who have the authority to negotiate and execute the contractual arrangements
- Buyer behaviour** the reasons why customers buy, their choice criteria, when, how and where they buy
- Buying centre** a group of persons usually within an organization which is responsible for the buying decision
- Buying signal** a statement by a buyer which indicates she is interested in buying
- Buying situation** extended problem solving, limited problem solving and habitual solving
- Bypass attack** circumventing the defender's position, usually through technological leapfrogging or diversification
- Call frequency** the frequency with which a salesperson calls on a customer
- Campaign** usually refers to a planned marketing or advertising activity designed to achieve certain commercial objectives
- Campaign objectives** goals set by an organization in terms of e.g. sales, profits, customers won or retained or awareness creation

- Cannibalization** a situation where a new brand gains sales at the expense of another of the company's brands
- Cash cows** high-share products in low-growth markets
- Catalogue stores** retail outlets promoting their products through catalogues which are either posted or are available in the store for customers to take home
- Category killer** retail outlets with a narrow product focus but with an unusually wide breadth and depth to that product range, for example Toys 'R' Us
- 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, good or service for mutual benefit
- Centralization** in international marketing it is the global integration of international operations
- 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 together
- Channel intermediaries** organizations which 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
- 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
- Coercive power** power inherent in the ability to punish
- Cognitive dissonance** definition required
- Cognitive learning** the learning of knowledge and development of beliefs and attitudes without direct reinforcement
- Commission** a method of payment based on the achievement of sales results and usually expressed as a percentage of the value sold
- Communications mix** advertising, personal selling, sales promotion and publicity, public relations and direct marketing
- Compensation** a form of exchange where payment involves using both goods and cash
- Competencies** the skills and resources which a company has
- Competitive advantage** a clear performance differential over competition on factors that are important to target customers
- Competitive behaviour** the activities of rival companies with respect to each other. It can take five forms – conflict, competition, coexistence, cooperation and collusion
- Competitive scope** the breadth of a company's competitive challenge, e.g. broad or narrow
- Competitive strategy** the strategy a firm adopts in relation to the competition
- Competitor analysis** an examination of the nature of actual and competitor analysis and their objectives and strategies
- Competitor audit** a precise analysis of competitor strengths and weaknesses, objectives and strategies
- Competitor targets** the competitors that the company chooses to compete against
- Concession analysis** the evaluation of things that can be offered to someone in negotiation valued from the viewpoint of the receiver
- Concession close** an attempt to convince an indecisive buyer to close a deal by offering a concession, e.g. a discount
- Consultative selling** working with customers to discover their needs and work out an acceptable business solution
- Consumer behaviour** the reasons why customers buy, their choice criteria, when, how and where they buy
- Consumer decision-making process** the stages a consumer goes through when buying something, namely, problem awareness, information search, evaluation of alternatives, purchase and post-purchase evaluation
- Consumer panel** household consumers which provide information on their purchases over time
- Consumer pull** the targeting of consumers with communications designed to create demand that will pull the product into the distribution chain

- Continuous research** repeated interviewing of the same sample of people
- Contractual joint venture** two or more companies form a partnership but no joint enterprise with a separate identity is formed
- Contractual vertical marketing system** a franchise arrangement tying producers and resellers together
- Control** the stage in the marketing planning process or cycle when the performance against plan is monitored and observed
- Convenience stores** retail outlets offering customers the convenience of close location and long opening hours every day of the week
- Core competencies** the principal distinctive capabilities possessed by a company – what it is really good at.
- Core strategy** the means of achieving marketing objectives, including target markets, competitor targets and competitive advantage.
- Corporate goals** the overall objectives of an entire organization
- Corporate identity** the ethos, aims and values of an organization, presenting a sense of its individuality which helps to differentiate it from its competitors
- Corporate plan** a document which contains the strategy for the corporate entity usually for a one-year time horizon
- Corporate vertical marketing system** a channel situation where an organization gains control of distribution through ownership
- Cost focus strategy** with this strategy a firm seeks a cost advantage with one or a small number of segments
- Cost leadership** the achievement of the lowest cost position in an industry, serving many segments
- Counteroffensive defence** a counterattack that takes the form of a head-on counterattack, an attack on the attacker's cash cow or an encirclement of the attacker
- Counterpurchase** the seller agrees to sell a product to a buyer and receives cash, subject to the seller buying goods from the buyer for all or part of the original amount
- Countertrade** a method of exchange where not all transactions are concluded in cash; goods may be included as part of the asking piece
- Country of origin** the country in which a product is substantially manufactured
- Covert power play** the use of disguised forms of power tactics
- Credit scoring** a system used by financial service and mail order companies to help predict credit or loan default rates based on customer profiles
- Credit terms** the basis (usually the number of days delay in payment) on which goods are released to the customer before payment is received
- Critical success factors** those factors which an organization needs to control if it is to succeed
- Cross-selling** persuading an existing customer to buy another product from the company
- Cultural distance** the degree to which norms and values or working methods between two companies differ because of their separate national characteristics
- Custom targeting** treating each customer as a separate segment
- 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 choice criteria** the criteria on the basis of which customers decide to buy or not to buy a product or service
- Customer database** a system which records details about the organization's customers
- Customer satisfaction** the fulfilment of customers' requirements or needs
- Customer satisfaction measurement** a process through which customer satisfaction criteria are set, customers are surveyed and the results interpreted in order to establish the level of customer satisfaction with the organization's product
- Customer services** definition required
- Customer value** perceived benefits minus perceived sacrifice
- Customized marketing** the market coverage strategy where a company decides to target individual customers and develops separate marketing mixes for each
- Data** the most basic form of knowledge, the result of observations

- Database marketing** an interactive approach to marketing which uses individually addressable marketing media and channels provide information to, stimulate demand from and stay close to customers
- Data warehousing (or mining)** the storage and analysis of customer data gathered from their visits to websites for classificatory and modelling purposes so that products, promotions and price can be tailored to the specific needs of individual customers
- Decentralization** in international marketing it is the delegation of international operations to individual countries or regions
- Decider** a person who has the authority to select the supplier
- Decision-making unit** a group of persons usually within an organization which is responsible for the buying decision
- Decision-making process** the stages which organizations and people pass through when purchasing a physical product or service
- Demographic variable** attributes of consumers such as age, gender and life cycle
- Department stores** retail outlets where related product lines are sold in different departments
- 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
- Derived demand** demand for a particular product which is driven by demand for a different product, e.g. the demand for joinery is at least partly derived from the demand for new housing
- Descriptive research** research undertaken to describe customer's beliefs attitudes, preferences, behaviour
- Differential advantage** a clear performance differential over competition on factors that are important to target customers
- Differentiated marketing** a market coverage strategy where a company decides to target several market segments and develops separate marketing mixes for each
- Differentiated targeting** offering different products to different segments
- Differentiation focus** where a firm aims to differentiate within one or a small number of targeted segments
- Differentiation strategy** the selection of one or more customer choice criteria and positioning the offering accordingly
- Diffusion of innovation** the process by which a new product spreads throughout a market over time
- Direct cost pricing** the calculation of only those costs which are likely to rise as output increases
- Direct exporting** the handling of exporting activities by the exporting organization rather than by a domestically-based independent organization
- Direct investment** market entry which involves investment in foreign-based assembly or manufacturing facilities
- 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 which 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
- Discount houses** Retailers selling products at low prices by bulk buying, accepting low margins and selling high volumes
- Discount policy** the extent to which reductions from list prices is permitted
- Discount structure** the system of rebates off the list price
- Display allowance** money paid to a retailer by a manufacturer for promotional facilities in store
- Distribution analysis** an examination of movements in power bases, channel attractiveness, physical distribution and distribution behaviour
- Distribution centres** warehouses operating as central locations for the fast movement of goods
- Distribution push** the targeting of channel intermediaries with communications to push the product into the distribution chain
- Distributor** an intermediary which takes title to goods and sells them on to a third party
- Distributor brands** brands created and owned by distributors or retailers

- Diversification** the development of new products for new markets
- Divest** to improve short-term cash yield by dropping or selling off the product
- DMU** see Decision making unit
- Dogs** weak products in low-growth markets
- DRTV** direct response television, a method of direct marketing
- Early adopters** customers who are willing to buy a new product quite soon after launch
- E-commerce** the use of technologies such as the Internet, electronic data interchange, 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 the new electronic media such as the intranet
- Economic order quantity** the quantity of stock to be ordered where total costs are at the lowest
- EDI** electronic data interchange, electronic links between suppliers and retailers allowing purchase orders, packing lists, delivery notices, invoices and remittance advices, as well as self-billing by retailers
- 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** a pre-Internet technology which was developed to permit organizations to use linked computers to exchange information rapidly
- Encirclement attack** attacking the defender from all sides, i.e. every market segment is hit with every combination of product features
- Enquirers** people who have contacted the organization and shown interest in one or more products but, as yet, have not bought
- Entry barriers** barriers which act to prevent new firms from entering a market, e.g. the high level of investment required
- Entry into new markets (diversification)** the entry into new markets by new products
- Environmental scanning** the process of monitoring and analysing the marketing environment of a company
- Equity joint venture** two or more companies form a partnership which involves the creation of a new company
- Ethics** the moral principles and values that govern the actions and decisions of an individual or group
- Event sponsorship** sponsorship of a sporting or other event
- Everyday low prices** a retailers' policy of keeping prices low every day rather than through sales promotions
- Evoked set** the set of brands that the consumer seriously evaluates before making a purchase
- Exaggerated promises barrier** a barrier to the matching of expected and perceived service levels caused by the unwarranted building up of expectations by exaggerated promises
- Exhibition** an event which bring buyers and sellers together in a commercial setting
- Exit barrier** the barriers to leaving an industry, e.g. the cost of closing down plant
- Experience curve** the combined effect of economies of scale and learning as cumulative output increases
- Experimental research** research undertaken in order to establish cause and effect
- 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)
- Expert power** power which derives from an individual's expertise
- Exploratory research** the preliminary exploration of a research area prior to the main data collection stage
- Export merchant** an organization which takes title to products and sells them abroad
- Extended problem-solving** a high degree of information search, close examination of alternative solutions using many choice criteria
- Extranet** a website where access is restricted to approved users
- Facelift** a minor product change with little or no change to the rest of the marketing mix or target market
- Family brand name** a brand name used for all products in a range
- Features** attributes of a product which may or may not confer a customer benefit
- Fighter brands** low-cost manufacturers' brands introduced to combat own-label brands

- Flanking attack** attacking geographical areas or market segments where the defender is poorly represented
- Flanking defence** the defence of a hitherto unprotected market segment
- Focus group** a group of 6–8 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
- Focused targeting** Competing in one segment only (also known as niche targeting)
- Folder techniques** a press advertising pre-testing method in which proposed advertisements are placed in a folder of competing displays in order to test unaided recall
- Foreign consumer culture positioning** positioning a brand as associated with a specific foreign culture (e.g. Italian fashion)
- Foreign direct investment (FDI)** investment in a foreign-based assembly or manufacturing facility
- FRAC** stands for frequency, recency, amount and category and forms the transactional information on a customer's purchases in a direct marketing database
- Franchising** a form of licensing where a package of services (including product and trade name) is offered by the franchiser to the franchisee in return for payment
- Freephone** a special telephone number which customers can call without incurring any expense
- Frontal attack** a competitive strategy where the challenger takes on the defender head-on
- Full cost pricing** pricing so as to include all costs and based on certain sales volume assumptions
- Full-service marketing departments** departments which show a high degree of integration of marketing functions, control or influence all marketing decisions
- Gatekeeper** those who control the flow of information, e.g. secretaries who may allow or prevent access to a DMU member, or a buyer whose agreement must be sought before a supplier can contact other members of the DMU
- Generic competitors** products which solve a customer's problem or eliminate it in a dissimilar way
- Geodemographic segmentation** the segmentation of consumers on the combined basis of location and certain demographic and socio-economic data
- 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
- Global consumer culture positioning** positioning a brand as a symbol of a given global culture (e.g. young cosmopolitan men)
- Going-rate pricing** pricing at the rate generally applicable in the market, focusing on competitors offerings rather than on company costs
- Guarantee** a promise by a manufacturer that if a product fails within a certain period it will make good the defect for free under certain conditions
- Guerrilla attack** making life uncomfortable for stronger rivals through e.g. unpredictable price discounts, sale promotions, or heavy advertising in a few selected regions
- Habitual problem solving** a consumer purchase which involves a repeat buy with little or no evaluation of alternatives
- Hall test** bringing a sample of target consumers to a room that has been hired so that alternative marketing ideas can be tested
- Halo customers** customers who are not directly targeted but may find the product attractive
- Harvest** a strategy of managing a product for cash
- High-involvement purchase** purchase decisions in which the customer becomes highly involved and seeks detailed information
- Hold** a strategy of managing a product for profits and maintaining market share
- House list** a company's list of its own customers
- Image repositioning** keeping product and target market the same, but changing the image of the product
- Implementation** the stage of the marketing planning process when the plan is put into operation

- Impulse purchasing** a consumer's decision to buy which is taken on the spur of the moment
- Inadequate delivery barrier** a barrier to the matching of expected and perceived service levels caused by the failure of the service provider to select, train and reward staff adequately, resulting in poor or inconsistent delivery of service
- Inadequate resources barrier** a barrier to the matching of expected and perceived service levels caused by the unwillingness of service providers to provide the necessary resources
- Indirect exporting** the use of independent organizations within the exporter's domestic market to facilitate export
- Individual brand name** a brand name which does not identify a brand with a particular company
- Industrial market** companies which purchase inputs for further processing or their own use
- Industry** a group of companies that market products which are close substitutes for each other
- Information** Combinations of data which provide decision-relevant knowledge
- 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
- Innovation** the commercialisation of an invention by bringing it to market
- Innovators** the first customers willing to buy a new product after launch
- In-or-on-pack gifts** gifts which are given away free with brands
- Inseparability** a characteristic of services, namely that their production cannot be separated from their consumption
- Inside order-taker** usually a retail sales assistant whose task is simply to take payment and hand over the products
- In-supplier** a competitor who is already supplying to a target account and therefore has the 'inside track'
- Intangible repositioning** targeting a different market segment with the same product
- Intangibility** a characteristic of services, namely that they cannot be touched, seen, tasted or smelled
- Interaction approach** an approach to buyer-seller relations which treats the relationships as taking place between two active parties
- Intermediaries** distributors or resellers
- Internal marketing** the training, motivating and communicating with service 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 the ability of users to communicate with each other
- In-the-mail offer** a promotion involving the collection of packet tops, labels or ring-pulls which are sent in the mail as proof of purchase to claim a free gift or money voucher
- Intranet** a website which operates inside an organization and does not offer access to any external users
- Invention** the discovery of new methods and ideas
- Joint venture** co-operation by two or more parties on a business project, which may or may not involve the creation of a separate company
- Journey routing** the planning of a salesperson's route when calling on prospects or customers
- Junk mail** mail which is sent to a prospect who is not a suitable target
- Just-in-time** the just-in-time (JIT) concept aims to minimise stocks by organising a supply system which provides materials and components as they are required
- Key account management** an approach to selling which focuses resources on major customers and uses a team selling approach
- Ladder of support** the spectrum of the degree of support which can be expected when introducing change
- Laggards** those who are the last to buy a new product
- Lead time** the time gap between one event and another

- Legitimate power** power based on legitimate authority, such as line management
- Licensing** a contractual arrangement in which a licensor provides a licensee with certain rights, e.g. to technology access or production rights
- Life cycle** the stage people have reached in their life, from single at home through young parents to solitary retired
- Life cycle costs** all the components of costs associated with buying, owning and using a physical product or service
- 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
- Lifetime value** the lifetime value of a customer is the profit made on a customer's purchases over the customer's lifetime
- Limited problem solving** information search which may be mainly internal through memory
- List broker** an organization which acts as an intermediary in the supply of lists of names and addresses for direct mail purposes
- List owner** an organization which own a list of customers or prospects
- List price** the price quoted by a company before any discounts
- Local consumer culture positioning** positioning a brand as associated with a local culture (e.g. local production and consumption of a good)
- Location gap** the geographic separation of producers from the customers they serve
- Low involvement purchase** a purchase decision in which the customer does not become highly involved and does not seek detailed information
- Loyalty card** usually a plastic card which is issued by a company to a customer and is used to record the frequency of the customer's purchases and calculate resulting discounts, rewards or allowances
- Loyalty scheme** an arrangement whereby customers apply for a loyalty card which entitles them to discounts for continued purchases
- 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
- Macrosegmentation** the segmentation of organizational markets by size, industry and location
- Mail order catalogue** usually a colour catalogue featuring products and prices sent through the mail and from which customers can select and order
- Mail order** a non-store form of retailing using catalogues or other media as a promotional vehicle
- Manufacturer brands** brands which are created by producers and bear their chosen brand name
- Marginal cost pricing** the calculation of only those costs which are likely to rise/fall as output increases/decreases
- Market** the people who represent the actual or potential demand for a product
- Market development** to take current products and sell them in new markets
- Market expansion** the attempt to increase the size of a market by converting non-users to users of the product and by increasing usage rates
- Market intelligence** information on present and future customer needs
- Market penetration** to continue to sell an existing product in an existing market
- Market segmentation** the process of identifying individuals or organizations with similar characteristics that have significant implications for the determination of marketing strategy
- Market share analysis** a comparison of company sales with total sales of the product, including sales of competitors
- Market testing** the limited launch of a new product to test sales potential
- 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 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 accord 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 (4Ps). 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 objectives – strategic thrust, which dictates which products should be sold in which markets, and strategic objectives, i.e. 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, decide upon courses of marketing action and implement those decisions
- Marketing research** the gathering of data and information on the market
- Marketing strategy** the approach a firm takes to securing and retaining profitable relationships with its customers, generally involving segmentation, targeting and positioning choices as well as adaptation of a suitable marketing mix
- Marketing structures** the marketing frameworks (organization, training and internal communications) upon which marketing activities are based
- Marketing systems** sets of connected parts (information, planning and control) which support the marketing function
- Media coverage** mention of a particular event, product or organization in the media
- Media relations** communications about a product or organization by placing news about it in the media without paying for the time or space directly
- Mega-marketing** lobbying political power and public opinion
- Member-get-member** a programme of customer recruitment incentivising existing customers or members to recruit others
- Merger** the amalgamation of two or more organizations
- Microenvironment** the actors in the firms immediate environment that affect its capability to operate effectively in its chosen markets, namely, suppliers, distributors, customers and competitors
- Microsegmentation** segmentation according to choice criteria, DMU structure, decision making process, buy class, purchasing structure and organizational innovativeness
- Misconceptions barrier** a failure by marketers to understand what customers really value about their service
- Missionary salespeople** order-creators whose task is not to close the sales but to persuade the customer, e.g. a medical practitioner, to specify the seller's products
- Mobile defence** involves diversification or broadening the market by redefining the business
- Modified re-buy** 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
- Moments of truth** staff-customer contacts
- Money-back guarantee** a promise by a retailer or manufacturer that if a customer is not happy with the purchase he or she may return the product in good condition and get a full refund
- Money-off** a sales promotion that discounts the normal price
- Nano-relationships** relations between internal customers, internal markets, divisions and business areas within organizations
- National account** large and important customers who may have centralised purchasing departments that buy or co-ordinate buying for decentralised, geographically dispersed business units
- New business salespeople** salespersons whose task is to win new business by identifying and selling to prospects
- New task** refers to the first time purchase of a product or input by an organization
- Niche** a small market segment
- Niche targeting** competing in one segment (niche) only
- No-frills products** basic commodities such as bread, sugar and soft drinks sold in rudimentary packages at low prices

- Non-profit organization** an organization which attempts to achieve an objective other than profit, for example relief of famine, animal rights, or public service
- 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
- Opportunity** a situation favourable to the achievement of the organization's objectives, usually characterised by unfulfilled customer demand, the organization being in a position to meet that demand and the relative weakness or total absence of competition.
- Opportunity cost** that which is foregone in the pursuit of a given strategy
- Order point** the level of inventory at which re-ordering is advisable to avoid stock-outs caused by the lead-time to resupply
- Order-creators** salespeople who do not receive orders directly as they talk to specifiers rather than buyers
- Order-getters** salespeople who attempt customers to place an order directly
- Order-takers** salespeople who respond to already committed customers
- Organizational salespeople** salespersons whose role is to maintain close long-term relationships with organizational customers, often involved in team selling
- Overt power play** the use of visible, open kinds of power tactics
- Own label** retailer's own brand
- Own-label brands** brands created and owned by distributors or retailers
- 4 Ps** product, place, price, promotion
- 7 Ps** product, place, price, promotion, process, people, physical evidence
- 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 big price differences for the same product between different countries
- Parent company** a company which owns another
- Penetration strategy** a low-priced new product launch designed to achieve maximum market share
- Perception** the process by which people select, organize and interpret sensory stimulation into a meaningful picture of the world
- Perceptual mapping** a useful tool for determining the position of a brand as seen by customers
- Perishability** a characteristic of services, namely that the capacity of a service business, such as a hotel room, is perishable – if it is not occupied, that is lost income which 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
- Physical distribution** a set of activities concerned with the physical flows of materials, components and finished goods from producer to channel intermediaries and consumers
- Physical evidence** that part of the services marketing mix which refers to the environment in which the service is delivered and tangible goods which facilitate the communication and performance of the service
- PIMS** Profit Impact of Marketing Strategy
- Place** the distribution channels to be used, outlet locations, methods of transportation
- Portfolio planning** managing groups of brands and product lines
- Position defence** to build a fortification around existing products
- Positioning** the choice of target market (where the company wishes to compete) and differential advantage (how the company wishes to compete)
- Positioning chart** a useful tool for determining the position of a brand as seen by customers (also known as a perceptual map)
- Post-testing** the evaluation of the effectiveness after a campaign
- Pre-emptive defence** usually involves continuous innovation and new product development
- Premium** any merchandise offered free or at low cost as an incentive to purchase
- Press relations** communications about a product or organization by placing news

- about it in the press without paying for the time or space directly
- Pre-testing** the testing of advertisements before screening
- Price unbundling** pricing each element in the offering so that the price of the total product package is raised
- Price waterfall** the difference between list price and realised or transaction price
- Price** (1) the amount of money paid for a product; (2) the agreed value placed on the exchange by a buyer and seller
- Private label** retailer's own brand
- Problem children** Low share products in high growth markets
- Process** procedure, flow of activities, sequence of tasks
- Product** a good or service offered or performed by an organization or individual which is capable of satisfying customer needs
- Product champion** an individual who takes on or is given responsibility to promote a particular product or project within an organization and bring it to a successful conclusion
- Product churning** a continuous spiral of new product introductions
- Product development** increasing sales by improving present products or developing new products for current markets
- Product differentiation** the process of making a product distinctive along a factor or set of factors important for customer choice
- Product features** the characteristics of a product that may or may not convey a customer benefit
- Product form competitors** technically similar competing products
- 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 which are closely related in terms of the functions and benefits they provide
- Product line pricing** taking account of the prices of the existing products when introducing a new product
- Product manager** the person responsible for co-ordination of functional areas to support the success of the product
- Product mix** the total set of products marketed by the company
- Product portfolio** the total range of products offered by the company cf. Product mix
- Product positioning** the creation of a unique image of the company's product in the minds of the customer
- Product repositioning** modification of the product to make it more acceptable to its present market
- Product substitutes** products which customers regard as fulfilling the same needs although they are technically dissimilar
- Product type** products can be classified into four main types, namely, materials, components, plant & equipment and maintenance/repair/ operation (MRO)
- 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
- Project teams** the bringing together of staff from such areas as R&D, engineering, manufacturing, finance, and marketing to work on a project such as new-product development
- Promotional mix** advertising, personal selling, sales promotions, 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
- Prospect** An individual or organization who is a possible buyer of a product
- Prospecting** searching for and calling upon potential customers
- Psychographic segmentation** the grouping people according to their lifestyle and personality characteristics
- 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

- Pull strategy** Direct communication by manufacturers or service providers with consumers to draw them into channel intermediaries, usually using advertising and consumer promotions
- Push strategy** an attempt to sell into channel intermediaries using personal selling and sales promotions
- Qualitative research** exploratory research which 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 that influences an individual's attitude or behaviour
- Referent power** power derived by the reference source, e.g. when people identify with and respect the architect of change
- Referrals** people who have been recommended to the organization as potential customers
- Reheard brief** definition required
- Relationship marketing** the process of creating, maintaining and enhancing strong relationships with customers and other stakeholders
- Remerchandising** a modification of name, promotion, price, packaging and/or distribution while maintaining the basic product
- Repositioning** Changing the target market or differential advantage or both
- Research brief** the client's explanation to a research agency of the research problem and objectives
- Research proposal** a document defining what the marketing research agency promises to do for its client and how much it will cost
- Reseller market** organizations which buy products to resell, e.g. mail order companies and supermarkets
- Respondent** a person who answers questions in a marketing research exercise
- Retail accordion** a theory of retail evolution which focuses on the cycle of retailers widening and then contracting product ranges
- Retail audit** a type of continuous research tracking the sales of products through retail outlets
- Retail life cycle** a theory of retailing evolution which is based on the product life cycle stating that new types of retailing pass through birth, growth, maturity and decline
- Retail positioning** the choice of target market and differential advantage for a retail outlet
- Retailing** the activity involved in selling products to the ultimate consumer
- Reverse marketing** the process whereby the buyer attempts to persuade the supplier to provide exactly what the organization wants
- Reward power** power derived from the ability to provide benefits
- Rote learning** the learning of two or more concepts without conditioning
- Safety stocks** stocks or inventory held to cover against uncertainty about re-supply lead-times
- Sales analysis** a comparison of actual with target sales
- Sales lead** information on a potential purchaser
- Sales promotion** incentives to customers or the trade that are designed to stimulate purchase
- Sampling** a term used in research to denote the selection of a sub-set of the total population in order to interview them
- Satellite conferencing** conferences by satellite transmitting of messages from one location to many sites
- Secondary research** data which has already been collected by another researcher for another purpose
- Segment** a group of customers or potential customers who share certain common characteristics
- Segmentation** (1) the identification of groups of individuals or organizations with characteristics in common that have significant implications for the development of marketing strategy; (2) the process of dividing the total market into homogeneous groupings or segments
- Selective attention** the process by which people screen out those stimuli that are not meaningful to them nor consistent with their experiences and beliefs
- Selective distortion** the distortion of information they receive by people according to their existing beliefs and attitudes

- Selective retention** the process by which people only retain a selection of messages in memory
- Self-liquidating offer** an offer where consumers are asked to pay to cover the promoter's costs of the promotional merchandise plus administration and postal charges
- Self-reference criteria** the use of one's own perceptions and choice criteria to judge what is important to consumers. In international markets, the perceptions and choice criteria of domestic consumers may be used to judge what is important to foreign consumers
- Sensitivity analysis** the running of alternative scenarios with changed input variables (price, cost, consumer acceptance) to see the impact on sales and profits
- Service** any task carried out for the customer
- Services marketing mix** product, place, price, promotion, people, process and physical evidence
- Simultaneous engineering** the involvement of manufacturing and product development engineers in the same development team in an effort to reduce development time
- Skimming strategy** a high-priced new product launch designed to recover research and development expenditure
- Skunkworks** a new product development team separated from other employees to work on a project free from bureaucratic interference
- Social distance** the extent to which both the individuals and organizations in a relationship are unfamiliar with each other's way of working
- Social responsibility** the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and general public
- Socialization** within an organization, a process whereby a new entrant experiences the culture and tasks of the organization
- Speciality shops** retail outlets specialising in a narrow product line
- Specifier** an individual in an organization who is responsible for determining the specification of a product which is to be bought
- Sponsorship** A business relationship between a provider of funds, resources or services and an individual, event, or organization which offers in return some rights and association that may be used for commercial advantage
- Stakeholders** individuals or groups having a stake in the organization's well-being, e.g. shareholders, employees
- Standardized marketing mix** an international marketing strategy for using essentially the same product, promotion, distribution, and pricing in all the company's international markets
- Stars** market leading products in high-growth markets
- Storage warehouse** warehouses which store goods for moderate or long time periods
- Straight re-buy** refers to a purchase by an organization from a previously approved supplier of a previously purchased item
- Strategic alliance** collaboration between two or more organizations through e.g. joint ventures, licensing agreements, long-term purchasing and supply arrangement
- 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 degrees of freedom** how much room a company has to react
- Strategic focus** the strategies which can be employed to achieve the objective
- Strategic intent** a driven focus objective of winning such as encircle Caterpillar (Komatsu) or beat Xerox (Canon)
- Strategic issue analysis** an examination of the suitability of marketing objectives and segmentation bases in the light of changes in the marketplace
- Strategic options** ways of increasing sales volume and/or profitability
- Strategic profile** a summary of the organization's chosen strategy, including strategic objective, core strategy, market type, marketing attitudes and performance
- Strategic thrust** the decision concerning which products to sell in which markets
- Strategic withdrawal** Holding on to the company's strengths while getting rid of the weaknesses
- Strong theory of advertising** the notion that advertising can change people's attitudes sufficiently to persuade people who have not previously bought a brand to buy it. Desire and conviction precede purchase

- Subsidiary** a company which is owned by another
- Supermarket** large self-service stores traditionally selling food, drinks and toiletries, but now increasingly selling a wider range of items, including clothing, books, pharmaceuticals
- Supply chain** the means by which products are moved from the producer to the ultimate consumer
- Switching costs** the costs to a buying organization of changing from one supplier to another
- SWOT analysis** a structured approach to evaluating the strategic position of a business by identifying its strengths, weaknesses, opportunities and threats
- Synergy** when the power of the whole is greater than the sum of the parts
- Tangible repositioning** when the target market and product are changed
- Target accounts** organizations or individuals whose custom the company wishes to obtain
- Target audience** the group of people at which an advertisement or message is aimed
- Target market** a segment which has been selected as a focus for the company's offering or communications
- Targeting** selecting a segment or segments in which to compete
- Team selling** the use of the combined efforts of salespeople, product specialists, engineers, sales managers and even directors to sell products
- Technological distance** the difference between two companies' product and process technologies
- Telemarketing** a marketing communications system whereby trained specialists use telecommunications and information technologies to conduct marketing and sales activities
- Television viewership panel** a sample of TV viewers which measures audience size
- Test marketing** the launch of a new product in one or a few geographic areas chosen to be representative of the intended market
- Threat** a situation or trend which is unfavourable to the achievement of organizational objectives, for example a government regulation, competitor initiative or technological development
- Time distance** the time which must elapse between establishing contact or placing an order and the actual transfer of the product or service involved
- Time gap** the discrepancy between when a manufacturer wants to produce goods and when consumers wish to buy
- Time-to-market** the time it takes for a company to develop a new product and turn it into a product which people can buy
- Toll-free number** a special telephone number which customers can call without incurring any expense
- Total quality management** the set of programmes designed to constantly improve the quality of physical products, services and processes
- Tracking studies** usually retail audits which track sales across retail counters or research which tracks consumer awareness and/or attitudes over time
- Trade marketing** marketing to the retail trade
- 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
- Transactional information** information on a customer database which indicates which customer has bought what products, how often and how recently
- Transfer pricing** the price charged between profit centres of the same company, sometimes used to take advantage of lower taxes in another country
- Transition curve** the emotional stages that people pass through when confronted with an adverse change
- Trial** the sampling, tasting or test consumption of a product by a consumer
- Undifferentiated marketing** a market coverage strategy where a company decides to ignore market segment differences and develops a single marketing mix for the whole market
- Undifferentiated targeting** offering the same product to the entire market without regard to differences in the customer profiles
- Up-sell** persuading an existing customer to buy more valuable product from the firm's portfolio

- User** a member of a decision making unit who will actually be using the purchased item
- Value** (1) the price paid for a good or service; (2) the customer's subjective perception of the worth of a product.
- Value analysis** a method of cost reduction in which components are examined to see if they can be made more cheaply
- Value chain** the set of the firm's activities that are conducted to design, manufacture, market and distribute and service its products
- Value-added** the difference between the selling price achieved and the company's costs.
- Variability** a characteristic of services, namely that being delivered by people the standard of their performance is open to variation
- Vicarious experience** the opportunity to experience situations or lifestyles to which an individual would not otherwise have access
- Vicarious learning** learning from others without direct experience or reward
- Video conferencing** two-way communication of both words and pictures via telephone lines
- Video magazine** a video which disseminates a corporate message
- Video news release** video coverage of a public relations event sent to television news departments via cassette, vision circuits or satellite
- Warranty** a guarantee by a manufacturer that if a product fails within a certain period it will make good the defect for free under certain conditions
- Website** a www file that contains text, pictures and/or sound
- Weak theory of advertising** the notion that advertising can first arouse awareness and interest, nudge some consumers towards a doubting first trial purchase and then provide some reassurance and reinforcement. Desire and conviction do not precede purchase
- Wheel of retailing** a theory of retailing development which suggests that new forms of retailing begin as low-cost, cut-price and narrow margin operations and then trade up until they mature as high price operators, vulnerable to a new influx of low-cost operators
- Word-of-mouth** a form of product promotion generated by consumers to consumers
- Workload approach** a method for deciding the number of salespeople required
- World wide web** a collection of computer files that can be accessed via the Internet allowing documents containing text, images, sound and video to be used