GLOSSARY

Accessibility—The degree to which a market segment can be reached and served.

Actionability—The degree to which effective programmes can be designed for attracting and serving a given market segment.

Actual product—A product's parts, quality level, features, design, brand name, packaging and other attributes that combine to deliver core product benefits.

Adapted marketing mix—An international marketing strategy for adjusting the marketing-mix elements to each international target market, bearing more costs but hoping for a larger market share and return.

Administered VMS—A vertical marketing system that coordinates successive stages of production and distribution, not through common ownership or contractual ties, but through the size and power of one of the parties.

Adoption process—The mental process through which an individual passes from first hearing about an innovation to final adoption.

Adoption—The decision by an individual to become a regular user of the product.

Advertising objective—A specific communication task to be accomplished with a specific target audience during a specific period of time.

Advertising specialities—Useful articles imprinted with an advertiser's name, given as gifts to consumers.

Advertising—Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

Affordable method—Setting the promotion budget at the level management thinks the company can afford.

Agent—A wholesaler who represents buyers or sellers on a relatively permanent basis, performs only a few functions, and does not take title to goods.

Allowance—(1) Reduction in price on damaged goods. (2) Promotional money paid by manufacturers to retailers in return for an agreement to feature the manufacturer's product in some way.

Alternative evaluation—The stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set.

Annual plan—A short-term plan that describes the company's current situation, its objectives, the strategy, action programme and budgets for the year ahead, and controls.

Approach—The step in the selling process in which the salesperson meets and greets the buyer to get the relationship off to a good start.

Aspirational group—A group to which an individual wishes to belong.

Atmospheres—Designed environments that create or reinforce the buyer's leanings towards consumption of a product.

Attitude—A person's consistently favourable or unfavourable evaluations, feelings and tendencies towards an object or idea.

Augmented product—Additional consumer services and benefits built around the core and actual products.

Available market—The set of consumers who have interest, income and access to a particular product or service.

B2B (business-to-business) e-commerce—Using B2B trading networks, auction sites, spot exchanges, online product catalogues, barter sites and other online resources to reach new customers, serve current customers more effectively and obtaining buying efficiencies and better prices.

B2C (business-to-consumer) e-commerce—The online selling of goods and services to final consumers.

Balance sheet—A financial statement that shows assets, liabilities and net worth of a company at a given time.

Basing-point pricing—A geographic pricing strategy in which the seller designates some city as a basing point and charges all customers the freight cost from that city to the customer location, regardless of the city from which the goods are actually shipped.

Behavioural segmentation—Dividing a market into groups based on consumer knowledge, attitude, use or response to a product.

Belief—A descriptive thought that a person holds about something.

Benchmarking—The process of comparing the company's products and processes to those of competitors or leading firms in other industries to find ways to improve quality and performance.

Benefit segmentation—Dividing the market into groups according to the different benefits that consumers seek from the product.

Brand equity—The value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks and channel relationships.

Brand extension—Using a successful brand name to launch a new or modified product in a new category.

Brand image—The set of beliefs that consumers hold about a particular brand.

Brand—A name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Break-even pricing (target profit pricing)—Setting price to break even on the costs of making and marketing a product; or setting price to make a target profit.

Broker—A wholesaler who does not take title to goods and whose function is to bring buyers and sellers together and assist in negotiation.

Business analysis—A review of the sales, costs and profit projections for a new product to find out whether these factors satisfy the company's objectives.

Business buying process—The decision-making process by which business buyers establish the need for purchased products and services, and identify, evaluate and choose among alternative brands and suppliers.

Business market—All the organisations that buy goods and services to use in the production of other products and services, or for the purpose of reselling or renting them to others at a profit.

Business portfolio—The collection of businesses and products that make up the company.

Business promotion—Sales promotion designed to generate business leads, stimulate purchase, reward business customers and motivate the salesforce.

Buyer—The person who makes an actual purchase.

Buyer-readiness stages—The stages that consumers normally pass through on their way to purchase, including awareness, knowledge, liking, preference, conviction and purchase.

Buying centre—All the individuals and units that participate in the business buying-decision process.

Buzz marketing—Cultivating opinion leaders and getting them to spread information about a product or service to others in their communities.

By-product pricing—Setting a price for by-products in order to make the main product's price more competitive.

By-products—Items produced as a result of the main factory process, such as waste and reject items.

C2B (consumer-to-business) e-commerce—Online exchanges in which consumers search out sellers, learn about their offers, and initiate purchases, sometimes even driving transaction terms.

C2C (consumer-to-consumer) e-commerce—Online exchanges of goods and information between final consumers.

Capital items—Industrial goods that partly enter the finished product, including installations and accessory equipment.

Captive-product pricing—Setting a price for products that must be used along with a main product, such as blades for a razor and film for a camera.

Cash cows—Low-growth, high-share businesses or products; established and successful units that generate cash that the company uses to pay its bills and support other business units that need investment.

Cash discount—A price reduction to buyers who pay their bills promptly.

Cash refund offers (rebates)—Offers to refund part of the purchase price of a product to consumers who send a 'proof of purchase' to the manufacturer.

Catalogue marketing—Direct marketing through print, video or electronic catalogues that are mailed to select customers, made available in stores or presented online.

Category killers—A modern 'breed' of exceptionally aggressive 'off-price' retailers that offer branded merchandise in clearly defined product categories at heavily discounted prices.

Causal research—Marketing research to test hypotheses about cause-and-effect relationships.

Channel conflict—Disagreement among marketing channel members on goals and roles – who should do what and for what rewards.

Channel level—A layer of intermediaries that performs some work in bringing the product and its ownership closer to the final buyer.

Click-and-mortar companies—Traditional brick-and-mortar companies that have added e-marketing to their operations.

Click-only companies—The so-called dotcoms which operate only online without any brick-and-mortar market presence.

Closed-end questions—Questions that include all the possible answers and allow subjects to make choices among them.

Closing—The step in the selling process in which the salesperson asks the customer for an order.

Co-brand—The practice of using the established brand names of two different companies on the same product.

Cognitive dissonance—Buyer discomfort caused by postpurchase conflict.

Collective buying—An increasing number of customers agree to buy as prices are lowered to the final bargain price.

Commercialisation—Introducing a new product into the market.

Communication adaptation—A global communication strategy of fully adapting advertising messages to local markets.

Company and individual branding strategy—A branding approach that focuses on the company name and individual brand name.

Comparison advertising (knocking copy)—Advertising that compares one brand directly or indirectly to one or more other brands.

Competitions, sweepstakes, lotteries and games—Promotions that offer customers the chance to win something – cash, goods or trips – by luck or extra effort.

Competitive advantage—An advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices.

Competitive strategies—Strategies that strongly position the company against competitors and that give the company the strongest possible strategic advantage.

Competitive-parity method—Setting the promotion budget to match competitors' outlays.

Competitor analysis—The process of identifying key competitors; assessing their objectives, strategies, strengths and weaknesses, and reaction patterns; and selecting which competitors to attack or avoid.

Competitor-centred company—A company whose moves are mainly based on competitors' actions and reactions; it spends most of its time tracking competitors' moves and market shares and trying to find strategies to counter them.

Competitor intelligence—Information gathered that informs on what the competition is doing or is about to do.

Complex buying behaviour—Consumer buying behaviour in situations characterised by high consumer involvement in a purchase and significant perceived differences among brands.

Concentrated marketing—A market-coverage strategy in which a firm goes after a large share of one or a few submarkets.

Concept testing—Testing new-product concepts with a group of target consumers to find out whether the concepts have strong consumer appeal.

Confused positioning—A positioning error that leaves consumers with a confused image of the company, its product or a brand.

Consumer buying behaviour—The buying behaviour of final consumers – individuals and households who buy goods and services for personal consumption.

Consumer market—All the individuals and households who buy or acquire goods and services for personal consumption.

Consumer product—A product bought by final consumers for personal consumption.

Consumer promotion—Sales promotion designed to stimulate consumer purchasing, including samples, coupons, rebates, prices-off, premiums, patronage rewards, displays, and contests and sweepstakes.

Consumer-oriented marketing—A principle of enlightened marketing which holds that a company should view and organise its marketing activities from the consumers' point of view.

Consumer relationship-building promotions—Sales promotions that promote the product's positioning and include a selling message along with the deal.

Consumerism—An organised movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.

Continuity—Scheduling ads evenly within a given period.

Contract manufacturing—A joint venture in which a company contracts with manufacturers in a foreign market to produce the product.

Contractual VMS—A vertical marketing system in which independent firms at different levels of production and distribution join together through contracts to obtain more economies or sales impact than they could achieve alone.

Convenience product—A consumer product that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort.

Convenience store—A small store located near a residential area that is open long hours seven days a week and carries a limited line of high-turnover convenience goods.

Conventional distribution channel—A channel consisting of one or more independent producers, wholesalers and retailers, each a separate business seeking to maximise its own profits, even at the expense of profits for the system as a whole.

Copy testing—Measuring the communication effect of an advertisement before or after it is printed or broadcast.

Core product—The problem-solving services or core benefits that consumers are really buying when they obtain a product.

Core strategy—The identification of a group of customers for whom the firm has a differential advantage, and then positioning itself in that market.

Corporate brand licensing—A form of licensing whereby a firm rents a corporate trademark or logo made famous in one product or service category and uses it in a related category.

Corporate branding strategy—A brand strategy whereby the firm makes its company name the dominant brand identity across all of its products.

Corporate VMS—A vertical marketing system that combines successive stages of production and distribution under single ownership – channel leadership is established through common ownership.

Corporate website—A site set up by a company on the Web, which carries information and other features designed to answer customer questions, build customer relationships and generate excitement about the company, rather than to sell the company's products or services directly. The site handles interactive communication initiated by the consumer.

Cost-plus pricing—Adding a standard mark-up to the cost of the product.

Countertrade—International trade involving the direct or indirect exchange of goods for other goods instead of cash. Forms include barter compensation (buyback) and counterpurchase.

Coupons—Certificates that give buyers a saving when they purchase a product.

Culture—The set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions.

Cultural environment—Institutions and other forces that affect society's basic values, perceptions, preferences and behaviours.

Current marketing situation—The section of a marketing plan that describes the target market and the company's position in it.

Customer-centred company—A company that focuses on customer developments in designing its marketing strategies and on delivering superior value to its target customers.

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Customer database—An organised collection of comprehensive data about individual customers or prospects, including geographic, demographic, psychographic and buying behaviour data.

Customer delivered value—The difference between total customer value and total customer cost of a marketing offer – 'profit' to the customer.

Customerisation—Leaving it to the individual customers to design the marketing offering – allowing customers to be prosumers rather than only consumers.

Customer lifetime value—The amount by which revenues from a given customer over time will exceed the company's costs of attracting, selling and servicing that customer.

Customer sales force structure—A sales force organisation under which salespeople specialise in selling only to certain customers or industries.

Customer satisfaction—The extent to which a product's perceived performance matches a buyer's expectations. If the product's performance falls short of expectations, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted.

Customer value analysis—Analysis conducted to determine what benefits target customers value and how they rate the relative value of various competitors' offers.

Customer value delivery system—The system made up of the value chains of the company and its suppliers, distributors and ultimately customers, who work together to deliver value to customers.

Customer value—The consumer's assessment of the product's overall capacity to satisfy his or her needs.

Cycle—The medium-term wavelike movement of sales resulting from changes in general economic and competitive activity.

Decider—The person who ultimately makes a buying decision or any part of it – whether to buy, what to buy, how to buy, or where to buy.

Deciders—People in the organisation's buying centre who have formal or informal powers to select or approve the final suppliers.

Decision-and-reward systems—Formal and informal operating procedures that guide planning, budgeting, compensation and other activities.

Decision-making unit (DMU)—All the individuals who participate in, and influence, the consumer buying-decision process.

Decline stage—The product life-cycle stage at which a product's sales decline.

Deficient products—Products that have neither immediate appeal nor long-term benefits.

Demands—Human wants that are backed by buying power.

Demarketing—Marketing to reduce demand temporarily or permanently – the aim is not to destroy demand, but only to reduce or shift it.

Demographic segmentation—Dividing the market into groups based on demographic variables such as age, sex, family size, family life cycle, income, occupation, education, religion, race and nationality.

Demography—The study of human populations in terms of size, density, location, age, sex, race, occupation and other statistics.

Department store—A retail organisation that carries a wide variety of product lines – typically clothing, home furnishings and household goods; each line is operated as a separate department managed by specialist buyers or merchandisers.

Derived demand—Business demand that ultimately comes (derives) from the demand for consumer goods.

Descriptive research—Marketing research to better describe marketing problems, situations or markets, such as the market potential for a product or the demographics and attitudes of consumers.

Desirable products—Products that give both high immediate satisfaction and high long-run benefits.

Differentiated marketing—A market-coverage strategy in which a firm decides to target several market segments and designs separate offers for each.

Direct investment—Entering a foreign market by developing foreign-based assembly or manufacturing facilities.

Direct marketing—Direct communications with carefully targeted individual customers to obtain an immediate response.

Direct-mail marketing—Direct marketing through single mailings that include letters, ads, samples, fold-outs and other 'salespeople on wings' sent to prospects on mailing lists.

Direct-marketing channel—A marketing channel that has no intermediary levels.

Direct-response television marketing (DRTV)—The marketing of products or services via television commercials and programmes which involve a responsive element, typically the use of a freephone number that allows consumers to phone for more information or to place an order for the goods advertised.

Discount store—A retail institution that sells standard merchandise at lower prices by accepting lower margins and selling at higher volume.

Discount—A straight reduction in price on purchases during a stated period of time.

Disintermediation—The elimination of a layer of intermediaries from a marketing channel or the displacement of traditional resellers by radically new types of intermediaries.

Dissonance-reducing buying behaviour—Consumer buying behaviour in situations characterised by high involvement but few perceived differences among brands.

Distribution centre—A large, highly automated warehouse designed to receive goods from various plants and suppliers, take orders, fill them efficiently, and deliver goods to customers as quickly as possible.

Dogs—Low-growth, low-share businesses and products that may generate enough cash to maintain themselves, but do not promise to be large sources of cash.

Durable product—A consumer product that is usually used over an extended period of time and that normally survives many uses.

Dutch auction—Prices start high and are lowered successively until someone buys.

Dynamic pricing—Charging different prices depending on individual customers and situations.

E-business or electronic business—The use of electronic platforms – intranets, extranets and the Internet – to conduct a company's business.

Economic environment—Factors that affect consumer buying power and spending patterns.

Electronic commerce—A general term for a buying and selling process that is supported by electronic means.

Electronic Data Interchange (EDI)—Custom-built systems that link the computer systems of major buyers to their suppliers to enable them to coordinate their activities more closely.

Electronic marketing—The marketing side of e-commerce – company efforts to communicate about, promote and sell products and services over the Internet.

Embargo—A ban on the import of a certain product.

Emotional appeals—Message appeals that attempt to stir up negative or positive emotions that will motivate purchase; examples are fear, guilt, shame, love, humour, pride and joy appeals.

Emotional selling proposition (ESP)—A non-functional attribute that has unique associations for consumers.

Engel's laws—Differences noted over a century ago by Ernst Engel in how people shift their spending across food, housing, transportation, health care, and other goods and services categories as family income rises.

English auction—Price is raised successively until only one bidder remains.

Enlightened marketing—A marketing philosophy holding that a company's marketing should support the best long-run performance of the marketing system; its five principles are consumer-oriented marketing, innovative marketing, value marketing, sense-of-mission marketing and societal marketing.

Environmental management perspective—A management perspective in which the firm takes aggressive actions to affect the publics and forces in its marketing environment rather than simply watching it and reacting to it.

Environmental sustainability—A third environmentalism wave in which companies seek to produce profits for the company while sustaining the environment.

Environmentalism—An organised movement of concerned citizens and government agencies to protect and improve people's living environment.

Ethnic segmentation—Offering products or marketing approaches that recognise the special strengths or needs of an ethnic community.

Events—Occurrences staged to communicate messages to target audiences; examples are news conferences and grand openings.

Exchange controls—Government limits on the amount of its country's foreign exchange with other countries and on its exchange rate against other currencies.

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

Exclusive distribution—Giving a limited number of dealers the exclusive right to distribute the company's products in their territories.

Experience curve (learning curve)—The drop in the average per-unit production cost that comes with accumulated production experience.

Experimental research—The gathering of primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors and checking for differences in group responses.

Exploratory research—Marketing research to gather preliminary information that will help to better define problems and suggest hypotheses.

Export department—A form of international marketing organisation that comprises a sales manager and a few assistants whose job is to organise the shipping out of the company's goods to foreign markets.

External audit—A detailed examination of the markets, competition, business and economic environment in which the organisation operates.

Externalities—Activities or facilities that are external to an organisation but affect its performance.

Factory outlet—Off-price retailing operation that is owned and operated by a manufacturer and that normally carries the manufacturer's surplus, discontinued or irregular goods.

Fads—Fashions that enter quickly, are adopted with great zeal, peak early and decline very fast.

Family life-cycle—The stages through which families might pass as they mature over time.

Fashion—A current accepted or popular style in a given field.

Financial intermediaries—Banks, credit companies, insurance companies and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods.

First-price sealed-bid pricing—Potential buyers submit sealed bids, and the item is awarded to the buyer who offers the best price.

Fixed costs—Costs that do not vary with production or sales level.

FOB-origin pricing—A geographic pricing strategy in which goods are placed free on board a carrier; the customer pays the freight from the factory to the destination.

Focus group—A small sample of typical consumers under the direction of a group leader who elicits their reaction to a stimulus such as an ad or product concept.

Follow-up—The last step in the selling process, in which the salesperson follows up after the sale to ensure customer satisfaction and repeat business.

Forecasting—The art of estimating future demand by anticipating what buyers are likely to do under a given set of conditions.

Fragmented industry—An industry characterised by many opportunities to create competitive advantages, but each advantage is small.

Franchise—A contractual association between a manufacturer, wholesaler or service organisation (a franchiser) and independent businesspeople (franchisees) who buy the right to own and operate one or more units in the franchise system.

Freight-absorption pricing—A geographic pricing strategy in which the company absorbs all or part of the actual freight charges in order to get the business.

Frequency—The number of times the average person in the target market is exposed to an advertising message during a given period.

Full-service retailers—Retailers that provide a full range of services to shoppers.

Functional discount (trade discount)—A price reduction offered by the seller to trade channel members that perform certain functions, such as selling, storing and record keeping.

Gatekeepers—People in the organisation's buying centre who control the flow of information to others.

Gender segmentation—Dividing a market into different groups based on sex.

General need description—The stage in the business buying process in which the company describes the general characteristics and quantity of a needed item.

Geodemographics—The study of the relationship between geographical location and demographics.

Geographic segmentation—Dividing a market into different geographical units such as nations, states, regions, counties, cities or neighbourhoods.

Geographical pricing—Pricing based on where customers are located.

Global firm—A firm that, by operating in more than one country, gains R&D, production, marketing and financial advantages that are not available to purely domestic competitors.

Global industry—An industry in which the strategic positions of competitors in given geographic or national markets are affected by their overall global positions.

Global marketing—Marketing that is concerned with integrating or standardising marketing actions across different geographic markets.

Global organisation—A form of international organisation whereby top corporate management and staff plan worldwide manufacturing or operational facilities, marketing policies, financial flows and logistical systems. The global operating unit reports directly to the chief executive, not to an international divisional head.

Going-rate pricing—Setting price based largely on following competitors' prices rather than on company costs or demand.

Government market—Governmental units – national and local – that purchase or rent goods and services for carrying out the main functions of government.

Growth stage—The product life-cycle stage at which a product's sales start climbing quickly.

Habitual buying behaviour—Consumer buying behaviour in situations characterised by low consumer involvement and few significant perceived brand differences.

Handling objections—The step in the selling process in which the salesperson seeks out, clarifies and overcomes customer objections to buying.

Horizontal marketing system—A channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity.

Human need—A state of felt deprivation.

Human want—The form that a human need takes as shaped by culture and individual personality.

Hybrid marketing channels—Multi-channel distribution, as when a single firm sets up two or more marketing channels to reach one or more customer segments. A variety of direct and indirect approaches are used to deliver the firm's goods to its customers.

Hypermarkets—Huge stores that combine supermarket, discount and warehouse retailing; in addition to food, they carry furniture, appliances, clothing and many other products.

Idea generation—The systematic search for new-product ideas.

Idea screening—Screening new-product ideas in order to spot good ideas and drop poor ones as soon as possible.

Implausible positioning—Making claims that stretch the perception of the buyers too far to be believed.

Income segmentation—Dividing a market into different income groups.

Individual marketing—Tailoring products and marketing programmes to the needs and preferences of individual customers.

Industrial product—A product bought by individuals and organisations for further processing or for use in conducting a business.

Industry—A group of firms which offer a product or class of products that are close substitutes for each other. The set of all sellers of a product or service.

Inelastic demand—Total demand for a product that is not much affected by price changes, especially in the short run.

Influencer—A person whose view or advice influences buying decisions.

Influencer—A person whose views or advice carries some weight in making a final buying decision; they often help define specifications and also provide information for evaluating alternatives.

Information search—The stage of the buyer decision process in which the consumer is aroused to search for more information; the consumer may simply have heightened attention or may go into active information search.

Informative advertising—Advertising used to inform consumers about a new product or feature and to build primary demand.

Initiator—The person who first suggests or thinks of the idea of buying a particular product or service.

Innovation—An idea, service, product or technology that has been developed and marketed to customers who perceive it as novel or new. It is a process of identifying, creating and delivering new-product or service values that did not exist before in the marketplace.

Innovative marketing—A principle of enlightened marketing which requires that a company seek real product and marketing improvements.

Inside sales force—Salespeople who service the company's customers and prospect from their offices via telephone or visits from prospective customers.

Institutional market—Schools, hospitals, nursing homes, prisons and other institutions that provide goods and services to people in their care.

Integrated direct marketing—Direct marketing campaigns that use multiple vehicles and multiple stages to improve response rates and profits.

Integrated logistics management—A physical distribution concept that recognises the need for a firm to integrate its logistics system with those of its suppliers and customers. The aim is to maximise the performance of the entire distribution system.

Integrated marketing communications—The concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organisation and its products.

Intensive distribution—Stocking the product in as many outlets as possible.

Interactive marketing—Marketing by a service firm that recognises that perceived service quality depends heavily on the quality of buyer–seller interaction.

Intermediaries—Distribution channel firms that help the company find customers or make sales to them, including wholesalers and retailers that buy and resell goods.

Internal audit—An evaluation of the firm's entire value chain.

Internal marketing—Marketing by a service firm to train and effectively motivate its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction.

Internal records information—Information gathered from sources within the company to evaluate marketing performance and to detect marketing problems and opportunities.

International division—A form of international marketing organisation in which the division handles all of the firm's international activities. Marketing, manufacturing, research, planning and specialist staff are organised into operating units according to geography or product groups, or as an international subsidiary responsible for its own sales and profitability.

Internet (the Net)—A vast public web of computer networks connecting users of all types all around the world to each other and to a large 'information repository'. The Internet makes up one big 'information highway' that can dispatch bits at incredible speeds from one location to another.

Internet exchanges—Web-based bazaars, often shared by buyers, where suppliers bid against requirements posted on the Internet.

Introduction stage—The product life-cycle stage when the new product is first distributed and made available for purchase.

Invention—A new technology or product that may or may not be commercialised and may or may not deliver benefits to customers.

Joint ownership—A joint venture in which a company joins investors in a foreign market to create a local business in which the company shares joint ownership and control.

Joint venturing—Entering foreign markets by joining with foreign companies to produce or market a product or service.

Leading indicators—Time series that change in the same direction but in advance of company sales.

Learning—Changes in an individual's behaviour arising from experience.

Licensed brand—A product or service using a brand name offered by the brand owner to the licensee for an agreed fee or royalty.

Licensing—A method of entering a foreign market in which the company enters into an agreement with a licensee in the foreign market, offering the right to use a manufacturing process, trademark, patent, trade secret or other item of value for a fee or royalty.

Life-cycle segmentation—Offering products or marketing approaches that recognise the consumer's changing needs at different stages of their life.

Lifestyle—A person's pattern of living as expressed in his or her activities, interests and opinions.

Limited-service retailers—Retailers that provide only a limited number of services to shoppers.

Line extension—Using a successful brand name to introduce additional items in a given product category under the same brand name, such as new flavours, forms, colours, added ingredients or package sizes.

Long-range plan—A plan that describes the principal factors and forces affecting the organisation during the next several years, including long-term objectives, the chief marketing strategies used to attain them and the resources required.

Macroenvironment—The larger societal forces that affect the whole microenvironment – demographic, economic, natural, technological, political and cultural forces.

Management contracting—A joint venture in which the domestic firm supplies the management know-how to a foreign company that supplies the capital; the domestic firm exports management services rather than products.

Manufacturer's brand (national brand)—A brand created and owned by the producer of a product or service.

Market—The set of all actual and potential buyers of a product or service.

Market-centred company—A company that pays balanced attention to both customers and competitors in designing its marketing strategies.

Mark-up/mark-down—The difference between selling price and cost as a percentage of selling price or cost.

Market challenger—A runner-up firm in an industry that is fighting hard to increase its market share.

Market follower—A runner-up firm in an industry that wants to hold its share without rocking the boat.

Market leader—The firm in an industry with the largest market share; it usually leads other firms in price changes, new product introductions, distribution coverage and promotion spending.

Market nicher—A firm in an industry that serves small segments that the other firms overlook or ignore.

Market positioning—Arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. Formulating competitive positioning for a product and a detailed marketing mix.

Market segment—A group of consumers who respond in a similar way to a given set of marketing stimuli.

Market segmentation—Dividing a market into distinct groups of buyers with different needs, characteristics or behaviour, who might require separate products or marketing mixes.

Market targeting—The process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

Market-penetration pricing—Setting a low price for a new product in order to attract large numbers of buyers and a large market share.

Market-skimming pricing—Setting a high price fora new product to skim maximum revenues layer by layer from the segments willing to pay the high price; the company makes fewer but more profitable sales.

Marketing—A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

Marketing audit—A comprehensive, systematic, independent and periodic examination of a company's environment, objectives, strategies and activities to determine problem areas and opportunities, and to recommend a plan of action to improve the company's marketing performance.

Marketing channel (distribution channel)—A set of interdependent organisations involved in the process of making a product or service available for use or consumption by the consumer or industrial user.

Marketing concept—The marketing management philosophy which holds that achieving organisational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do.

Marketing control—The process of measuring and evaluating the results of marketing strategies and plans, and taking corrective action to ensure that marketing objectives are attained.

Marketing environment—The actors and forces outside marketing that affect marketing management's ability to develop and maintain successful relationships with its target customers.

Marketing implementation—The process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives.

Marketing information system (MIS)—People, equipment and procedures to gather, sort, analyse, evaluate and distribute needed, timely and accurate information to marketing decision makers.

Marketing intelligence—Everyday information about developments in the marketing environment that helps managers prepare and adjust marketing plans.

Marketing intermediaries—Firms that help the company to promote, sell and distribute its goods to final buyers; they include physical distribution firms, marketing-service agencies and financial intermediaries.

Marketing management—The art and science of choosing target markets and building profitable relationships with them.

Marketing mix—The set of controllable tactical marketing tools – product, price, place and promotion – that the firm blends to produce the response it wants in the target market.

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

Marketing process—The process of (1) analysing marketing opportunities; (2) selecting target markets; (3) developing the marketing mix; and (4) managing the marketing effort.

Marketing research—The function that links the consumer, customer and public to the marketer through information that is used to identify and define marketing opportunities and problems, to generate, refine and evaluate marketing actions, to monitor marketing performance, and to improve understanding of the marketing process.

Marketing services agencies—Marketing research firms, advertising agencies, media firms, marketing consulting firms and other service providers that help a company to target and promote its products to the right markets.

Marketing strategy statement—A statement of the planned strategy for a new product that outlines the intended target market, the planned product positioning, and the sales, market share and profit goals for the first few years.

Marketing strategy—The marketing logic by which the business unit hopes to achieve its marketing objectives.

Marketing website—A site on the Web created by a company to interact with consumers for the purpose of moving them closer to a purchase or other marketing outcome. The site is designed to handle interactive communication initiated by the company.

Mass customisation—Preparing individually designed products and communication on a large scale.

Mass marketing—Using almost the same product, promotion and distribution for all consumers.

Materials and parts—Industrial products that enter the manufacturer's product completely, including raw materials and manufactured materials and parts.

Maturity stage—The stage in the product life-cycle where sales growth slows or levels off.

Measurability—The degree to which the size, purchasing power and profits of a market segment can be measured.

Media—Non-personal communications channels including print media (newspapers, magazines, direct mail), broadcast media (radio, television), and display media (billboards, signs, posters).

Media impact—The qualitative value of an exposure through a given medium.

Media vehicles—Specific media within each general media type, such as specific magazines, television shows or radio programmes.

Membership groups—Groups that have a direct influence on a person's behaviour and to which a person belongs.

Merchant wholesaler—Independently owned business that takes title to the merchandise it handles.

Message source—The company, the brand name, the salesperson of the brand, or the actor in the ad who endorses the product.

Microenvironment—The forces close to the company that affect its ability to serve its customers – the company, market channel firms, customer markets, competitors and publics, which combine to make up the firm's value delivery system.

Micromarketing—A form of target marketing in which companies tailor their marketing programmes to the needs and wants of narrowly defined geographic, demographic, psychographic or behavioural segments.

Mission statement—A statement of the organisation's purpose – what it wants to accomplish in the wider environment.

Modified rebuy—A business buying situation in which the buyer wants to modify product specifications, prices, terms or suppliers.

Monopolistic competition—A market in which many buyers and sellers trade over a range of prices rather than a single market price.

Moral appeals—Message appeals that are directed to the audience's sense of what is right and proper.

Motive (drive)—A need that is sufficiently pressing to direct the person to seek satisfaction of the need.

Multibrand strategy—A brand strategy under which a seller develops two or more brands in the same product category.

Multiple niching—Adopting a strategy of having several independent offerings that appeal to several different subsegments of customer.

Natural environment—Natural resources that are needed as inputs by marketers or that are affected by marketing activities.

Need recognition—The first stage of the buyer decision process in which the consumer recognises a problem or need.

Net profit—The difference between the income from goods sold and all expenses incurred.

New product—A good, service or idea that is perceived by some potential customers as new.

New task—A business buying situation in which the buyer purchases a product or service for the first time.

New-product development—The development of original products, product improvements, product modifications and new brands through the firm's own R&D efforts.

Niche marketing—Adapting a company's offerings to more closely match the needs of one or more subsegments where there is often little competition.

Non-durable product—A consumer product that is normally consumed in one or a few uses.

Non-personal communication channels—Channels that carry messages without personal contact or feedback, including media, atmospheres and events.

Non-tariff trade barriers—Non-monetary barriers to foreign products, such as biases against a foreign company's bids or product standards that go against a foreign company's product features.

Objective-and-task method—Developing the promotion budget by (1) defining specific objectives, (2) determining the tasks that must be performed to achieve these objectives, and (3) estimating the costs of performing these tasks. The sum of these costs is the proposed promotion budget.

Observational research—The gathering of primary data by observing relevant people, actions and situations.

Occasion segmentation—Dividing the market into groups according to occasions when buyers get the idea to buy, actually make their purchase, or use the purchased item.

Off-price retailer—Retailer that buys at less-than-regular wholesale prices and sells at less than retail.

Oligopolistic competition—A market in which there are a few sellers that are highly sensitive to each other's pricing and marketing strategies.

Online advertising—Advertising that appears while consumers are surfing the Web, including banner and ticker ads, interstitials, skyscrapers and other forms.

Open trading networks—Huge e-marketspaces in which B2B buyers and sellers find each other online, share information and complete transactions efficiently.

Open-end questions—Questions that allow respondents to answer in their own words.

Operating control—Checking ongoing performance against annual plans and taking corrective action.

Operating statement (profit-and-loss statement or income statement)—A financial statement that shows company sales, cost of goods sold and expenses during a given period of time.

Opinion leaders—People within a reference group who, because of special skills, knowledge, personality or other characteristics, exert influence on others.

Optional-product pricing—The pricing of optional or accessory products along with a main product.

Order-routine specification—The stage of the business buying process in which the buyer writes the final order with the chosen supplier(s), listing the technical specifications, quantity needed, expected time of delivery, return policies and warranties.

Outside sales force—Outside salespeople (or field sales force) who travel to call on customers.

Overpositioning—A positioning error referring to too narrow a picture of the company, its product or a brand being communicated to target customers.

Packaging—The activities of designing and producing the container or wrapper for a product.

Packaging concept—What the package should be or do for the product.

Patronage rewards—Cash or other awards for the regular use of a certain company's products or services.

Penetrated market—The set of consumers who have already bought a particular product or service.

Percentage-of-sales method—Setting the promotion budget at a certain percentage of current or forecast sales or as a percentage of the sales price.

Perception—The process by which people select, organise and interpret information to form a meaningful picture of the world.

Performance review—The stage of the business buying process in which the buyer rates its satisfaction with suppliers, deciding whether to continue, modify or drop them.

Personal communication channels—Channels through which two or more people communicate directly with each other, including face to face, person to audience, over the telephone, or through the mail.

Personal influence—The effect of statements made by one person on another's attitude or probability of purchase.

Personal selling—Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

Personality—A person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.

Persuasive advertising—Advertising used to build selective demand for a brand by persuading consumers that it offers the best quality for their money.

Physical distribution (marketing logistics)—The tasks involved in planning, implementing and controlling the physical flow of materials and final goods from points of origin to points of use to meet the needs of customers at a profit.

Physical distribution firms—Warehouse, transportation and other firms that help a company to stock and move goods from their points of origin to their destinations.

Place—All the company activities that make the product or service available to target customers.

Planned obsolescence—A strategy of causing products to become obsolete before they actually need replacement.

Pleasing products—Products that give high immediate satisfaction but may hurt consumers in the long run.

Point-of-purchase (POP) promotions—Displays and demonstrations that take place at the point of purchase or sale.

Political environment—Laws, government agencies and pressure groups that influence and limit various organisations and individuals in a given society.

Portfolio analysis—A tool by which management identifies and evaluates the various businesses that make up the company.

Postpurchase behaviour—The stage of the buyer decision process in which consumers take further action after purchase based on their satisfaction or dissatisfaction.

Potential market—The set of consumers who profess some level of interest in a particular product or service.

Pre-approach—The step in the selling process in which the salesperson learns as much as possible about a prospective customer before making a sales call.

Premiums—Goods offered either free or at low cost as an incentive to buy a product.

Presentation—The step in the selling process in which the salesperson tells the product 'story' to the buyer, showing how the product will make or save money for the buyer.

Price elasticity—A measure of the sensitivity of demand to changes in price.

Price packs—Reduced prices that are marked by the producer directly on the label or package.

Price—The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.

Primary data—Information collected for the specific purpose at hand.

Primary demand—The level of total demand for all brands of a given product or service – for example, the total demand for motor cycles.

Private brand (middleman, distributor or store brand)—A brand created and owned by a reseller of a product or service.

Private trading networks (PTNs)—B2B trading networks that link a particular seller with its own trading partners.

Problem recognition—The first stage of the business buying process in which someone in the company recognises a problem or need that can be met by acquiring a good or a service.

Product adaptation—Adapting a product to meet local conditions or wants in foreign markets.

Product—Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas.

Product-bundle pricing—Combining several products and offering the bundle at a reduced price.

Product concept—A detailed version of the new-product idea stated in meaningful consumer terms.

Product concept—The idea that consumers will favour products that offer the most quality, performance and features, and that the organisation should therefore devote its energy to making continuous product improvements.

Product development—Developing the product concept into a physical product in order to ensure that the product idea can be turned into a workable product.

Product idea—An idea for a possible product that the company can see itself offering to the market.

Product image—The way consumers perceive an actual or potential product.

Product innovation charter (PIC)—A new-product strategy statement formalising management's reasons or rationale behind the firm's search for innovation opportunities, the product/market and technology to focus upon, and the goals and objectives to be achieved.

Product invention—Creating new products or services for foreign markets.

Product life-cycle (PLC)—The course of a product's sales and profits over its lifetime. It involves five distinct stages: product development, introduction, growth, maturity and decline.

Product line filling—Increasing the product line by adding more items within the present range of the line.

Product line pricing—Setting the price steps between various products in a product line based on cost differences between the products, customer evaluations of different features, and competitors' prices.

Product line stretching—Increasing the product line by lengthening it beyond its current range.

Product line—A group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlet, or fall within given price ranges.

Product mix (product assortment)—The set of all product lines and items that a particular seller offers for sale to buyers.

Product position—The way the product is defined by consumers on important attributes – the place the product occupies in consumers' minds relative to competing products.

Product quality—The ability of a product to perform its functions; it includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes.

Product sales force structure—A sales force organisation under which salespeople specialise in selling only a portion of the company's products or lines.

Product specification—The stage of the business buying process in which the buying organisation decides on and specifies the best technical product characteristics for a needed item.

Product-support services—Services that augment actual products.

Production concept—The philosophy that consumers will favour products that are available and highly affordable, and that management should therefore focus on improving production and distribution efficiency.

Profitable customer—A person, household or company whose revenues over time exceed, by an acceptable amount, the company's costs of attracting, selling and servicing that customer.

Promotion mix—The specific mix of advertising, personal selling, sales promotion and public relations that a company uses to pursue its advertising and marketing objectives.

Promotion—Activities that communicate the product or service and its merits to target customers and persuade them to buy.

Promotional allowance—A payment or price reduction to reward dealers for participating in advertising and sales-support programmes.

Promotional pricing—Temporarily pricing products below the list price, and sometimes even below cost, to increase short-run sales.

Proposal solicitation—The stage of the business buying process in which the buyer invites qualified suppliers to submit proposals.

Prospecting—The step in the selling process in which the salesperson identifies qualified potential customers.

Psychographic segmentation—Dividing a market into different groups based on social class, lifestyle or personality characteristics.

Psychographics—The technique of measuring lifestyles and developing lifestyle classifications; it involves measuring the chief AIO dimensions (activities, interests, opinions).

Psychological pricing—A pricing approach that considers the psychology of prices and not simply the economics; the price is used to say something about the product.

Public relations—Building good relations with the company's various publics by obtaining favourable publicity, building up a good 'corporate image', and handling or heading off unfavourable rumours, stories and events. Major PR tools include press relations, product publicity, corporate communications, lobbying and counselling.

Public—Any group that has an actual or potential interest in or impact on an organisation's ability to achieve its objectives.

Pull strategy—A promotion strategy that calls for spending a lot on advertising and consumer promotion to build up consumer demand. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers.

Pulsing—Scheduling ads unevenly, in bursts, over a certain time period.

Purchase decision—The stage of the buyer decision process in which the consumer actually buys the product.

Pure competition—A market in which many buyers and sellers trade in a uniform commodity – no single buyer or seller has much effect on the going market price.

Pure monopoly—A market in which there is a single seller – it may be a government monopoly, a private regulated monopoly or a private non-regulated monopoly.

Push strategy—A promotion strategy that calls for using the sales force and trade promotion to push the product through channels. The producer promotes the product to wholesalers, the wholesalers promote to retailers, and the retailers promote to consumers.

Qualified available market—The set of consumers who have interest, income, access and qualifications for a particular product or service.

Qualitative research—Exploratory research used to uncover consumers' motivations, attitudes and behaviour. Focus-group interviewing, elicitation interviews and repertory grid techniques are typical methods used in this type of research.

Quality—The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.

Quantitative research—Research which involves data collection by mail or personal interviews from a sufficient volume of customers to allow statistical analysis.

Quantity discount—A price reduction to buyers who buy large volumes.

Quantity premium—A surcharge paid by buyers who purchase high volumes of a product.

Question marks—Low-share business units in high-growth markets that require a lot of cash in order to hold their share or become stars.

Quota—A limit on the amount of goods that an importing country will accept in certain product categories; it is designed to conserve on foreign exchange and to protect local industry and employment.

Range branding strategy—A brand strategy whereby the firm develops separate product range names for different families of product.

Rational appeals—Message appeals that relate to the audience's self-interest and show that the product will produce the claimed benefits; examples are appeals of product quality, economy, value or performance.

Reach—The percentage of people in the target market exposed to an ad campaign during a given period.

Reference groups—Groups that have a direct (face-to-face) or indirect influence on the person's attitudes or behaviour.

Reference prices—Prices that buyers carry in their minds and refer to when they look at a given product.

Relationship marketing—The process of creating, maintaining and enhancing strong, value-laden relationships with customers and other stakeholders.

Reminder advertising—Advertising used to keep consumers thinking about a product.

Resellers—The individuals and organisations that buy goods and services to resell at a profit.

Retailer cooperatives—Contractual vertical marketing systems in which retailers organise a new, jointly owned business to carry on wholesaling and possibly production.

Retailers—Businesses whose sales come primarily from retailing.

Retailing accordion—A phenomenon describing how the width of retailers' product assortment or operations shifts over time: there tends to be a general–specific–general cycle. However, it is possible that many retailing businesses evolve along a specificgeneral–specific cycle.

Reverse auction—Customers name the price that they are willing to pay for an item and seek a company willing to sell.

Role—The activities a person is expected to perform according to the people around him or her.

Sales force management—The analysis, planning, implementation and control of sales force activities. It includes setting sales force objectives; designing sales force strategy; and recruiting, selecting, training, supervising and evaluating the firm's salespeople.

Sales force promotion—Sales promotion designed to motivate the sales force and make sales force selling efforts more effective, including bonuses, contests and sales rallies.

Sales promotion—Short-term incentives to encourage purchase or sales of a product or service.

Sales quotas—Standards set for salespeople, stating the amount they should sell and how sales should be divided among the company's products.

Salesperson—An individual acting for a company by performing one or more of the following activities: prospecting, communicating, servicing and information gathering.

Salutary products—Products that have low appeal but may benefit consumers in the long run.

Sample—A segment of the population selected for market research to represent the population as a whole.

Samples—Offers to consumers of a trial amount of a product.

Seasonal discount—A price reduction to buyers who buy merchandise or services out of season.

Seasonality—The recurrent consistent pattern of sales movements within the year.

Second-price sealed bid—Sealed bids are submitted but the contender placing the best bid pays only the price equal to the second-best bid.

Segment marketing—Adapting a company's offerings so they more closely match the needs of one or more segments.

Segmented pricing—Pricing that allows for differences in customers, products and locations. The differences in prices are not based on differences in costs.

Selective attention—The tendency of people to screen out most of the information to which they are exposed.

Selective demand—The demand for a given brand of a product or service.

Selective distortion—The tendency of people to adapt information to personal meanings.

Selective distribution—The use of more than one, but less than all of the intermediaries that are willing to carry the company's products.

Selective retention—The tendency of people to retain only part of the information to which they are exposed, usually information that supports their attitudes or beliefs.

Self-concept—Self-image, or the complex mental pictures that people have of themselves.

Self-service retailers—Retailers that provide few or no services to shoppers; shoppers perform their own locate–compare–select process.

Selling concept—The idea that consumers will not buy enough of the organisation's products unless the organisation undertakes a large-scale selling and promotion effort.

Selling process—The steps that the salesperson follows when selling, which include prospecting and qualifying, pre-approach, approach, presentation and demonstration, handling objections, closing and follow-up.

Sense-of-mission marketing—A principle of enlightened marketing which holds that a company should define its mission in broad social terms rather than narrow product terms.

Sequential product development—A new-product development approach in which one company department works individually to complete its stage of the process before passing the new product along to the next department and stage.

Served market (target market)—The part of the qualified available market that the company decides to pursue.

Service inseparability—A major characteristic of services – they are produced and consumed at the same time and cannot be separated from their providers, whether the providers are people or machines.

Service intangibility—A major characteristic of services – they cannot be seen, tasted, felt, heard or smelt before they are bought.

Service perishability—A major characteristic of services – they cannot be stored for later sale or use.

Service variability—A major characteristic of services – their quality may vary greatly depending on who provides them and when, where and how.

Service—Any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything.

Services—Activities, benefits or satisfactions that are offered for sale.

Shopping product—A consumer product that the customer, in the process of selection and purchase, characteristically compares with others on such bases as suitability, quality, price and style.

Simultaneous product development—An approach to developing new products in which various company departments work closely together, overlapping the steps in the product development process to save time and increase effectiveness.

Single-source data systems—Electronic monitoring systems that link consumers' exposure to television advertising and promotion (measured using television meters) with what they buy in stores (measured using store checkout scanners).

Social classes—Relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.

Societal marketing concept—The idea that the organisation should determine the needs, wants and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves both the consumer's and society's well-being.

Societal marketing—A principle of enlightened marketing which holds that a company should make marketing decisions by considering consumers' wants, the company's requirements, consumers' long-run interests and society's long-run interests.

Specialised industry—An industry where there are many opportunities for firms to create competitive advantages that are huge or give a high pay-off.

Speciality product—A consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

Speciality store—A retail store that carries a narrow product line with a deep assortment within that line.

Stalemate industry—An industry that produces commodities and is characterised by a few opportunities to create competitive advantages, with each advantage being small.

Standardised marketing mix—An international marketing strategy for using basically the same product, advertising, distribution channels and other elements of the marketing mix in all the company's international markets.

Stars—High-growth, high-share businesses or products that often require heavy investment to finance their rapid growth.

Statistical demand analysis—A set of statistical procedures used to discover the most important real factors affecting sales and their relative influence; the most commonly analysed factors are prices, income, population and promotion.

Status—The general esteem given to a role by society.

Straight product extension—Marketing a product in a foreign market without any change.

Straight rebuy—A business buying situation in which the buyer routinely reorders something without any modifications.

Strapline—A slogan often used in conjunction with a brand's name, advertising and other promotions.

Strategic business unit (SBU)—A unit of the company that has a separate mission and objectives and that can be planned independently from other company businesses. An SBU can be a company division, a product line within a division, or sometimes a single product or brand.

Strategic control—Checking whether the company's basic strategy matches its opportunities and strengths.

Strategic group—A group of firms in an industry following the same or a similar strategy.

Strategic plan—A plan that describes how a firm will adapt to take advantage of opportunities in its constantly changing environment, thereby maintaining a strategic fit between the firm's goals and capabilities and its changing market opportunities.

Style—A basic and distinctive mode of expression.

Subculture—A group of people with shared value systems based on common life experiences and situations.

Substantiality—The degree to which a market segment is sufficiently large or profitable.

Supermarkets—Large, low-cost, low-margin, high-volume, self-service stores that carry a wide variety of food, laundry and household products.

Superstore—A store around twice the size of a regular supermarket that carries a large assortment of routinely purchased food and non-food items and offers such services as dry cleaning, post offices, film developing, photo finishing, cheque cashing, petrol forecourts and self-service car-washing facilities.

Supplier search—The stage of the business buying process in which the buyer tries to find the best vendors.

Supplier selection—The stage of the business buying process in which the buyer reviews proposals and selects a supplier or suppliers.

Suppliers—Firms and individuals that provide the resources needed by the company and its competitors to produce goods and services.

Supplies and services—Industrial products that do not enter the finished product at all.

Survey research—The gathering of primary data by asking people questions about their knowledge, attitudes, preferences and buying behaviour.

SWOT analysis—A distillation of the findings of the internal and external audits which draws attention to the critical organisational strengths and weaknesses and the opportunities and threats facing the company.

Systems buying—Buying a packaged solution to a problem and without all the separate decisions involved.

Target costing—A technique to support pricing decisions, which starts with deciding a target cost for a new product and works back to designing the product.

Target market—A set of buyers sharing common needs or characteristics that the company decides to serve.

Target marketing—Directing a company's effort towards serving one or more groups of customers sharing common needs or characteristics.

Tariff—A tax levied by a government against certain imported products. Tariffs are designed to raise revenue or to protect domestic firms.

Team selling—Using teams of people from sales, marketing, production, finance, technical support, and even upper management to service large, complex accounts.

Technological environment—Forces that create new technologies, creating new product and market opportunities.

Telemarketing—Using the telephone to sell directly to consumers.

Territorial sales force structure—A sales force organisation that assigns each salesperson to an exclusive geographic territory in which that salesperson carries the company's full line.

Test marketing—The stage of new-product development where the product and marketing programme are tested in more realistic market settings.

Third-party logistics (3PL) provider—An independent logistics provider that performs any or all of the functions required to get its client's product to market.

Time-series analysis—Breaking down past sales into their trend, cycle, season and erratic components, then recombining these components to produce a sales forecast.

Total costs—The sum of the fixed and variable costs for any given level of production.

Total customer cost—The total of all the monetary, time, energy and psychic costs associated with a marketing offer.

Total customer value—The total of the entire product, services, personnel and image values that a buyer receives from a marketing offer.

Total market demand—The total volume of a product or service that would be bought by a defined consumer group in a defined geographic area in a defined time period in a defined marketing environment under a defined level and mix of industry marketing effort.

Total quality management (TQM)—Programmes designed to constantly improve the quality of products, services, and marketing processes.

Trade (or retailer) promotion—Sales promotion designed to gain reseller support and to improve reseller selling efforts, including discounts, allowances, free goods, cooperative advertising, push money, and conventions and trade shows.

Trade-in allowance—A price reduction given for turning in an old item when buying a new one.

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

Trend—The long-term, underlying pattern of sales growth or decline resulting from basic changes in population, capital formation and technology.

Two-part pricing—A strategy for pricing services in which price is broken into a fixed fee plus a variable usage rate.

Underpositioning—A positioning error referring to failure to position a company, its product or brand.

Undifferentiated marketing—A market-coverage strategy in which a firm decides to ignore market segment differences and go after the whole market with one offer.

Uniform delivered pricing—A geographic pricing strategy in which the company charges the same price plus freight to all customers, regardless of their location.

Unique selling proposition (USP)—The unique product benefit that a firm aggressively promotes in a consistent manner to its target market. The benefit usually reflects functional superiority: best quality, best services, lowest price, most advanced technology.

Unsought product—A consumer product that the consumer either does not know about or knows about but does not normally think of buying.

User—The person who consumes or uses a product or service.

Users—Members of the organisation who will use the product or service; users often initiate the buying proposal and help define product specifications.

Value analysis—An approach to cost reduction in which components are studied carefully to determine whether they can be redesigned, standardised or made by less costly methods of production.

Value chain—A major tool for identifying ways to create more customer value.

Value delivery network—A network made up of the company, suppliers, distributors and customers who 'partner' with each other to improve the performance of the entire system.

Value marketing—A principle of enlightened marketing which holds that a company should put most of its resources into value-building marketing investments.

Value positioning—A range of positioning alternatives based on the value an offering delivers and its price.

Value pricing—Offering just the right combination of quality and good service at a fair price.

Value-based pricing—Setting price based on buyers' perceptions of product values rather than on cost.

Variable costs—Costs that vary directly with the level of production.

Variety-seeking buying behaviour—Consumer buying behaviour in situations characterised by low consumer involvement, but significant perceived brand differences.

Vertical marketing system (VMS)—A distribution channel structure in which producers, wholesalers and retailers act as a unified system. One channel member owns the others, has contracts with them, or has so much power that they all cooperate.

Viral marketing—The Internet version of word-of-mouth marketing – e-mail messages or other marketing events that are so infectious that customers will want to pass them on to friends.

Volume industry—An industry characterised by few opportunities to create competitive advantages, but each advantage is huge and gives a high pay-off.

Warehouse club (wholesale club, membership warehouse)—Off-price retailer that sells a limited selection of brand-name grocery items, appliances, clothing and a hodgepodge of other goods at deep discounts to members who pay annual membership fees.

Web communities—Websites upon which members can congregate online and exchange views on issues of common interest.

Webcasting (push programming)—The automatic downloading of customised information of interest to recipients' PCs, affording an attractive channel for delivering Internet advertising or other information content.

Wheel of retailing—A concept of retailing which states that new types of retailer usually begin as low-margin, low-price, low-status operations, but later evolve into higher-priced, higher-service operations, eventually becoming like the conventional retailers they replaced.

Wholesaler—A firm engaged primarily in selling goods and services to those buying for resale or business use.

Wholesaler-sponsored voluntary chains—Voluntary chains of independent retailers organised by the wholesaler to help them compete with large chain organisations.

Word-of-mouth influence—Personal communication about a product between target buyers and neighbours, friends, family members and associates.

Workload approach—An approach to setting sales force size, whereby the company groups accounts into different size classes and then determines how many salespeople are needed to call on them the desired number of times.

Zone pricing—A geographic pricing strategy in which the company sets up two or more zones. All customers within a zone pay the same total price; the more distant the zone, the higher the price.