Marketing dictionary - Aa

***A Priori* Segmentation**

A segmentation approach in which segmentation variables, such as age or income, are selected first and then customers are classified accordingly; the reverse of this is Post Hoc Segmentation in which, after data on existing customers are analysed, segments based on similarities and differences are formed.

AANA

abbrev. Australian Association of National Advertisers.

AARDS

abbrev. Australian Advertising Rate and Data Service.

ABC Account Classification

the classification of customer accounts within a sales territory or region into groups according to their size and potential, and, therefore, their importance; the classification is used primarily to determine call frequency.

ABC Inventory Analysis

the classification of goods held in inventory according to sales volume; the classification is used primarily to determine stock location within the warehouse.

ABN

abbrev. Australian Business Number.

Above-the-Line Advertising

advertising which employs one of five main media - the press, television, radio, cinema and posters. See Below-the-Line Advertising.

ABS

abbrev. Australian Bureau of Statistics.

Absolute Cost Advantage

the cost advantage one company has over another if it has a cheaper source of raw materials, control of superior knowledge through patents, cheaper manufacturing or assembly costs, or similar benefit.

Absolute Costs

the minimum costs that an organisation must bear to remain in business. See Absolute Cost Advantage.

Absolute Product Failure

a new product introduction which does not manage to recover its production and marketing costs; the company incurs a financial loss.

ACCC

Abbrev. Australian Competition and Consumer Commission.

Accelerated Test Marketing

market testing of consumer goods using a simulated store technique rather than an actual test market; also referred to as Laboratory Test Markets and Purchase Laboratories.

Accelerator Principle

the notion that an increase or reduction in consumer demand will affect several layers of demand in organisational markets; for example, an increase in consumer demand for soft drinks will will lead to an increased demand by retailers for soft drinks, an increased demand by soft drink bottlers for aluminium cans, an increased demand by aluminium can manufacturers for aluminium sheet, an increased demand by aluminium sheet manufacturers for aluminium ore, and so on. See Derived Demand.

Acceptable Price Range

an expectation in the minds of consumers regarding price levels for a product category; consumers are reluctant to buy below the acceptable price range for fear that the product will be inferior, or above it because the expected benefit of the product is not worth the price.

Access Barriers

factors such as tariffs and legal restrictions which reduce the size of a market by preventing potential customers from purchasing a particular product.

Accessibility

one of the four major requirements (with actionability, measurability and substantiality) for useful market segmentation; accessibility expresses the notion that the segment targeted must be able to be reached and served adequately by the firm's promotion and distribution system. See Actionability; Measurability; Substantiality.

Accessories

see Accessory Equipment.

Accessory Equipment

goods and materials purchased by organisations for use in production, administrative, clerical or marketing activities, but not directly in the manufacture of finished products.

Account Executive

see Account Manager.

Account Manager

a sales representative responsible for a major customer account or group of major accounts; also referred to as an account executive.

Account Objectives

the specific aims and sales goals to be achieved within a specified period by a salesperson for an account for which he or she is responsible.

Account Penetration Ratio

a measure used to evaluate salespeople; the percentage of accounts from which orders are secured is calculated to provide a measure of whether the salesperson is working the territory in a systematic way or simply "milking" major accounts.

Account Representative

a salesperson with direct responsibility for one specific major account or a group of major accounts.

Account Strategies

broad methods employed in achieving the objectives set by a salesperson for a particular account.

Accountants' Marketing

a term sometimes used to describe an approach to marketing characterised by an emphasis on short-term sales results rather than on long-term survival and growth, and by a lack of innovation.

Achievers

a term used in the Values and Lifestyles (VALS) profiling scheme, developed by SRI International, to describe the most affluent and successful professional and businesspeople, the highest level of the nine psychographic segments identified in the U.S. population.

Acid-Test Ratio

one of three ratios commonly used to evaluate a firm's liquidity; calculated by dividing cash by current liabilities. See Current Ratio; Quick Ratio.

Acquisition

the purchase by an organisation of a competitor or new products, often to gain economies of scale that lead to lower costs, lower prices and increased competitiveness.

ACSI

abbrev. American Consumer Satisfaction Index

Acting Out

the activities in which consumers engage during their purchase decision-making, such as picking a product from a shelf to feel its weight, inspect its quality, or read instructions for use.

Action Plan

see Action Program.

Action Program

a detailed plan showing how major marketing tasks will be managed and implemented, who will do them, and when; also called an Action Plan.

Actionability

one of the major requirements (with accessibility, measurability and substantiality) for useful market segmentation; actionability expresses the notion that the segment targeted must be of an appropriate size for the company's resources to handle. See Accessibility; Measurability; Substantiality.

Active Data

information that is acquired by organisations when customers interact with their websites; the information is relayed to the organisations either by means of cookies – unique identifiers that allow organisations to know who has visited their websites and which pages visitors have viewed - or by the customers' completion of application or enquiry forms . See Directed Data; Passive data.

Active Listening

listening that is more than passively hearing what the customer is saying; implies the need for a salesperson to think while listening and to evaluate what is being said.

Active Value

the value a consumer gets from the actual use of a product, such as a lawn mower, sewing machine, or taxi; in other cases, such as watching a movie or visiting an art gallery, the value is reactive . See Reactive Value.

Activity Quota

a common form of sales assignment, goal or target used to measure a sales representative's performance in relation to his or her selling activities; activities used in this way include total calls made, total sales made, number of new accounts opened, number of displays set up, and so on. Other common forms of sales quotas are unit volume quotas, dollar volume quotas, gross margin quotas and net profit quotas. See Sales Quota.

Activity Report

a report used by salespeople to provide details (such as number of calls made, new accounts opened, displays arranged, dealer sales meetings attended and so on) to management as a measure of their activity in a given period.

Activity Stage Model

the process in which the various tasks that need to be done to bring a new product to market are mapped out in sequential order. See New Product Development.

ACTU

abbrev. Australian Council of Trade Unions.

Actual Product

the tangible features of a product, including styling, quality level, features, brand name and packaging; also called the Formal Product or Tangible Product. See Augmented Product; Core Product.

Actual Response Rate

the number of orders received in response to a direct mail campaign; the actual response rate is compared to the projected response rate to evaluate the success of the campaign. See Projected Response Rate.

Actual Self

the concept, of self image, of what a person is now, as opposed to what he or she would like to become (that is, the ideal self). See Ideal Self.

Ad Hoc Marketing Research

marketing research conducted in response to a specific, one-time-only need.

Adaptation Approach to Pricing

an approach in global marketing in which an organisation allows an affiliate or subsidiary to set the most desirable price, provided it is profitable, in its own region; also referred to as the Polycentric Approach. See also Extension Approach; Geocentric Approach.

Adapted Marketing Mix

in international marketing, a marketing strategy in which elements of the marketing program are adjusted for the target market in each country.

Adaptive Control System

a system of marketing control which allows for changes to be made to marketing objectives during a planning period as well as to the performance to meet the objectives; a pro-active marketing control system. See After-the-Fact Control System; Marketing Control System; Reactive Marketing Control System; Steering Control System.

Adaptive Selling

a technique in selling which calls for the salesperson to adapt his or her social style to that of the buyer in order to maximise effectiveness. See Social Style.

Adaptive Strategies

domestic marketing tactics, plans and methods which have been altered to suit local conditions in foreign markets.

Adaptivising

a planning philosophy implying a firm's intention to continue to maintain, and expand, its present operations; to do better things in the future than have been done in the past. See Optimising; Satisficing.

Added Value

the increased worth of a firm's offering as a result of marketing; four factors which generate the additional value are features, quality, customer perception (or image) and exclusiveness.

ADI

See Area of Dominant Influence.

ADMA

abbrev. Australian Direct Marketing Association.

Administered Channel Arrangement

see Administered Vertical Marketing System.

Administered Prices

cost-oriented pricing in which a firm bases its prices on considerations within the firm rather than on customer considerations.

Administered Vertical Marketing System

a co-ordinated system of distribution channel organisation in which the flow of products from producer to end-user is controlled by the power and size of one member of the channel system rather than by common ownership or contractual ties. See Contractual Vertical Marketing System; Conventional Marketing System; Corporate Vertical Marketing System; Vertical Marketing System.

Adopter Category

the ranking into which adopters of a new product fall according to their willingness and speed to embrace a new product; adopter categories are normally listed as innovators, early adopters, early majority, late majority and laggards. See Diffusion of Innovation.

Adoption

the choice of one product over another.

Adoption of Innovation Curve

a normal distribution curve illustrating the fact that customers vary widely in their willingness or readiness to purchase new products. See Diffusion of Innovation.

Adoption Process

the series of stages, including awareness, interest, evaluation, trial and rejection or adoption, which consumers go through in their decision-making process; also called the Adoption Sequence.

Adoption Rate Determinants

factors which influence the rate of adoption of a new product. See Communicability; Compatibility; Complexity; Divisibility; Relative Advantage.

Adoption Sequence

see Adoption Process.

Advance Australia Foundation

a partly government-funded organisation, established in 1979 as Project Australia, formed to promote the sale of Australian-made products.

Advantage

see Competitive Advantage.

Advantage Matrix

see Boston Consulting Group Advantage Matrix.

Adversarial Shopper

a consumer whose shopping behaviour is characterised by a determination to get good value at a low price; a bargain hunter; one who regards all prices as negotiable.

Advertising

the paid, public, non-personal announcement of a persuasive message by an identified sponsor; the non-personal presentation or promotion by a firm of its products to its existing and potential customers. See Promotion.

Advertising Agency

a firm specialising in the creation, design and media placement of advertisements, and in the planning and execution of promotional campaigns. See Full-Service Advertising Agency; Limited-Service Advertising Agency.

Advertising Allocation

see Advertising Budget.

Advertising Allowance

a discount given to a retailer by a supplier whose brand or product is featured in the store's newspaper, television or radio advertising or in catalogs, flyers or similar promotional pieces. See Allowances; Discounts.

Advertising Appropriation

see Advertising Budget.

Advertising Banner

see Banner Advertising.

Advertising Budget

the sum allocated in a particular accounting period for expenditure on advertising; also called an Advertising Allocation or an Advertising Appropriation.

Advertising Budget Determination

decisions pertaining to the amount to be allocated to advertising expenditure in a given period; common approaches to advertising budget determination include arbitary allocation, percent of sales, competitive parity, objective and task and budgeting models. See All-We-Can-Afford Method; Percentage-of-Sales Method; Competitive Parity Budgeting; Objective and Task Method of Budgeting; Computer Modelling.

Advertising Campaign

a planned program of advertising with particular objectives.

Advertising Campaign Evaluation

the measurement of the success of a planned program of advertising in terms of sales, increased product awareness, wider distribution or other program objectives.

Advertising Control - Advertising Copy

the content and context of a message contained in an advertisement.

Advertising Effectiveness

the degree to which the objectives of an advertisement or advertising campaign have been achieved; the effectiveness is commonly gauged by measuring the effect on sales, brand awareness, brand preference, etc. See Communication Effect of Advertising; Sales Effect of Advertising.

Advertising Elasticities

measurements of the effect on other marketing variables of various levels of advertising expenditure; for example, measurement of the effect of high levels of advertising on consumer perceptions of price, or the measurement of the low levels of advertising on consumer perceptions of product quality.

Advertising Exposure

one presentation of an advertisement to an audience; advertising managers must decide how many "exposures" will be required to achieve their goal or objective.

Advertising Federation of Australia

an association representing the interests of Australian advertising agencies.

Advertising Goal

a particular communication task to be accomplished with a specific target audience in a given period of time.

Advertising Impact

see Impact.

Advertising Institute of Australia

an association representing the interests of individuals within the advertising industry in Australia.

Advertising Media

outlets or vehicles (for instance, newspapers and magazines, television, radio, cinema, posters, etc) used in communication between advertisers and customers. Note that advertising media is a plural term; its singular form is advertising medium.

Advertising Medium

see Advertising Media.

Advertising Message

the central, underlying idea or theme within an advertisement.

Advertising Objective

the specific aim or intention of an advertisement (for example, to inform, to persuade, to remind).

Advertising Planning Process

the steps or stages taken in planning an advertising campaign; the steps include identifying the target market, establishing the advertising objectives, developing the advertising budget, developing the advertising strategies, selecting the appropriate media, and evaluating the advertising effectiveness.

Advertising Platform

the basic issues or selling points that a company wishes to have included in an advertising campaign.

Advertising Research

research done to test the effectiveness of advertising; this may include the pre-testing and post-evaluating of specific advertisements and campaigns. Communication-effect research attempts to measure whether the advertising communicates effectively; sales-effect research attempts to measure whether it produces the desired level of sales.

Advertising Site

Advertising Space

Advertising Speciality

any product or item, such as a pen or key-ring, which is imprinted with a company's name, brand name or logo, and given away as a gift.

Advertising Standards Council

a body comprising representatives from the retail trade, trade unions, academics, advertising agencies and the media established to administer voluntary advertising codes and to provide a vehicle for consumer complaints about advertising.

Advertising Target

the entire market, or some part of it, which a firm wishes to attract with its advertisement.

Advertising Testing

Advertising-to-Editorial Ratio

the measure of the proportion of advertising space to editorial matter in a newspaper or magazine.

Advertising-to-Marketing Ratio

a marketing control measure used to determine whether the amount spent on advertising in a given period was excessive; total advertising expenditure is expressed as a percentage ot total marketing expenditure.

Advertising-to-Sales Ratio

a marketing control measure used to determine whether the amount spent on advertising in a given period was excessive; total advertising expenditure is expressed as a percentage of total sales revenue.

Advertising Wearout

see Consumer Wearout.

Advertorial

an advertisement in which the advertiser expresses a point of view about a social or political issue or a matter of public interest. See Advertorial Advertising.

Advertorial Advertising

advertising in which the sponsoring organisation declares its position on a matter of public interest (usually of a controversial nature). See Advocacy Advertising.

Adviser Approach

a closing technique in which a salesperson specifies all that a customer will require to solve the problem at hand, and advises (or counsels) that the offer be accepted; also referred to as the Counsellor Close. See Close.

Advocacy Advertising

a paid, overtly-sponsored communication or message which presents information or a point of view on a controversial public issue, idea or cause. See Advertorial Advertising.

Aesthetic Needs

see Self-Actualisation Needs.

AFA

abbrev. Advertising Federation of Australia.

AFAMI

abbrev. Associate Fellow of the Australian Marketing Institute.

AFCO

abbrev. Australian Federation of Consumer Organisations.

Affordable Method

see All-We-Can-Afford Method.

AFMA

abbrev. Associate Fellow of the Marketing Association of Australia and New Zealand.

Aftermarket

the market, especially for automotive parts, accessories and equipment, after the new product has been purchased.

After-the-Fact Control System

a system of marketing control in which corrective action is taken at the end of a planning period when marketing performance does not meet expectations; changes are made in an attempt to rectify the situation for the next planning period. See Adaptive Control System; Marketing Control System; Reactive Marketing Control System; Steering Control System.

Age and Life-Cycle Segmentation

A demographic segmentation strategy in which a product-market is grouped into segments based on the basis of age so that the organisation can more precisely target its offerings to the needs and wants of each stage of life of interest to it. In this way, an organisation may develop different products and different marketing approaches for school children, teens, young married couples, mature adults, elderly citizens and so on.

Agent

an intermediary or middleman who facilitates the flow of goods and services from producer to end-user, but who, unlike other members of the distribution channel, does not take title to them.

Agile Corporation

an organisation that is flexible and able to move quickly in response to continuously changing market conditions, organising its resources and adjusting its marketing strategies accordingly.

Agribusiness

the marketing of food and fibre products.

Agricultural Cooperative

an organisation formed by a group of farmers to achieve some or all of the advantages of large-scale marketing.

Agricultural Substitute

a product that is manufactured from farm produce but which is a substitute for a more traditional farm commodity. For example, soy-protein steaks are a substitute for beef steaks.

AIA

abbrev. Advertising Institute of Australia.

AIDA Concept

a formula used in selling to produce a favourable response from a customer. The assumption is that the salesperson must first make the potential customer aware of a product; foster interest; stimulate desire; and, finally, encourage action (to purchase). See Formula Selling.

AIDCA

acronym for Awareness, Interest, Desire, Conviction, Action; mental states which supposedly lead a potential customer to a buying decision. See Formula Selling.

Aided Recall Test

a method of post-testing the effectiveness of an advertisement or advertising campaign; respondents are shown products, brand names, trademarks, etc to assist their memories. See Unaided Recall Test.

AIM

abbrev. Australian Institute of Management.

AIO Statements

expressions of a person's attitudes towards, interests in, and opinions of, a product. See Psychographics.

All-We-Can-Afford Method

a simple method of determining a budget (for advertising, etc) in which the amount allocated is the amount that can be afforded; also called the What-We-Can Afford Method, the Affordable Method and the Arbitrary Method. See Advertising Budget Determination.

Alliance

an agreement between one or more firms to cooperate in some business venture or to work together to achieve certain goals. See Strategic Alliance.

Alliance Partner

an organisation which cooperates with one or more other firms or works together with them to achieve certain goals. See Alliance; Strategic Alliance.

Allowances

amounts deducted from an invoice in return for prompt payment, large quantity purchase, special promotions etc of goods and services supplied. See Discount.

Alternative Advertising

advertising which uses media other than the traditional media; examples of alternative advertising include advertising signs on parking meters and supermarket shopping trolleys, in-store video screens, etc.

Alternative Close

a closing technique in which a salesperson presents two alternatives in an attempt to get a commitment from the buyer to one, (eg. "The red or the black?", "Cash or card?") See Close.

Alternative Evaluation

the stage in the buying decision process in which the buyer uses information gathered to make a final choice between the products in the evoked set. See Evoked set.

Alternative Media

media vehicles, apart from the traditional ones, which are available for promotional purposes; examples of newer alternative media are video catalogs and audiotext. See Video Calalog; Audiotext.

AMA

abbrev. American Marketing Association

Ambience

the surroundings, including floor lay-out, indoor plants, furniture and furnishings, decor, colour, advertising material, lighting and music, which give a retail outlet its distinctive look and appeal.

Ambient Advertising

signs, posters and other promotional material, often in unusual and unexpected places, inside a shopping centre or retail outlet to generate customer interest and stimulate purchasing.

Ambient Media

a wide range of advertising and sales promotion material – including signs, posters, cut-outs, banners, flowers, ribbons, hot-air balloons and music – used in shopping malls retail outlets to generate interest and excitement and stimulate purchasing.

Ambush Advertising

a form of promotional activity, usually considered unethical and sometimes illegal, in which an organisation exploits some unrelated event such as a political rally or sporting contest by prominently displaying its advertising material; sometimes referred to as Guerrilla Marketing.

Ambush Marketing

see Ambush Advertising.

American Consumer Satisfaction Index

a U.S. system which tracks consumer satisfaction with a range of products and services across a wide group of industries; a joint initiative of the American Society for Quality Control and the Business School of the University of Michigan. Usually referred to as ASCI.

AMI

abbrev. Australian Marketing Institute.

Amiable (Social Style)

one of four social styles (with Analytical, Driver and Expressive) commonly used to classify salespeople and their customers in terms of their communication approach; Amiables are characterised by high responsiveness and low assertiveness. See Analytical; Driver; Expressive; Assertiveness; Responsiveness; Social Style.

Analysis

the mathematical or statistical processing of data and presentation of the results.

Analysis of Variance (ANOVA)

a technique used in research to determine the statistical difference between three or more sample means.

Analytic Modelling

a sophisticated, statistical technique, based on historical data related to sales levels, pricing levels, advertising and promotion, sales effort, competitive tactics and other variables, designed to determine an optimum price for current profit maximisation.

Analytical (Social Style)

one of four social styles (with Amiable, Driver and Expressive) commonly used to classify salespeople and their customers in terms of the responsiveness and assertiveness of their communication approach; Analyticals are characterised by low responsiveness and low assertiveness. See Amiable; Driver; Expressive; Assertiveness; Responsiveness; Social Style.

Anchor Store

a popular, major retailer located within a shopping mall to attract mall patronage.

Annual Plan

in strategic planning, a short-term marketing plan that describes the current marketing situation, marketing objectives, marketing strategies for the current year, action programs, budgets, and monitoring and control measures. See Strategic Planning.

ANOVA

abbrev. Analysis of Variance

Ansoff Matrix

a tool, devised by Igor Ansoff (1918-2002), to provide a logical framework for the understanding and development of marketing objectives; the basis of the matrix is the degree of newness of the products to be sold and of the markets to be targeted.

Anticipatory Pricing

the practice of setting a somewhat higher price than would otherwise have been chosen in expectation of cost inflation, government price control, or similar environmental circumstance.

Anti-Competitive Pricing Strategies

methods of pricing – including predatory pricing, price-fixing, bid-rigging, and allocating customer groups to certain suppliers - which are designed to create barriers for, weaken or destroy rival firms; in most countries these pricing methods are illegal and can result in grave consequences for the firm and its top management; also referred to as Anti-Trust Pricing Strategies. See Bid-Rigging; Predatory Pricing, Price Fixing.

Anti-Dumping Laws

in international marketing, regulations which are designed to protect domestic firms from unfair competition resulting from below-cost products being imported from overseas and sold at unfair prices.

Anti-Monopoly Regulation

laws passed to prevent anti-competitive and anti-monopoly practices in business.   see Anti-Trust Legislation.

Anti-Trust Legislation

see Anti-Monopoly Regulation.

Anti-Trust Pricing Strategies

see Anti-Competitive Pricing Strategies.

ANZIC

abbrev. Australian and New Zealand Standard Industrial Classification.

ANZIC Classification

a system administered jointly by the Australian Bureau of Statistics and Statistics New Zealand which assigns a unique number to each industry in order to identify the firms operating in each class and sub-class and to allow for the collection of data such as location, number of employees, and annual sales.

Apathy

a 'couldn't care-less' attitude of suppliers to customer complaints; a common cause of irritation to consumers who complain about poor product quality or service.

APEC

abbrev. Asia-Pacific Economic Co-operation.

APEC Forum

A loose grouping of nations which work together to facilitate economic growth, cooperation, trade and investment in the Asia-Pacific region.   Formed as an initiative of Australia in 1989, it had grown by 2007 to encompass 21 members - Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand, United States and Viet Nam. Spanning four continents, APEC represents the most economically dynamic region in the world, accounting for approximately 40 per cent of the world's population, 56 per cent of world GDP and 48 per cent of world trade.

APN

abbrev. Australian Product Number.

Approach

the stage in the selling process in which a salesperson contacts a potential customer to make an appointment or to present a product.

Approver

the person within an organisation who has the ultimate decision for making purchases; sometimes referred to as the 'decider'. See Business Buying Process.

Arbitrary Method

see All-We-Can-Afford Method.

Area Market Potential

an estimate of the amount of sales, in units and dollars, that might be possible in a given territory or region under a given level of industry marketing effort under given environmental conditions.

Area Market Specialist

a marketing manager, with good local knowledge, located in a high-volume, distinctive market to support the sales effort.

Area of Dominant Influence

the geographic region covered by a particular television station; also referred to as the station's Designated Marketing Area (DMA).

Area Sampling

an approach to cluster sampling in which the clusters are geographically based. See Cluster Sampling.

Arm's-Length Price

the price which various governments force companies to charge to discourage "dumping" abuses; the arm's length price is the price charged by competitors for the same or similar product.

Arousal

an internal state of tension which motivates a consumer, providing the energy to act; a drive. See Drive.

ARS

abbrev. Automatic Replenishment System.

ASC

abbrev. Advertising Standards Council.

ASCC

abbrev. Australian Standard Commodity Classification.

Asch Phemonenon

a tendency, first recorded by the psychologist S.E.Asch, for an individual's purchase decisions to be influenced highly by reference groups and group norms. See Group Influences; Reference Group.

Aseptic Packaging

a packaging method developed in Sweden in the 1950s; made of paper, foil and plastic aseptic packaging keeps foods bacteria-free for months without refrigeration. See Packaging; Primary Packaging; Secondary Packaging; Shipping Packaging.

ASIC

abbrev. Australian Standard Industrial Classification. See also ANZIC.

Aspirational Group

a sub-category of a reference group, consisting of individuals (not necessarily known personally) with whom a person desires to be associated. See Associational Group; Contactual Reference Group; Dissociative Reference Group; Membership Group; Reference Groups.

Assemblers

wholesaling firms specialising in the buying of small quantities of farm produce to resell to other firms in bulk; also referred to as the Assembly Market.

Assembly Market

see Assemblers.

Assertiveness

the human characteristic or quality which determines the degree to which individuals are directive and competitive in manner as opposed to non-directive and co-operative. See Social Style.

Asset Transformation

the exchange by a firm of one type of asset for another. For instance, advances in computer and communication technologies which allow organisations to gather information about customer demand rapidly and reliably have enabled them to reduce their inventories. In this way, assets in the form of finished product have been transformed into assets in the form of information.

Asset Turnover

a ratio used to evaluate the profitability of a firm; net sales in a given period are divided by total assets.

Asset-Based Marketing

a marketing approach which uses the knowledge and skills a company has already developed as the basis for growth.

Associational Group

a group, such as a club, society or trade union, or with which a consumer has some association, and which exerts an influence over buying behaviour; the influence of an associational group is usually weaker than that of kinship groups which whom the consumer has closer and stronger ties. See Aspirational Group; Kinship Group; Membership Group; Reference Group.

Associative Learning

the learning which occurs when consumers begin to attach certain qualities or characteristics to a brand. In this way, consumers might associate Singapore Airlines with safety, comfort, reliability and style in air travel but at a premium price.

Assorting

the practice of putting together a wide variety of produce in one location, as in a department store.

Assortment

the range of goods and services offered by a retailer.

Assortment Strategies

options available to a reseller in determining the assortment of products and services to be carried. See Broad Assortment; Deep Assortment; Exclusive Assortment; Scrambled Assortment.

Assumptive Close

a closing technique in which a salesperson simply assumes that the purchaser has agreed to buy the product, and proceeds to write up the order, wrap the merchandise, etc. See Close.

At-Home TV Shopping

a form of non-store retailing in which products are shown on a television screen and presented enthusiastically by an announcer to stimulate impulse purchasing using credit card and telephone. See Non-Store Retailing.

ATC

see Average Total Cost.

ATM

abbrev. Automatic Telling Machine.

Atmospheres

see Atmospherics.

Atmospherics

the combination of store decor, physical characteristics and amenities provided by a retailer to develop a particular image and attract customers.

Atomistic Competition

see Pure Competition.

Attack Strategy

in competitive situations, a means by which an organisation in a market challenger position attempts to achieve an advantage by taking market share from the market leader. See By-Pass Attack; Encirclement Attack; Flanking Attack; Frontal Attack, Guerrilla Attack.

Attention

the mental application, awareness, consideration or concentration that a company seeks to induce in consumers when it promotes a product.

Attitude Tracking

measuring the degree of satisfaction with a product through an on-going study of consumer attitudes towards it.

Attitude

an enduring favourable or unfavourable feeling, emotion and action tendency towards an issue or subject.

Attitudinal Loyalty

the loyalty displayed by consumers when they repeatedly buy brands they know and trust; their consistent attitudes result in habitual buying behaviour. Also referred to as behavioural loyalty, routinised behaviour, and habit buying, See Behavioural Loyalty; Habit Buying; Routinised Buying Behaviour.

Attitudinal Research

the gathering of data to measure consumers' attitudes to a product or brand in terms of their knowledge and opinions ot it (cognitive approach), their overall impressions of it (affect approach) and their degree of loyalty to it (behavioural approach).

Attractiveness-Strength Model

A two-dimensional matrix that portrays a company's products or strategic business units, showing the market or industry attractiveness on one axis and business strength or ability to take advantage of business opportunities on the other. The position of each product or SBU on the matrix provides guidance as to which are best candidates for further investment and growth and which might be eliminated. General Electric's Attractiveness-Strength Model is a well-known example.

Attribute

see Feature.

Audience

the intended receivers of an advertiser's message.

Audience Attention Probability

the degree to which a target consumer is likely to pay attention to an advertisement in a particular media outlet; for example, the audience attention probability of an advertisement for a new shampoo is likely to be greater in a women's magazine than in a daily newspaper.

Audience Profile, Audience Quality

a measure of the kind and quality of the target consumers likely to be exposed to the advertisement.

Audience Research, Audience Tune-Out

a phenomenon which occurs when relatively large groups of a radio or TV audience drop concentration, or stop listening altogether, for a period; audience tune-out may result from high clutter levels of commercial advertising or station or channel promotions in the non-programming time. See Clutter; Clutter Level.

Audimeter

a mechanical instrument or device for monitoring television usage and program choice (for ratings surveys, etc); colloquially called a people-meter or black box. See Single Source Data.

Audiotext

a relatively new, alternative promotional medium in which an advertiser's recorded message is reached by an interested potential purchaser by telephone. See Alternative Media.

Audimeter

an electronic device to record which particular television channel is tuned to by a household; marketing research firms use audimeters attached to a sample of TV sets to measure national exposure to TV advertisements; commonly referred to as a "peoplemeter" or "black box". See Advertising Effectiveness.

Audit

see Marketing Audit.

Augmented Product

a product enhanced by the addition of related services and benefits, eg. installation, warranty, maintenance and repair services, etc. See Core Product; Tangible Product.

Austrade

the name given to the Australian Trade Commission, the Government's trade and investment development agency. Through a global network of offices, and with representatives in more than 60 countries, Austrade attempts to assist Australian businesses with trade and investment overseas and promotes foreign investment into Australia.

Australian Advertising Rate and Data Service

a popular media reference guide (commonly called AARDS) subscribed to by advertising agencies, public relations consultancies, etc; the service provides regularly up-dated information on media companies, rates, technical specifications, circulations, readership profiles, etc.

Australian Association of National Advertisers

an association representing the interests of large marketing companies in the advertising industry.

Australian Bureau of Statistics

an Australian government agency which classifies organisations according to their economic activity, and collects and disseminates statistical information about Australian industry.

Australian Competition and Consumer Commission

an independent statutory authority, formed in 1995, which administers the *Trade Practices Act 1974* and other acts. The ACCC attempts to promote competition and fair trade in the market place for the benefit of consumers, business and the community. It also regulates national infrastructure industries. Its primary responsibility is to ensure that individuals and businesses comply with the Commonwealth's competition, fair trading and consumer protection laws.

Australian Council of Trade Unions

the central body of the trade union movement in Australia; formed in the 1920s to represent the interests of trade unions nationally, its major concerns are industrial relations and wage payments to union members; usually referred to as ACTU.

Australian Direct Marketing Association

an association, established in 1967, to represent the interests of direct mail marketers; a diverse group, consisting of individual and corporate members including direct marketing agencies, mailing houses, telemarketing bureaus, list brokers, charities, fund raisers and mail order merchandisers, it attempts to formulate and control appropriate standards of practice in direct marketing; often referred to as ADMA.

Australian Federation of Consumer Organisations

an umbrella group for the consumer movement in Australia.

Australian Marketing Institute

an association of marketing professionals founded in Sydney in 1933 as The Institute of Sales and Business Management; the aims of the Institute include the provision of aid and support to members in the furtherance of their careers, and the representation of the best interests of members to business, governments and the public; usually referred to as AMI.

Australian Product Number

a number allocated systematically to a product to distinguish it by producer, size, style, etc; the number, also translated into bar code form, is used in marketing decision-making, including stock control and inventory level adjustment; usually referred to as APN. See Bar Code.

Australian Standard Commodity Classification

a system developed by the Australian Bureau of Statistics as a method of defining and classifying products.

Australian Standard Industrial Classification

a system developed by the Australian Bureau of Statistics as a method for classifying business establishments (shops, factories, etc) into classes, on the basis of their major activity, by industry; usually referred to as ASIC. See also ANZIC.

Australian Standards, The

a basic guide to product standards for a wide range of products, published by the Standards Association of Australia.

Authoritarian Leadership Style

a style of leadership characterised by an insistence upon obedience to authority. See Democratic Leadership Style.

Authorisation

see Brand Authorisation.

Automated Warehouse

a modern, usually single-storeyed, computerised warehouse with advanced materials-handling technologies designed to reduce labour costs and improve inventory control.

Automatic Merchandising

the selling of goods by use of vending machines.

Automatic Replenishment System

a computerised system that analyses inventory levels and lead times and re-orders stock to meet forecast sales needs.

Automatic Response Behaviour

see Routine Response Behaviour.

Automatic Telling Machine

an electronic device, often located at banks and in shopping malls, for dispensing and depositing cash, transferring money from one account to another or checking an account balance; usually referred to as an ATM.

Automatic Vending

see Automatic Merchandising.

Automatic Vending Machine

A form of targeted communication in which an electronic device or technology dispenses, without direct human intervention in the process, commodity items such as stamps, combs, soft-drinks, chocolates and potato chips.

Autonomic Decision

a purchase decision made by either spouse independently. See Syncratic Decision.

Available Market

that part of the total market which professes an interest in a product, can afford to purchase it, and is not prevented by access barriers from reaching it. See Access Barriers; Market Entry Barriers.

Average Cost

the average cost per unit of production of a set or group of products; the total cost of production divided by the total number produced; the Unit Cost. See Long-Run Average Cost; Short-Run Average Cost.

Average Cost Pricing

a pricing method in which a mark-up for profit is added to the average cost of production. See Cost-Plus Pricing.

Average Fixed Cost

a measure of cost control, calculated by dividing the total fixed cost of the goods produced by the number of units sold.

Average Revenue

a measure used in price setting, calculated by dividing the total revenue by the number of units sold.

Average Total Cost

a measure of cost control, calculated by dividing the total cost of the goods produced by the number of units sold.

Average Variable Cost

a measure of cost control, calculated by dividing the total variable cost of the goods produced by the number of units sold.

Aversive Factors

qualities about people that turn others against them and may prevent the development of successful working relationships.

Awareness

see Attention.

Awareness Set

the brands of which a consumer is aware; normally, the awareness set will be less than the total set of brands. See Choice Set; Evoked Set; Inept Set; Inert Set.

Marketing dictionary - Bb

Aa | Bb | Cc | Dd | Ee | Ff | Gg | Hh | Ii | Jj | Kk | Ll | Mm | Nn | Oo | Pp | Qq | Rr | Ss | Tt | Uu | Vv | Ww | Xx | Yy | Zz

Baby Boomers

the generation of people born between 1946 and 1959, a period of explosive population growth in Australia.

Baby Bouncers

the generation of people who are the children of the "baby boomers"; also referred to as Yuppie Puppies. See Baby Boomers.

Backward Integration

a strategy for growth in which a company seeks ownership of, or some measure of control over, its suppliers. See Forward Integration; Horizontal Integration.

Backward Invention

an product strategy in international marketing in which a company produces a less complex version of its domestic product for developing and less-developed countries.

Backward Marketing Channel

see Reverse Marketing Channel.

Bad Question

in a survey or questionnaire, any question that distorts the fundamental communication between a researcher and respondent; examples of bad questions are those that are incomprehensible, unanswerable, ask for a response to more than one issue, or are ‘loaded’ in that they lead the respondent in a particular way.

Bagman

an eighteenth century term of British origin for a salesperson.

Bait Advertising

an advertising practice, now illegal in Australia, in which attractive, low-priced goods, few or any of which are actually in stock, are advertised to attract purchasers to a store or selling place.

Bait and Switch Pricing

advertising an item at an unrealistically low price as "bait" to lure customers to a store or selling place and then attempting to steer them to a higher-priced item.

Bait Pricing

advertising an item at an unrealistically low price as "bait" to lure customers to a store or selling place. See Bait and Switch Pricing.

Balance of Payments

the difference between the payments made to foreign nations and the receipts from foreign nations in a given period.

Balance of Trade

the difference between the value of the goods and services sold to foreign nations (exports) and the value of the goods and services bought from foreign nations (imports) in a given period.

Balance Sheet Close

a closing technique in which the salesperson assists an indecisive prospect to list on paper the "arguments for" and "arguments against" a particular product choice. Also known as the Benjamin Franklin Close. See Close.

Balanced Product Portfolio

a product strategy in which a firm maintains an even combination of new, growing and mature products. See Product Life Cycle

Balanced Tenancy

an attribute of a shopping centre or shopping mall which comprises a mix of retail stores carefully selected to complement each other.

Balloon Test

in marketing research, a projective interviewing technique in which respondents are presented with a cartoon strip in which there is a blank balloon above the heads of one or more of the characters; respondents are asked to write inside the balloons what they believe the characters are saying. Also referred to as a Cartoon Test.

Banded Offers

see Banded Pack.

Banded Pack

a consumer sales promotion in which two related product items are banded together and sold at a special price. See Price Packs.

Banner Advertising

online advertising that appears – usually as a narrow strip – across the top of many websites.

Bar Chart

a two-dimensional graphic which shows data, in both absolute and relative magnitudes, in the form of vertical or horizontal bars. See Line Chart; Pie Chart.

Bar Code

an arrangement of lines and spaces in code form used to identify a product by style, size, price, quality, quantity, etc. The code, read by a scanning device, is used in marketing decision-making, including stock control and inventory level adjustment.

Bar Code Scanner

see Bar Code; Scanner Systems.

Bargain

anything that is purchased cheaply; an agreement made between two parties in which both have obligations; to negotiate the terms of a sale or business agreement for the purpose of satisfying the parties involved.

Bargaining

trading off one thing against another in coming to an agreement or bringing a business deal to its conclusion.

Bargaining Power

the strength or influence one party has in a business negotiation; the capacity of one party to dominate by virtue of its size or position or by a combination of personality and negotiating tactics.

Barriers to Entry

see Access Barriers; Market Entry Barrier.

Barter

an exchange in which one good is traded for another; money is not involved.

Bartering

exchanging goods for others of equal value.

Base-Point Pricing

a pricing method in which customers are charged freight costs from a base point; the base-point may be chosen arbitrarily, but the location of one of the company's manufacturing plants is commonly used. Also called Basing-Point Pricing. See Delivered Pricing; Phantom Freight.

Basic Accounting Equation

the balancing relationship between a firm's assets and the sum of its liabilities and equity.

Basic Stock

the level of inventory required to meet the desired service standard taking into account the expected rate of depletion and the order lead time.

Basing-Point Pricing

see Base-Point Pricing.

Bachelor Stage

the first stage of the family life cycle. See Family Life Cycle.

Battle of the Brands

a term used in reference to the often intense competition between manufacturers' brands, wholesalers' brands and retailers' brands. See Distributor's Brand; Manufacturer's Brand.

Bayesian Decision Theory

a statistical approach to decision making characterized by assigning probabilities to any degree of belief about the state of the world.

BCG

abbrev. Boston Consulting Group.

BEA

abbrev. Break-Even Analysis.

Behaviour

in marketing, the way a customer acts towards a product or brand. See Behavioural Segmentation.

Behaviour Intention Scale

a method of rating or predicting the likelihood of a prospective customer to purchase a particular product within a given time.

Behaviour Segmentation

see Behavioural Segmentation

Behavioural Data

information that describes the needs, urges, drives, desires and impulses which direct a consumer’s spending.

Behavioural Segmentation

the division of a market into groups according to their knowledge of, and behaviour towards, a particular product. Behavioural dimensions commonly used to segment markets include benefits sought, user status, usage rate, loyalty status and buyer readiness stage. Also called Behaviouristic Segmentation. See Segmentation Bases.

Behavioural Variables

factors related to the way in which an individual or organisation may act which may affect the outcome of an arrangement or process.

Behaviouristic Segmentation

see Behavioural Segmentation.

Beliefs

the notions or values of people in a community or society which have a high degree of persistence. See Core Beliefs; Secondary Beliefs; Values.

Bells and Whistles

the optional features built into a basic product to satisfy or impress as large as possible a number of buyers; the term "plain vanilla" is an equivalent slang term used to describe a product with only the most basic features.

Belongers

a term used by SRI International in the first version of their Values and Lifestyle study (VALS 1) to describe one of the nine groups identified in the U.S. population; Belongers, the largest group, comprises middle-aged, middle-class people who are concerned with, and influenced by, the opinions of others in their marketplace behaviour. See Values and Lifestyles.

Belongingness and Love Needs

the desire for love and affection from others. See Maslow's Hierarchy of Needs.

Below-the-Line Advertising

all advertising by means other than the five major media - the press, television, radio, cinema and outdoors; below-the-line advertising employs a variety of methods - direct mail, sponsorship, merchandising, trade shows, exhibitions, sales literature and catalogues, and so on. See Above-the-Line Advertising.

Benchmark

a standard, or point of reference, against which something else may be measured. See Benchmarking.

Benchmarking

comparing the performance of an organisation’s products or processes with those of competitors or a recognised world leader, usually in another industry; typical performance measures include costs, productivity, process waste, and order processing time.

Benefit and Lifestyle Study

an approach to market segmentation in which data are gathered to enable consumers to be grouped according to the similarities and differences in their needs.

Benefit Concept

the sum of the bundle of benefits in a consumer’s mind which a particular product or brand delivers. For example, for some plane travellers, the benefit concept of a particular airline might be simply speedy arrival at the desired destination, while for others it might include safety, in-flight entertainment and superior service.

Benefit Segmentation

the division of a market into groups or segments on the basis of the particular benefit sought by each group from a product. See Behaviouristic Segmentation.

Benefit-in-Reserve Close

see Incentive Close.

Benefits Sought

the specific advantages looked for in products when buyers purchase them. See Behaviouristic Segmentation.

Benefits Sought Segmentation

see Benefit Segmentation.

Benjamin Franklin Close

see Balance Sheet Close.

BEP

abbrev. Break-Even Point.

Beta Coefficient

in statistical analysis, an estimated regression coefficient that has been recalculated to have a mean of 0 and a standard deviation of 1; use of the beta coefficient allows direct comparisons between independent variables to determine which has the most influence on the dependent variable.

Better Mousetrap Fallacy

the mistaken notion that if a company produces a technically better product than its competitors it will be more successful in the marketplace.

Bias

see Interviewer Bias.

Bid-Rigging

an illegal pricing practice in which firms that are tendering for the supply of an item collude in order to maintain high prices for their products or to share work between them.

Bidding

a pricing method in which selling organisations bid for a buyer's custom; the bid is the seller's price offer.

Big Mac Scale

an approach to rating the cost of living in various economic sectors based on the percentage of weekly wage needed to buy a McDonald’s Bic Mac hamburger.

Bill-Back Advertising Allowance

see Bill-Back Allowance.

Bill-Back Allowance

a form of trade promotion in which retailers receive allowances from a manufacturer for featuring its product or brand in designated advertisements or displays; in effect, the retailer charges the manufacturer for this promotion.

Bill-Back Display Allowance

see Bill-Back Allowance.

Billings

the amount of money spent on media buying by advertising agencies on behalf of clients.

Biogenics

the study of characteristics, such as age, gender and race, that individuals possess at birth and which are determinants of the differences in their needs.

BIP

abbrev. Business Intelligence Program

Bird Dogs

individuals, sometimes junior salespeople, who seek out sales leads and prospects for more experienced salespeople. See Prospects; Sales Leads; Spotters.

Birdyback

a system of transportation requiring the transfer of containers from truck to aeroplane. See Fishyback; Piggyback.

Bivariate Regression Analysis

in statistical analysis, a technique that uses information about the relationship between a dependent and an independent variable, combining it with the algebraic formula for a straight line to make predictions.

Black Box

a colloquial term for an electronic TV audience measurement system; an audiometer; a "people-meter".

Black Box Model (of Consumer Behaviour)

a model used in the study of the buying behaviour of consumers; the model assumes that what takes place in the consumer's "black box" of the consumer's mind can be inferred from a study of observed stimuli and responses.

Black Economy

the portion of a nation’s economic activity which does not appear in official records or statistics.

Black Money

revenue which is earned by an individual or company which is not officially recorded for taxation purposes.

Blanket Branding

see Family Brand.

Blanket Contract

see Blanket Purchase Order.

Blanket Purchase Order

a purchase arrangement in which a buyer contracts with a supplier to take delivery of an agreed quantity of goods at a specified price over a fixed period of time; also called a Blanket Contract.

Blocked Markets

markets, especially in foreign countries, to which entry permission is refused, or in which it is not possible to compete on reasonable terms.

Blue Sky Laws

legislation intended to prevent sales to gullible investors.

Body Copy

the descriptive paragraphs in a print advertisement (as opposed to the headlines.

Body Language

a nonverbal form of communication in which posture, facial expressions, hand movements, etc, convey a message from sender to receiver. See Nonverbal Communication; Kinesic Communication; Proxemic Communication; Tactile Communication.

Bonus Plan

a scheme for additional payments to salespeople to be made at the discretion of management for a particular sales achievement.

Boomerang Method

hurling a buyer's objection back as a reason for buying. If, for example, a buyer objects that he or she cannot afford the item, a salesperson might answer, "Yes, but can you afford not to buy it?"; sometimes referred to as the Translation Method. See Objections.

Booz, Allen and Hamilton

a U.S. based marketing consulting firm, especially recognised for its studies of failure rates in new product introductions.

Boredom Avoidance

a term used to describe an approach to new product introduction or product differentiation; that is, a new variety of a product may be introduced merely to give consumers more choice; useful when the cost of introducing a new product is low.

Boston Consulting Group

a Harvard-based marketing consultancy, best known for its portfolio analysis technique devised in 1970. See Boston Consulting Group Portfolio Analysis Matrix.

Boston Consulting Group Advantage Matrix

a marketing planning tool devised by the Harvard-based Boston Consulting Group; taking as its axes economies of scale and opportunities for differentiation, it indicates an organisation's optimal competitive strategy.

Boston Consulting Group Portfolio Analysis Matrix

a tool, devised by the Harvard-based Boston Consulting Group, for use in product and strategic business unit (SBU) planning; the matrix, based on the percentage rate of market growth per annum and the market share relative to the market leader, allows the planner to categorise each product or SBU as a "Cash Cow", "Star", "Question Marks" (or "Problem Child") or "Dog", and to develop marketing strategies appropriate to each category's propensity to generate, or use, cash. See Cash Cows; Dogs; Question Marks; Stars.

Bottom Line

a colloquial term meaning "profits".

Bottom-Up Approach to Planning

a participative approach to planning in which there is involvement at all levels; plans are developed at the lower levels of an organisation and funnelled up through consecutive levels until they reach top management. See Top-Down Approach to Planning.

Bottom-Up Approach to Promotion Budgeting

an approach to promotion budgeting which takes as its basis the tasks that are thought to be necessary to achieve the specified promotion objectives; these tasks are costed and the total cost, when approved by top management, is the budget. See Objective and Task Budgeting; Top-Down Approach to Promotion Budgeting.

Bottom-Up Approach to Sales Forecasting

an approach to sales forecasting which takes market conditions rather than the company's objectives as its basis; sometimes referred to as the "build-up" method. See Top-Down Approach to Sales Forecasting.

Bottom-Up Budgeting

an approach to budget-setting in which managers determine how much is needed to achieve each of their planned objectives; these amounts are then combined to establish the total operating budget. See Top-Down Budgeting.

Boundary-Spanning Role

the difficult dual role played by sales managers and senior account managers who, in developing close relationships with clients, must provide the link between company and customer.

Brain Drain

a term used to describe the effect on a nation when significant numbers of its best and brightest people are attracted to more highly-paid jobs in foreign countries.

Brainstorming

an idea generating process commonly used in new product development; the process encourages open communication and full participation by group members, while withholding any criticism. Evaluation takes place after all ideas have been expressed. See Idea Generation; New Product Development.

Brand

a name, sign, symbol or design, or some combination of these, used to identify a product and to differentiate it from competitors' products.

Brand Acceptance

see Brand Loyalty.

Brand Advertising

the featuring of a particular brand in media vehicles in order to build strong, long-term consumer attitudes towards it.

Brand Association

the particular thoughts and impressions that a consumer has of a brand; marketers usually attempt to create mental associations that are favourable and strong, and that differentiate it from competing brands.

Brand Authorisation

the obtaining of distribution and display, usually of a consumer packaged good, through a retail outlet.

Brand Awareness

see Brand Familiarity.

Brand Bonding

building a strong relationship between a brand and consumers in order to grow and retain custom.

Brand Category Extension

see Brand Extension.

Brand Competitors

competing brands of products which can satisfy a consumer's wants almost equally as well as each other. See Competitors.

Brand Concept

the image that the brand sponsor wants a particular brand to have; the desired positioning of the brand in the market and in the minds of consumers.

Brand Conviction

the strong attitude or attachment consumers have towards a particular brand.

Brand Development Index

a ratio of brand consumption intensity to population intensity by country, state, city, region, etc.

Brand Dilution

the weakening of the power of a brand which may occur when a company has too many brands and spreads its resources too thinly in trying to support them all.

Brand Equity

a term used in reference to the value of a well-known brand; brand equity can greatly affect the buyout price of a company.

Brand Establishment

the building-up of a brand in the introductory stage of the product's life cycle; brand establishment involves developing an effective distribution network for the product and convincing consumers to buy it. See Introductory Stage of the Product Life Cycle.

Brand Extension

the use of a well-known brand name to launch a new product, of an unrelated category, into the market; also called Franchise Extension.

Brand Familiarity

the awareness consumers have of a particular brand.

Brand Family

See Family Brand.

Brand Franchise

the loyalty that attaches to a well-managed brand. See Brand Extension.

Brand Harvesting

decreasing marketing expenditure on a brand to zero, or to a minimal level, when sales and profits begin to decline, relying on its purchase by loyal customers to sustain it; brand harvesting (which often precedes total elimination of the brand) is usually undertaken to free up cash with which to pursue new market opportunities.

Brand Identification Decisions

decisions relating to the type of brand to give to a product; four brand identity alternatives are available - single brand name ("Pal" dog food), product-line brand name (Sears' Kenmore home appliance range), corporate brand name ("Kellogg's Sustain") and corporate family name ("Heinz Baked Beans"). See Individual Brand; Family Brand; Corporate Branding, Product-Line Brand Name; Single Brand Name.

Brand Identity

see Brand Image.

Brand Image

the feelings, moods, emotions and connotations evoked by a brand. Also referred to as Brand Identity.

Brand Insistence

the stage of brand loyalty where the buyer will accept no alternative and will search extensively for the required brand. See Brand Preference; Brand Recognition.

Brand Label

a label which gives the brand name of the product.

Brand Leveraging

broadening a company's product range by introducing additional forms or types of products under a brand name which is already successful in another category. Also called Product Leveraging, Brand Extension and Franchise Extension.

Brand Licensing

the leasing of the use of a brand to another company.

Brand Life Cycle

a concept, building on the product life cycle concept, which states that brands also have a life cycle - introduction, growth, maturity, decline - and that particular brand management strategies are appropriate at each stage. See Product Life Cycle.

Brand Loyalists

consumers who remain loyal to a brand over a long period of time. See Brand Loyalty; Brand Promiscuity; Brand Switching.

Brand Loyalty

a measure of the degree to which a buyer recognises, prefers and insists upon a particular brand; brand loyalty results from continued satisfaction with a product considered important and gives rise to repeat purchases of products with little thought but with high-involvement. See High-Involvement Products.

Brand Manager

an individual given responsibility for planning and co-ordinating the firm's marketing activities related to a single brand.

Brand Map

see Perceptual Mapping.

Brand Mark

the part of a brand which can be seen but not spoken; the logo, symbol or design that forms part of the brand. See Brand Name.

Brand Monopoly

a circumstance in which a particular brand dominates a market.

Brand Name

the part of a brand which can be spoken; it may include words, letters or numbers. See Brand Mark.

Brand Name Selection

the choosing of a brand name. See Brand Name Selection Process.

Brand Name Selection Process

a systematic process for the development of a brand name that will increase a product's chances of success; the process usually begins with a review of the product's benefits, target market and planned marketing strategies, and will include such considerations as its likelihood to infringe on existing brand names, the ease with which it can be translated into foreign languages, and the degree to which it can be legally protected.

Brand Parity

the similarity of one brand to another; in mature product categories, there are often few distinct differences between brands and organisations attempt to reduce parity and differentiate their brands with advertising and sales promotions.

Brand Personality

the feeling that people have about a brand as distinct from what the product can actually do.

Brand Positioning

the development of the way in which a company wishes its brand to be perceived by consumers relative to competing brands; the positioning task consists of identifying the brand's competitive advantages and communicating the chosen position to the market.

Brand Positioning Map

a two-dimensional chart used as a tool in brand positioning; the market positions of major competing brands are plotted on the map according to key attributes or criteria, such as price, quality and extent of service offered, in order to identify market gaps that might be exploited.

Brand Power

the force a particular brand has to dominate its category through the magnitude of its recognition.

Brand Preference

the stage of brand loyalty at which a buyer will select a particular brand but will choose a competitor's brand if the preferred brand is unavailable. See Brand Insistence; Brand Recognition.

Brand Promiscuity

consumer buying behaviour marked by an absence of brand loyalty. See Brand Loyalty.

Brand Protection

legislation forbidding other firms from using a company's registered brand names or brand marks without permission.

Brand Recognition

the stage of brand loyalty at which the buyer is aware of the existence of a particular brand but has no preference for it. See Brand Insistence; Brand Preference.

Brand Reinforcement

activity associated with getting consumers who have tried a particular brand to become repeat purchasers and with attracting new users; brand reinforcement is a key objective of the growth stage of the product's life cycle. See Growth Stage of the Product Life Cycle.

Brand Repositioning

changing the appeal of a brand in order for it to attract new market segments; brand repositioning may or may not involve modifying the product.

Brand Revitalisation

strategy employed when a brand has reached maturity and profits begin to decline; approaches to revitalisation may include one or all of market expansion, product modification or brand repositioning.

Brand Revival

the resurrection of a brand that is being harvested or which has previously been eliminated; brand revival, where the brand name is still strong, is often a less costly strategy than the creation of a new brand and may provide a firm with a significant advantage in a mature market.

Brand Sponsor

the manufacturer, wholesaler or retailer who owns the brand. See Distributor's Brand; Generic Brand; Manufacturer's Brand.

Brand Strategies

decision-making for the effective handling of brands; three general branding strategies are available - a single brand for all of the organisation's products, family branding, or the use of individual brand names for all products. See Corporate Branding; Family Brand; Individual Brand Name.

Brand Switching

the changing of support and conviction for one brand to a competing brand. See Brand Loyalty.

Brand Vision

an organisation’s clear view of what its brand is now and what it would like it to become in the future.

Branding

see Brand Strategies.

Branding Decisions

see Brand Strategies.

Branding Strategies

see Brand Strategies.

Breadth of Product Line

see Width of Product Line.

Breakout

in logistics management, the extracting of goods from large shipments from a manufacturer and distributing them through the channels in smaller quantities, often combining different sizes and styles.

Break-Even

see Break-Even Analysis; Break-Even Point; Break-Even Pricing.

Break-Even Analysis

see Break-Even Pricing.

Break-Even Point

the point at which total revenue is equal to total cost.

Break-Even Pricing

a method of pricing based on a determination of the number of units of a product that must be sold at each given price in order to recover the total cost of production.

Breakthrough Opportunities

opportunities that are seen by innovative firms which develop hard-to-imitate marketing strategies that are very profitable for a long time; less creative firms adopt risk-avoiding "me-too" strategies. See Follow-the-Leader Strategy.

Bribe

money offered to procure an action or decision in favour of the giver; bribery is an illegal business practice in most countries.

Bridge Buying

a practice in retailing in which buyers purchase enough of a supplier’s product during periods when discounts are being offered to see them through until the next discounting period. Also referred to as Forward Buying. See Off-Invoice Allowance.

Brief

in advertising, a document given by a manufacturer or supplier to an agency to guide creation of an advertisement; typically, the document will outline the features and benefits of the product, the desired positioning in the market and the planned marketing strategies.

Brinkmanship

a term used in negotiating in which one party bluffs or pushes the other to the very limit on price, terms, conditions, etc and refuses to concede further; the second party must call the bluff at the risk of losing the business.

Broad Assortment

an assortment strategy in which a reseller decides to carry a wide range of related product lines. See Assortment Strategies; Deep Assortment; Exclusive Assortment; Scrambled Assortment.

Broadening Concept

the extension of marketing as a business philosophy to encompass the marketing activities of non-profit organisations. See Non-Profit Marketing.

Brochure

a leaflet, pamphlet, booklet or similar printed publication which provides information about an organisation and its products.

Brochureware

a disparaging term used to describe static internet websites that show or list the goods and services an organisation offers without allowing interactivity. In other words, the sites are simply a form of brochure.

Broker

a marketing intermediary or middleman between buyer and seller; an agent. See Agent.

Browngoods

a classification of consumer durables which includes television sets, radios and hi-fi equipment. See Whitegoods.

Brush-Off

an unsatisfactory approach adopted by some companies to customer complaints; in this approach, the company simply dismisses the customer abruptly.

BU

abbrev. Bottom-Up. See Bottom-Up Budgeting; Bottom-Up Approach to Sales Forecasting.

Buddy System

an on-the-job sales training method in which an experienced salesperson is responsible for the training of a new salesperson. See Curbside Training; Formal Training; On-the-Job Training.

Budget

a plan of estimated income and expenditure, or of the amount needed and available to carry out a planned business activity.

Budget Determination

see Advertising Budget Determination.

Budgeting

the process of financial planning of income and expenditure for the firm's various activities - marketing, promotion, advertising, personal selling, etc.

Budgeting Models

see Computer Modelling.

Buffer Stock

Build Strategy

decision-making aimed at increasing market penetration of existing products into existing markets or new markets or both.

Built-In Obsolescence

the deliberate design of a product in a way in which some component will break down or some feature become out-dated so that purchasers will consider buying a newer model.

Bundled Pricing

see Bundling.

Bundling

the practice of offering two or more products or services as a single package at a special price; also referred to as Bundled Pricing. See Unbundling.

Burst Advertising Expenditure

a concentration of advertising expenditure over a limited time period. - See Drip Advertising Expenditure.

Business Analysis

a stage in the new product development process in which the information gathered in the screening, concept development and testing and marketing planning stages is used to produce break-even and return-on-investment projections. See New Product Development.

Business Buyer Behaviour

the way in which organisational buyers act or behave when making purchase decisions. See Business Buying Process.

Business Buying Process

Like consumers, the decisions organisational buyers make are affected by a range of influences: (i) external influences consisting of marketing stimuli and environmental stimuli (technological, economic, political, social and cultural) factors; (ii) internal influences such as organisational culture, interpersonal and individual differences within the buying group, and the degree of complexity of the buying task; and (iii) the response to these influences (that is, what is bought, in what quantity, from whom, and when.) Marketers study this complex process to understand which influences have greatest impact on the decision-making in any given situation. See Business Buyer Behaviour.

Business Conduct Guidelines

sets of rules or ethical standards, usually compiled by management, under an organisation wishes to conduct its business; such guidelines usually include the ways in which the company expects its employees to treat its customers and behave towards its competitors and other industry entities.

Business Customers

see Business Market.

Business Cycles

historical patterns of prevailing economic conditions - prosperity, recession, depression and recovery.

Business District

a section of a city, suburb or other geographic location with a high density of commercial organisations. See Central Business District; Neighbourhood Business District; Trade Area.

Business Guide

a journal, periodical, magazine or similar publication containing news and information about the size, product range, personnel, etc. of companies in an industry.

Business Intelligence

in marketing support systems, any information relevant to the operations of an organisation and the markets it serves.

Business Intelligence Program

a continuously evolving data-gathering program in which a company sources and analyses accurate and reliable data about its industry and its present and potential competitors in an attempt to develop and maintain a competitive advantage.

Business Market

government departments as well as manufacturers, wholesalers, retailers and similar commercial enterprises that purchase goods and services needed for their operations. Also referred to as Business Customers

Business Mix

the combination of businesses in which a firm is engaged.

Business Plan

a blueprint for building a company, containing a definition of the company's mission, identified opportunities, objectives, strategies and action plans and control and evaluation measures.

Business Portfolio

the mix of strategic business units and products that make up a company’s total operations.

Business Portfolio Analysis Matrix

a tool used in business analysis as a means of classifying a firm's products or business units for strategic planning purposes. See Boston Consulting Group Portfolio Analysis Matrix; General Electric Strategic Business Portfolio Planning Grid.

Business Strength

a measure of the ability a firm has to compete successfully in a particular market.

Business-To-Business Marketing

see Business Market; Industrial Marketing.

Business-to-Business Products

goods and services purchased by organisations for use in producing other products or in operating their businesses.

Buy Classes

buying situations categorised according to the prior experience of the buyer with the product and supplier; buy classes can be classified as straight rebuys, modified rebuys and new tasks. See Modified Rebuy; New Task Buying; Straight Rebuy.

Buy-Back

in international marketing, a practice in which organisations sell plant, equipment or technology to overseas firms and agree to take payment in the form of finished products. Also referred to as Compensation.

Buyer

the individual who handles the actual purchase in a buying decision; a purchasing officer. See Buying Centre.

Buyer Action Theory

a traditional point of view holding that a prospect buys after being guided through certain mental processes by a salesperson. See AIDA Concept; Buyer Resolution Theory; Formula Approach.

Buyer Behaviour

the study of consumers and organisations in relation to their purchase decisions. See Consumer Behaviour; Organisational Buying Behaviour.

Buyer Decision Process

the stages through which buyers pass as they move from recognition of a need to the actual purchase of a product and experience the feelings which accompany that; these progressive stages are often cited as need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behaviour. See Consumer Decision Process.

Buyer Dissonance

see Cognitive Dissonance.

Buyer Intention Forecast

a method of predicting future demand for a product by asking potential buyers for their likely requirements.

Buyer Involvement

a measure of the time and effort a buyer is prepared to devote to the purchase of a particular item. See High-Involvement Products; Low-Involvement Products.

Buyer Readiness Stage

the state of preparedness or willingness in which an individual consumer may be in regard to the purchase of a particular product; the stages are commonly listed as awareness; knowledge; liking; preference; conviction and purchase. Also referred to as Buyer Readiness State.

Buyer Readiness State

see Buyer Readiness Stage.

Buyer Role

In the buying process, the part played by the actual purchasers of a product as distinct from the users or the person who authorises payment. See Buyer; Buying Centre.

Buyer Resolution Theory

the idea that a buyer decides to purchase only after mentally resolving five specific issues - need, product, source, price, and timing.

Buyer Socialisation

the learning which individuals do from their parents, peers and sub-cultural groups which influence their later buying behaviour.

Buyer's Market

a market in which there is an abundance of a particular good or service for sale.

Buyer-Seller Dyad

the two-way flow of communication between buyer and seller.

Buyer-Seller Interdependence

the close relationship between buyers and sellers, especially in organisational markets, where buyers become highly dependent on sellers for assured supply and delivery.

Buying Allowance

a trade sales promotion in which buyers are offered a price reduction for each carton, case, etc. purchased during the period of the promotion. See Allowances.

Buying Centre

everyone within an organisation who participates in a buying decision; categories of participants within the buying centre are commonly referred to as users, influencers, deciders, buyers and gatekeepers. See Buyers; Deciders; Gatekeepers; Influencers; Users.

Buying Committee

a group within a retailing organisation or chain which has responsibility for the purchase of merchandise for resale.

Buying Cycle

the time taken by an organisation to complete its decision to buy.

Buying Decision Process

see Buyer Decision Process.

Buying Power

the resources, especially financial, that customers have at a given time.

Buying Power Index

a tool developed in the U.S. for estimating the buying power of a district or region; the approach uses a mathematical formula based on three factors: the proportion of the national population in the region; its share of the nation’s total disposable personal income, and its percentage of total retail sales.

Buying Process

see Buyer Decision Process.

Buying Signals

signs or indications, verbal or nonverbal, that tell a salesperson that the buyer is ready to buy.

Buying Situations

see Buy Classes.

By-Pass Strategy

One of five main competitive strategies available to a market challenger, a by-pass strategy is an indirect means of seeking advantage in which a company seeks to take market share from a strong market leader by avoiding confrontation by targeting new geographic markets or diversifying into other unrelated products or new technologies. See Attack Strategies.

By-Product

a secondary product produced during the process of manufacturing another.

By-Product Pricing

a pricing method used in situations where a saleable by-product results in the manufacturing process. If the by-product has little value, and is costly to dispose of, it will probably not affect the pricing of the main product; if, on the other hand, the by-product has significant value, the manufacturer may derive a competitive advantage by charging a lower price for its main product.

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C-Type Response

a response to an advertisement or an advertising campaign which is immediately obvious. See S-Type Response.

CAD

abbrev. Computer-Aided Design.

Call

a visit to a client or prospective buyer by a sales representative to gather information, make a sales presentation, secure an order, or provide service.

Call Centre

an organisation established for telemarketing operations, either out-going or incoming or both.

Call Planning

the arrangement of a sales representative's visits to buyers into an orderly sequence, the setting of objectives, and the formulation of strategies for each call.

Call Report

a written record of sales calls made by a representative for submission to a supervisor. See Call.

Call-Back Approach

making a second or subsequent attempt to sell to a particular buyer, usually presenting the product from an entirely new angle. See Call.

CALLPLAN

an interactive computer program for determining the optimal number of calls to be made on each of a salesperson's accounts. See Call.

Caller-ID Technology

see Calling Number Display.

Calling Number Display

the display of a caller’s number on a telephone so that the subscriber can see who is calling before the phone is answered; sometimes called Caller-ID Technology.

CAM

abbrev. Computer-Assisted Manufacturing.

Campaign

a related selection and execution of IMC activities to achieve marketing communication objectives.

Canned Approach

see Stimulus-Response Approach.

Cannibalisation

the loss of sales of an existing product to a new offering in the product line. See Planned Cannibalisation; Unplanned Cannibalisation.

Capital Items

long-lived business assets of a firm; these items usually include buildings, plant and equipment.

Capitalist System

see Free Market System.

Captioned Photograph

a photograph with a brief description of its contents, frequently issued by public relations personnel with news releases or feature articles.

Captive Market

a marketing situation in which purchasers have no choice but to buy from a single supplier.

Captive Product

a product made specifically to be used with another, such as a refill with a ball-point pen, a blade with a razor, ink cartridges with a printer, batteries with a torch.

Captive Product Pricing

a method of pricing the captive element of a product such as a razor or a ball-point refill; often the main product is sold below cost when high profits are expected on the captive component. See Captive Product; Captive Service.

Captive Service

a service which depends upon another major service for its use, and which can be priced separately. For example, a motel chain may offer accommodation at a low price when it expects to make high profits on its captive services such as mini-bar or restaurant. See Captive Product; Captive Product Pricing.

Captive Service Pricing

also referred to as Two-Part Pricing, this pricing method allows an organisation to charge a fixed fee plus a fee for usage. For instance, a telecommunications company may charge a fee for installation and connection to its Pay-TV service plus a variable rate for usage, the captive element of the service. See Captive Product; Captive Service.

Capture Site

a web page that requires viewers to give name, address and other details before access is granted; an often illegal or legally questionable tactic in which organisations gather names and addresses of interested consumers so that they can micro-target them with their selling efforts.

Card-Reading Telephone

a form of electronic dispensing machine; a telephone that allows customers to use a credit card to make calls and/or to receive and deposit cash.

Carload Freight Rate

a special rate offered to companies by railways to encourage them to ship in carload (c.l.) rather than less-than-carload (l.c.l.) quantities.

Carrying Costs

costs associated with maintaining inventory, such as financing, storage, insurance and obsolescence.

Carryover Effect in Advertising

the rate at which the effectiveness of an advertising campaign diminishes with the passing of time; for example, an advertising campaign this month may have a carryover effect of .50 next month.

Cartel

a group of firms (or nations) attempting to act as a monopoly to control the market price. See Collusion; Collusion Pricing.

Case Allowance

discount allowed on products sold to retailers to encourage them to purchase in larger quantities. See Allowances.

Cash-and-Carry Wholesaler

a wholesale firm that carries a limited line of fast-moving goods which it sells to small retailers for cash; usually, it does not deliver.

Cash Cow

a product or strategic business unit within the organisation's mix which is characterised by high market share and low market growth; a Cash Cow produces the revenue required to develop and support less successful or newer products. See Boston Consulting Group Portfolio Analysis Matrix; Dogs; Question Marks; Stars.

Cash Discount

a reduction in price offered to a buyer in return for prompt settlement of account. See Discount.

Cash Flow

the money required by a company to meet expenses in a given period.

Cash Rebate

money refunded to customers who buy merchandise from retailers within a specified time; the rebate allows dealers to clear inventories without cutting list price. For example, a new car dealer might announce that everyone who purchases a certain vehicle in the current month at the regular price of $25,000 will receive a cash rebate of $2,000.

Cash Refund Offer

a sales promotion tool in which consumers are offered a cash incentive to buy; a small part of the purchase price is refunded when a coupon attached to the product is returned to the manufacturer; also referred to as a Cash-Back Offer or Cash Rebate. See Cash-Back Offer; Cash Rebate

Cash-Back Offer

see Cash Rebate; Cash Refund Offer.

Cashing-Out

a cultural shift noted in today’s society in which some people move from the cities to the country or seaside, nostalgically seeking a simpler, more relaxed lifestyle; sometimes referred to as ‘getting out of the rat-race’.

Casual Product Classes

broad classifications of products used to describe markets in everyday terms, eg. the pet food market, the photocopier market, the breakfast foods market, etc. See Standard Product Classes.

Catalogue

a list of items, usually in booklet form, arranged in order and often with a description and price.

Catalogue Marketing

a form of direct marketing in which customers order from catalogues which are sent to them by mail; the ordered goods are shipped directly to them.

Catalogue Showroom

see Catalogue Retailer.

Catalogue Retailer

retailers who mail catalogues to their customers and maintain showrooms where samples of the products for sale are displayed; orders are filled from back-room warehouses. Also called Mail Order House.

Catalogue Selling

see Catalogue Marketing.

Category Killer

a retailer, usually with a large number of outlets, which specialises in one type of merchandise and carries a very wide range; because of its market visibility, size and buying power, the retailer make it difficult for smaller rivals to compete in that category.

Category Manager

an individual responsible for the marketing strategies of all the brands in a product line; also referred to as a Product Line Manager.

Category Management

the development, direction and control of all of the brands in one of an organisation's entire product lines. See Category Manager; Category Team.

Category Team

a group of people within an organisation – often including a category manager, brand manager, sales planning manager, and marketing information specialist – who manage brand strategy, advertising and sales promotion for one entire product line.

CATI

abbrev. Computer-Assisted Telephone Interviewing.

CATS

abbrev. Computer-Assisted Telephone Surveys

Causal Research

marketing research which examines the cause-and-effect relationship among variables.

Cause Marketing

marketing that is related to a special event, such as the Olympic Games, or to a charity or some other form of public good, such as Neighbourhood Watch or Crime Stoppers. Companies that participate in this way may seen as 'good citizens' and their products favoured in the marketplace. See Cause-Related Marketing.

Cause-Related Marketing

any form of marketing which links a social cause - such as road-toll reduction, responsible alcohol consumption, or bushfire readiness – to a an organisation's product.

Caveat Emptor

a Latin term meaning 'let the buyer beware'. The term implies that it is the customer's responsibility rather than the seller's to ensure that the goods or services offered for sale are able to deliver the desired satisfactions. Caveat Emptor is totally contrary to the marketing concept. See Caveat Vendor.

CBD

abbrev. Central Business District.

Ceiling Price

see Price Ceiling.

Celebrity Endorsements

see Celebrity Testimonials.

Celebrity Testimonials

advertisements featuring endorsements of products by well-known personalities from the field of entertainment, sport, politics, etc.

Census

the collection of data from all possible sources in a population.

Central Business District

the region of a city where retail and other businesses are concentrated, with a consequent high volume of traffic.

Centralised Exchange System

a system for the trading of goods which utilises a central market. See Decentralised Exchange System.

Centre-of-Influence Method

a prospecting method based on referrals; a salesperson uses influential people (bankers, solicitors, consultants, etc) to obtain leads to potential buyers. See Key Influence People.

Cents-Off Deal

see Price Packs.

CGM

abbrev. Consumer Generated Media.

Chain of Distribution

see Distribution Chain; Distribution Channel.

Chain-Ratio Method

a method of calculating total market demand for a product in which a base number, such as the total population of a country, is multiplied by several percentages, such as the number in the population above and below certain ages, the number in the population with an interest in motor sport, the number in the population with motor-cycle licences, in order to arrive at a rough estimate of the potential demand for a particular good or service (in this case, say, a new type of motor cycle helmet.)

Chain Store

a group of retail stores, centrally owned and managed, generally carrying the same kind of merchandise.

Channel

see Marketing Channels.

Channel Captain

a member of a marketing channel assuming a leadership role in organising the system in order to lessen conflict, achieve economies of scale and maximise business impact. See Marketing Channels.

Channel Conflict

discord among members in a marketing channel. See Horizontal Channel Conflict; Inter-type Channel Conflict; Marketing Channels; Vertical Channel Conflict.

Channel Design

the way in which the network is constructed to perform product distribution and delivery. See Channel Structure.

Channel Flows

the flow of physical goods and services, title, promotion, information and payment along a channel of distribution. See Marketing Channels.

Channel Leadership

see Channel Captain.

Channel Length

the number of levels of marketing intermediaries used in the channel of distribution. See Direct Marketing Channel; One Level Channel; Two Level Channel; Zero Level Channel.

Channel Levels

see Channel Length.

Channel Mix

the degree of intensiveness selected for the distribution of a product. See Exclusive Distribution; Intensive Distribution; Selective Distribution.

Channel of Distribution

see Marketing Channels.

Channel Partnership

the close linking of two or more members of a distribution channel to achieve individual and mutual objectives. For instance, two members of a channel, each performing a different function in the chain of distribution, may share premises and information.

Channel Power

the circumstances - economic or social that allow one channel member to control another. See Channel Captain.

Channel Strategy

decision-making related to the selection of the most appropriate method of controlling the flow of goods or services from producer to end-user.

Channel Structure

the way in which a network of participating intermediaries is constructed in the delivery chain to perform the required activities to achieve an organisation's distribution goals and objectives. See Channel Design.

Channel System

a method of linking customers and intermediaries by means of an integrated communication network, providing instant ordering, better cost analysis, better inventory control, etc.

Checkout Scanner

an electronic device which scans customer purchases at point of sale and provides detailed information to management to assist with stock control, inventory management and store performance.

Chlorofluorocarbons

chemical substances believed to deplete the protective ozone layer of the earth's upper atmosphere; used until recently in refrigerants and in numerous aerosol products.

Choice Set

the final set of brands from which a consumer makes a purchase choice after some brands in the awareness set have been considered and rejected. See Awareness Set.

CIF

abbrev. Cost, Insurance and Freight.

CIF Pricing

see Cost-Insurance-Freight Pricing.

Citizen Action Public

one of the several types of public which may influence an organisation's decision-making; a group within a community which may exert pressure on an organisation to act in a certain way; a pressure group. See Pressure Group; Publics.

Class Rate

the standard charge for the shipment of goods by a carrier.

Classical Conditioning

a phenomenon described by Ivan Pavlov (1849-1936), in which a significant stimulus which evokes an innate, often reflexive, response is accompanied by another unrelated stimulus; if the two stimuli are repeatedly paired, an organism will learn to respond in the same way to the second stimulus alone. Also called Pavlovian Conditioning or Respondent Conditioning

Classified Advertising

print media advertising in which similar goods and services are grouped together in categories under appropriate headings.

Clickstream

the path taken by website visitors as they move from one page or site to another when browsing.

Clicksteam Analysis

the analysis of statistical data provided by the path and pattern of visitors to a website as they search for information.

Clincher

an additional inducement offered to a potential buyer by a salesperson in order to close a sale; inducements might include price discounts, rebates, extended credit, or reduced delivery charges.

Close

the critical final stage in the selling process in which the salesperson attempts to obtain the buyer's commitment to the purchase.

Closed Promotion

a sales promotion which is available only to a specific, high-potential target; for example, a bank might wish to target graduating university students and send coupons to them by mail. See Open Promotion.

Closed Territory

an exclusive territory assigned by a manufacturer to a particular reseller; the reseller is required to sell only to customers within the territory. Closed territories are generally illegal under the Trade Practices Act.

Closed-End Question

a question which allows a respondent to choose an answer from a given list. See Open-End Question.

Closing

the act of gaining a commitment from a buyer to a purchase.

Closing Signals

see Buying Signals.

Closing Skill

the ability of a salesperson to obtain a buyer's commitment to the purchase.

Closing Techniques

methods employed by a salesperson when asking a buyer for an order and aimed at obtaining a favourable response...

Club Marketing Program

a marketing program designed specifically for regular and frequent purchasers of a company’s product or for those who have a special interest in it; these consumers, who may be automatically enrolled or invited to apply for club membership, are usually offered special prices or other incentives to reward them for their loyalty.

Cluster Analysis

a multivariate statistical technique used to identify entities with similar characteristics from those without them.

Cluster Sample

a form of probability sample where respondents are drawn from a random sample of mutually exclusive groups (usually geographic areas) within a total population; also called an area sample. See Stratified Sample.

Clutter

All non-programming time on radio and TV; this includes time given to advertsing commercials, station or channel promotions, station or channel identifications and program credits. Excessively high clutter levels may result in audience tune-out. See Clutter Level; Audience Tune-Out.

Clutter Level

see Audience Tune-Out; Clutter; Customer Wearout.

Co-Branding

a brand management strategy in which two or more well-established brand names of different companies appear on the same product.

Cocooning

a cultural or lifestyle trend characterised by the tendency of some people, greatly concerned by the levels of aggression and violence in modern life, to spend much of their time indoors at home; such people are natural targets for products such as movie rentals, Pay-TV and e-magazines.

Cognitive Dissonance

a doubt that surfaces when a buyer becomes aware that an alternative product may offer more desirable benefits than the one purchased. The buyer is anxious, wondering whether the right choice has been made.

Cold Calling

making a sales call on a client without an appointment.

Cold Canvassing

see Cold Calling

Collusion

agreement between a group of companies to fix a common price. See Cartel.

Collusion Pricing

see Collusion.

Combination Branding

emphasising a corporate or family name as well as an individual brand name in product marketing. See Corporate Branding; Family Brand.

Combination Store

a retail outlet which sells a mix of product types, such as groceries and clothing.

Command System

see Planned Economy; Controlled Allocation System.

Commercial

a television advertisement .

Commercial Data

information which can be purchased from marketing research firms which specialise in the collection and analysis of statistics of various kinds, including grocery sales at supermarkets, motor vehicle sales, TV and radio ratings and lifestyles and values of the population.

Commercial Traveller

a late nineteenth century term of American origin for a salesperson.

Commercialisation

the final stage of the new product development process in which the decision is made to put the new product into full scale production and to launch it. See New Product Development; Product Launch.

Commission

a payment made to a salesperson based on a percentage of the value of the goods sold.

Commission Override

a commission paid to a sales manager based on a percentage of his or her salespeople's commissions.

Commodity

see Commodity Product; Commodity Markets.

Commodity Markets

markets typified by the homogeneity of products and a virtual irrelevance of branding.

Commodity Product

a product that cannot be significantly differentiated from competitors' products.

Commodity Rate

a rate which is applied in any situation where freight is product specific rather than based on volume or weight; also called a Special Rate.

Common Carrier

regular, scheduled transportation services such as railways, airlines and trucking lines, available to all users.

Common Market

a group of geographically associated countries limiting trade barriers among member nations and applying common tariffs to products from non-members; also known as regional trading blocks. See European Common Market.

Communicability

the extent to which the benefits of a new product are likely to be noticed and discussed by consumers; a major determinant of the rate of new product adoption.

Communication Effect of Advertising

the influence that an advertisement or some other form of promotional activity might have, is having, or has had, on consumers or on the usage of a product advertised. See Advertising Effectiveness.

Communication Process

the process by which a message, encoded by a sender, is transmitted through a medium to a receiver, who encodes the message and provides feedback.

Communications

see Marketing Communication.

Community Service

as part of their public relations programs, organisations will sometimes engage in community service activities of some kind – for example, the free provision of plastic bags or cardboard cartons for ‘Clean Up Australia Day’ or the uniforms for sporting teams; such activities are designed to create or improve public goodwill.

Community Shopping Centre

a group of independently-owned retail stores, 15 to 50 in number; a community shopping centre will commonly include a branch of a major discount department or variety store, a supermarket, specialty stores and a bank, as well as some professional offices. A community shopping centre is smaller than a regional shopping centre and larger than a neighbourhood shopping centre. See Neighbourhood Shopping Centre; Regional Shopping Centre.

Company Brand Strength

an indicator of the success of an organisation, often measured by the proportion of product-markets in which the organisation has the leading brand.

Company Culture

see Organisational Culture.

Company Demand

the demand for a specific firm’s product as a proportion of the total market demand; also referred to as Selective Demand. See Primary Demand; Selective Demand.

Company Mission

see Corporate Mission.

Company Sales Potential

the maximum level of sales a company can expect to achieve in the forecast period with its present and planned levels of marketing effort and expenditure and the given set of market conditions.

Company Survival

the major objective of a business firm or organisation; a powerful influence on the way the firm or organisation prices its products.

Comparative Advertising

advertising in which a firm names a competitor's product and compares it with its own; also called Comparison Advertising. See Competitive Advertising.

Comparative Influence

one of three types of influence exerted on consumers (with informational influence and normative influence) by reference groups; comparative influence occurs when the reference group provides the means by which consumers compare their beliefs, attitudes and behaviour - the more similarity there is between a consumer's opinions and those of his or her reference group, the greater the comparative influence of that group. See Reference Group; Informative Influence; Normative Influence.

Comparison Advertising

see Comparative Advertising.

Comparison Pricing

a pricing method in which the price for a new product is set by comparing the benefits it offers to those of other products in the same category.

Compatibility

the extent to which a new product requires consumers to adjust to unfamiliar methods of use; a major determinant of the rate of new product adoption. See Adoption Rate Determinants.

Compensation

remuneration for work done on behalf of another.

Compensation (in International Markets)

a situation in which an organisation sells plant, equipment or other technologies to a manufacturer in a foreign country and agrees to take payment in the form of finished product. Also referred to as Buy-Back.

Compensation Method

handling a buyer's objection by admitting the validity of the objection but pointing out some advantage that compensates for it. See Objections.

Compensation Systems

schemes for remunerating salespeople for tasks performed; commonly used systems include straight salary, straight commission, and a combination of salary and incentives.

Competition

see Competitors.

Competition-Based Pricing

see Competition-Oriented Pricing.

Competition-Oriented Pricing

a method of pricing in which a manufacturer's price is determined more by the price of a similar product sold by a powerful competitor than by considerations of consumer demand and cost of production; also referred to as Competition-Based Pricing. See Cost-Plus Pricing; Target Return Pricing; Value Pricing.

Competitive Advantage

that which one firm can do better than another to satisfy consumer needs and wants.

Competitive Advertising

advertising which points out features of a brand which may not be available in other brands but does not directly name a competitor. See Comparative Advertising.

Competitive Analysis

the assessment of the strengths and weaknesses of competing firms.

Competitive Attack Strategies

options available for attacking a competitor; these include a frontal attack (head-on), a flanking attack (attack at a point of weakness), an encirclement attack (attack on several fronts at once), a by-pass attack (attack by diversifying into new territories, products or technologies) and a guerilla attack (attack by waging small, intermittent skirmishes).

Competitive Bidding

a process in which buyers request potential suppliers to submit quotations or tenders for a proposed purchase or contract.

Competitive Depositioning

attempting to change the beliefs of buyers about the attributes of a competitor's product; the attempt may be especially useful in cases where buyers generally have an inflated perception of the quality of a competitor's product. See Market Positioning.

Competitive Environment

that part of the company's external environment which consists of other firms vying for patronage of the same market.

Competitive Equilibrium

a market situation of relatively stable competitive position and activity.

Competitive Myopia

marketing short-sightedness in regard to the activity of competitors.

Competitive Niche

a segment in a market in which a company can compete effectively.

Competitive Parity Budgeting

a method of allocating a promotion budget based on matching the activity of a major competitor.

Competitive Parity Pricing

a method of pricing in which an organisation’s prime focus is the prices its competitors are charging for their comparative goods and services.

Competitive Position

an organisation's ranking in its industry by size and business strength; hypothetically, each competitor may be classified as a market leader, market challenger, market follower, or market nicher, according to the market share it holds. See Competitive Situation.

Competitive Scope

the breadth or narrowness of an organisation's focus as measured horizontally by the range of industries, market segments, or geographical regions it targets, or vertically by the degree to which it is integrated.

Competitive Situation

the standing of an organisation in its markets, relative to its competitors, when all players are described in terms of their size, resources, capabilities, product range and quality, marketing strategies, opportunities, goals, intentions, behaviour and similar variables. See Competitive Position.

Competitive Strategy

planning and actions intended to give a company an advantage over its competitors.

Competitors

firms vying for patronage of the same market. See Brand Competitors; Enterprise Competitors; Generic Competitors; Product-Form Competitors; Service-Form Competitors.

Competitor-Centred Company

a company that makes its operational and marketing decisions based primarily on reactions to moves made by its competitors. See Customer-Centred Company; Market-Centred Company.

Complaint System

any organised and efficient method of handling complaints to enhance customer satisfaction and encourage repeat purchasing.

Complementary Product Pricing

the pricing of one product at the optimum level, regardless of cost or profit considerations, so that the demand for another product which is used with it will increase and so maximise the profits from both products together.

Complete Segmentation

the division of a market into segments consisting of individual customers and tailoring a product and marketing program for each. See Custom Marketing; Customised Marketing Mix; Disaggregated Market.

Complex Decision Making

in consumer behaviour, buying which is associated with the purchasing of high-involvement products which are important to the consumer and therefore require considerable thought and effort. Also referred to as Extensive Problem Solving. See High-Involvement Products.

Complexity

the degree of difficulty which a purchaser of a new product has in understanding it; a major determinant of the rate of new product adoption. See Adoption Rate Determinants.

Computer Modelling

constructing and manipulating computer-based simulations of marketing situations to examine the consequences of alternative courses of action; computer models, often developed from an analysis of historical data, may be used to determine the optimum level of advertising and other promotional expenditure, etc. See Advertising Budget Determination.

Computer-Aided Design

the use of computer technologies to plan and design products for manufacture to improve efficiency and reduce wastage.

Computer-Aided Manufacturing

the use of computer technologies to manufacture products to increase productivity.

Computer-Assisted Telephone Interviewing

in marketing research, the use of computers to manage the selection of respondents, the interviewing process and data collection and analysis.

Computer-Assisted Telephone Surveys

See Computer-Assisted Telephone Interviewing.

Concentrated Marketing

a marketing segmentation strategy in which the firm concentrates its entire efforts and resources on serving one segment of the market; also called Niche Marketing.

Concentrated Segmentation Strategy

one of four possible segmentation strategies (with market segment expansion strategy, product line expansion strategy and differentiated segmentation strategy); in a concentrated segmentation strategy a firm targets one product to one segment of the market. See Segmentation Strategies; Market Segment Expansion Strategy; Product Line Expansion Strategy; Differentiated Segmentation.

Concentric Diversification

a growth strategy in which a company seeks to grow and develop by adding new products to its existing product lines to attract new customers; also called convergent diversification. See Conglomerate Diversification; Horizontal Diversification.

Concept Development and Testing

a two-phase stage in the development of a new product in which potential buyers are presented first with the idea or description of the new product (concept testing) and later with the product itself in final or prototype form (product testing), in order to obtain their reaction. See Product Testing; New Product Development.

Conference Selling

a selling situation in which a salesperson enlists the assistance of other people in the company (technicians, engineers, etc.) in meeting with a group of buyers from different firms to explain a new product or discuss problems and opportunities. See Group Selling; Team Selling.

Conglomerate Diversification

a growth strategy in which a company seeks to develop by adding totally unrelated products and markets to its existing business. See Concentric Diversification; Horizontal Diversification.

Conjoint Analysis

a statistical technique used to determine the optimal combination of variables.

Conjunctive Model (of Brand Evaluation)

the idea that consumers establish minimum attribute levels which acceptable brands must possess; when about to make a purchase, they will consider only those brands that exhibit a conjunction of all the minimum requirements. Other models of brand evaluation include the expectancy-value model, ideal brand model, disjunctive model, lexicographic model and determinance model.

Consequence Probes

verbal tactics used by a salesperson to illustrate the disadvantages to a buyer of not making a particular purchase.

Consideration Set

alternatives which consumers actively consider before making their final purchase decision; also referred to as the evoked set. See Evoked Set.

Consultative Selling

an approach to personal selling emphasising the role of the salesperson as consultant; the salesperson assists the buyer to identify needs and find need-satisfactions in the product range, seeking to build long-term customer relationships leading to repeat business. See Relationship Selling.

Consumables

see Consumer Non-Durables.

Consumer Attitudes

see Attitudes.

Consumer Behaviour

the behaviour of individuals when buying goods and services for their own use or for private consumption.

Consumer Credit

finance made available by leading companies to consumers for purchases with arrangements having been made for the loan to be repaid with interest.

Consumer Durables

a classification of consumer products consisting of goods with a long useful life, such as cars, electrical appliances and furniture. See Consumer Non-Durables.

Consumer Franchise

the understanding consumers have of a brand. See Franchise-Building Sales Promotions.

Consumer Generated Media

consumer-created advertising space on the internet.

Consumer Goods

items purchased by consumers for personal and household use; consumer goods are classified as durables and non-durables. See Convenience Goods; Shopping Goods; Specialty Goods; Unsought Goods.

Consumer Market

buyers and potential buyers of goods and services for personal and household use.

Consumer Needs

Forces directed to specific goals that can be achieved by purchase behaviour. The motive force for directing to one brand or another.

Consumer Non-Durables

a classification of frequently purchased consumer goods; non-durables are items which are consumed in one use or a few uses; expendables. Consumer non-durables are further sub-divided into packaged and non-packaged goods. See Consumer Durables; Packaged Goods; Non-Packaged Goods.

Consumer Product Classes

categories of goods and services bought by consumers for their personal use; classes include convenience goods, shopping goods, specialty goods, unsought goods, and services.

Consumer Research

marketing research into the requirements, opinions, attitudes, etc. of consumers.

Consumer Rights

fair entitlements due to consumers when buying from producers and resellers.

Consumer Sales Promotion

promotional activity - excluding advertising, personal selling and publicity - intended to motivate potential purchasers of personal and household products to buy.

Consumer Sovereignty

the principle that holds that production and supply are driven by the purchasing decisions of consumers.

Consumer Wearout

a decrease in the effectiveness of an advertisement or promotional campaign due to boredom and familiarity.

Consumerism

a social movement intended to safeguard the rights of consumers.

Consummatory Advertising

advertising which stresses the benefits of taking immediate action to purchase.

Contactual Reference Group

a group with which an individual has contact and which influences the individual's purchase decisions. See Aspirational Group; Dissociative Reference Group; Membership Group; Reference Groups.

Containerisation

the transportation of unitised and palletised goods by means of large crates or containers. See Palletisation; Unitisation.

Contests

a form of sales promotion in which consumers are induced to buy earlier, or in greater quantity, by the offer of prizes of cash or merchandise to be won in a competition. See Sales Promotion.

Contingent Method

see "What if..." Method (of handling sales objections.)

Continuity

the scheduling of media exposures of a particular advertisement or campaign evenly within a given period. See Flighting; Pulsing.

Continuous Marketing Research

on-going marketing research (as opposed to that conducted for a specific purpose.) See Ad Hoc Marketing Research.

Continuum of Planning

the idea that planning is a multi-level process, beginning at the top with corporate planning and going downwards through all divisions of the firm, with each subsequent level linked to the one above it by the over-riding mission and objectives of the corporation.

Continuum of Sales Jobs

the idea that all kinds of sales jobs are similar in some respects but vary in the degree of difficulty involved; the difficulty is linked to the amount of creativity required in finding new customers and persuading them to buy, and to the tangibility and complexity of the product.

Contract Carrier

a transportation firm operating exclusively in one industry and tied to a particular firm by contract.

Contract Law

the body of law relating to contracts.

Contract Manufacturing

the production and marketing by agreement of a company's product by an overseas firm.

Contract Rate

a charge negotiated between carrier and shipper for the transportation of a commodity; sometimes called a Negotiated Rate.

Contraction Defence

a competitive strategy in which a large organisation withdraws from a market or market segment in which it is not strong in order to concentrate on another market or other segments in which it has greater strength; also referred to as Strategic Withdrawal.

Contractual Sales Force

salespeople who are not full or part-time paid representatives of a company but who sell for it on a commission basis; also referred to as a Contract Sales Force.

Contractual Vertical Marketing System

a form of vertical marketing system in which independent firms at different levels of distribution are tied together by contract to achieve economies of scale and greater sales impact. See Administered Vertical Marketing System; Corporate Vertical Marketing System; Vertical Marketing System.

Control-Oriented Pricing

a system of pricing in which a product's price is controlled by government or by some regulating body.

Controlled Allocation System

see Planned Economy; Command System.

Controlled Variable

any other element, apart from the manipulated independent variable, which could cause a dependent variable to change in an experiment.

Convenience Goods

a category of consumer goods which are bought frequently, quickly and with a minimum of emotional involvement; the category includes staples, impulse goods and emergency goods. See Consumer Product; Emergency Goods; Impulse Goods; Staples.

Convenience Product

a category of consumer product purchased frequently and with little thought and effort.

Convenience Sample

a form of nonprobability sample in which the researcher selects readily available respondents.

Convenience Store

a neighbourhood store which stocks frequently purchased items such as milk, bread and cigarettes.

Convergent Diversification

diversification into related businesses. See Concentric Diversification; Divergent Acquisition; Diversification.

Conversion Operations

activities that include the manufacture or production of finished products from raw materials.

Conversional Marketing

marketing activity intended to get people to change their ideas and attitudes about something they dislike.

Cookies

short pieces of text that are left on a website visitor's computer so that on subsequent visits that visitor can be identified and the number of repeat visits counted.

Cooling-Off Period

a short period of time, usually a few days, in which purchasers of a product may void a sale contract if they change their minds about purchasing the goods offered.

Cooperative Advertising

advertising sponsored by two or more organisations to promote the goods or services of each.

Copy Strategy Statement

a document prepared by advertising agency executives as a guide for their creative staff in the preparation and execution of an advertisement; the copy strategy statement describes the objectives, content, support and tone of the desired advertisement.

Copy Testing

the pre-testing of advertising copy for print advertisements, usually by giving respondents a portfolio of dummy advertisements in a magazine format and asking them to recall copy points; or the post-testing of advertising copy, usually by asking respondents to look through an actual magazine and then comment on advertisements they remember.

Copycat Product

a product that has been designed, branded or packaged to look exactly like that of a well-established competitor; a cheap imitation.

Copyright

protection in law afforded to authors, musicians, artists, etc. in respect to the works they have created.

Core Product

the intangible benefit or service offered by a product; for example, the core product offered to a purchaser of shampoo is clean, healthy hair. See Actual Product; Augmented Product.

Corporate Advertising

a form of institutional advertising focussing not on a particular product or product range but on the organisation itself; the objective of corporate advertising may be patronage, image or issue. See Corporate Image Advertising; Corporate Issue Advertising; Corporate Patronage Advertising; Institutional Advertising.

Corporate Branding

associating the name of a corporation with the individual brand name in product marketing, usually to ensure that new product introductions will be more readily accepted; differs from family branding in that corporate branding is used for all products of the company or division rather than merely for a family of brands. See Family Brand; Individual Brand; Individual Brand Name; Product Line Brand Name; Single Brand Name.

Corporate Culture

the particular strategies, style, systems, environment and shared values within an organisation which contribute to its individuality.

Corporate Family Name

see Family Brand.

Corporate Image

the identity or perception of itself that an organisation attempts to convey to its publics, usually through corporate advertising. See Corporate Advertising; Corporate Image Advertising.

Corporate-Image Advertising

advertising aimed at establishing an identity for a firm in the public mind. See Corporate Advertising; Corporate Image.

Corporate-Issue Advertising

advertising in which an organisation states publicly its position on a controversial issue. See Advocacy Advertising; Corporate Advertising.

Corporate Logo

a mark, design, symbol, etc. used to identify, and reflect an appropriate image of a company or organisation; a form of institutional reminder advertising.

Corporate Mission Statement

the answer to the question "What business are we in?"; the corporate mission statement, with a broad focus and a customer orientation, provides management with a sense of purpose.

Corporate Objectives

specific, realistic and measurable goals which an organisation plans to achieve within a given period of time.

Corporate-Patronage Advertising

advertising which encourages customers to patronise the firm. See Corporate Advertising.

Corporate Planning

planning at the highest level in an organisation, involving an analysis of the current situation, the setting of objectives, the formulation of strategies and tactics, implementation and evaluation. See Strategic Planning.

Corporate Sponsorship

a form of below-the-line advertising in which a corporation offers funding to a group, association, sporting body, etc. in return for a range of promotional opportunities. See Below-the-Line Advertising.

Corporate Strategic Planning

see Strategic Planning.

Corporate Strategy

the planned means by which an organisation intends to use its resources to achieve its goals and objectives. See Strategic Planning.

Corporate Umbrella

a term used in reference to the use made of the corporate name and corporate image as a shield for new product introductions, etc.

Corporate Vertical Marketing System

a system of distribution channel organisation in which the orderly flow of products from producer to end-user is controlled by common ownership of the different levels of the system. See Administered Vertical Marketing System; Contractual Vertical Marketing System; Vertical Marketing System.

Corrective Advertising

advertising to correct erroneous claims or misleading messages in previous promotional announcements.

Correlation Techniques

a range of statistical techniques used to discover relationships between diverse elements in a marketing situation.

Cost Advantage

the competitive edge which can be gained by one company over another by reducing production or marketing costs or both so that it can offer cheaper prices or use excess profits to bolster promotion or distribution. See Absolute Cost Advantage; Cost Leadership Advantage; Marketing Advantage.

Cost of Goods Sold

the price paid by a company for the goods it sells to its customers.

Cost-Insurance-Freight Pricing

a pricing approach common in exporting; the price quoted to the buyer includes "cost, insurance and freight".

Cost Leadership Advantage

the type of competitive advantage which an organisation enjoys if its total operating costs are lower than those of its competitors, providing that it can charge an equal price for its product; this will mean that its gross operating profit will be greater than its competitors, allowing it to further enhance its product, to reduce its price and/or to withstand price wars. See Cost Advantage; Differentiation Advantage.

Cost-Per-Thousand Criterion

a measure for comparing the cost effectiveness of media vehicles, calculated by dividing the cost of an advertisement in a particular medium by the number of thousands of its circulation.

Cost-Plus Pricing

a simple method of pricing in which a specified amount or percentage, known as the standard mark-up, is added to the unit cost of production of an item to determine its selling price. See Competition-Oriented Pricing; Target Return Pricing; Value Pricing.

Cost/Profit Analysis

a sales management control measure involving the calculation of expenditure incurred in making sales; profitability analysis.

Counsellor Approach

see Adviser Close.

Counter Advertising

advertising sponsored by pressure groups in opposition to certain products.

Counter-Offensive Defence

a competitive strategy in which a strong market leader retaliates against a smaller rival which has attacked it; the manner of retaliation might include a dramatic increase in advertising and promotion, or price-cutting, or the simultaneous launch of innovative new products.

Counterfeiting

the copying of a competitor's well-known products. Some counterfeit products are intended to look as much like the original as possible, including the brand name; others are close, but not exact, copies; still others are cheap and unconvincing imitations. Counterfeiting is generally illegal.

Countermarketing

marketing activity intended to abolish interest in, and demand for, a product.

Countertrade

a system of international trade based on bartering; such transactions may or may not involve cash payments.

Counter-Purchase

in international marketing, a situation where a seller receives full payment in cash for the goods and services it sells to a foreign country but agrees to spend some portion of the amount received in that same country within a specified time.

Coupon

a popular form of sales promotion, distributed on the package of the product, by direct mail, or in newspaper and magazine advertisements; the consumer is usually offered "cents-off" the next purchase upon presentation of the coupon.

CPA

abbrev. Critical Path Analysis.

CPT

abbrev. Cost-Per-Thousand.

Creative Brief

a document prepared by an organisation to inform those involved in planning and implementing its advertising and promotion message of the required strategic direction.

Creative Selling

an approach to selling in which salespeople aggressively seek out customers and use well-planned strategies to secure orders.

Creative Strategy

the planned design, content and manner of delivery of an organisation’s marketing communication.

Credibility

in advertising, the trustworthiness of the message; organisations often try to enhance the trustworthiness of their advertising by selecting highly credible sources to deliver their messages. For example, a firm which manufactures toothpaste might have a dentist deliver the message, while a firm which sells bathroom fittings might chose a plumber.

Credit

the allowance of time in which to pay for a purchase. See Consumer Credit.

Credit Card

a small card, usually of plastic, used to obtain consumer products without immediate payment; the card is issued by a financial institution on the understanding that the consumer repays sums spent against the card with interest.

Credit Terms

conditions negotiated between seller and buyer relating to the time within which the buyer is obliged to pay for the products purchased and any discounts to be allowed by the seller for earlier payment or additional services performed.

Critical-Path Analysis

a planning technique used to keep projects on schedule; a flowchart shows time allotments and priorities for each activity.

Cross Docking

a marketing logistics technique, enabled by modern computer and communication technologies, which allows organisations to receive inwards goods from suppliers and ship them straight out again to customers without the need for storage in a warehouse.

Cross Elasticity of Demand

a measure of the affect a change in the price of one product will have on the demand for a substitute or complementary product. See Elasticity of Demand.

Cross-Functional Team

in integrated logistics management, a group of distribution specialists within an organisation responsible for controlling and directing the inward and outward movement of goods rather than different functions (for example, the sales and production departments) being responsible for their own distribution decisions.

Cross-Over Selling

see Cross-Selling.

Cross-Referencing (of Data)

a practice, often illegal when undertaken without permission, in which organisations exchange data on their individual customers and/or clients in order to build stronger databases through which they can target prospective customers more precisely.

Cross-Selling

selling by a salesperson of some part of the company's total product range for which another division or salesperson has prime responsibility.

Cue

an environmental entity (advertisement, sign, store display, etc) which results in a specific response to satisfy a drive. See Learning.

Cultural Diversity

the range of different value systems existing in a multicultural society.

Cultural Values

ideas, beliefs, attitudes, opinions, principles, etc long cherished by members of a society.

Culture

the basic beliefs and values cherished by a society as a whole and handed down from one generation to the next.

Cumulative Quantity Discount

a price reduction offered to a purchaser in which the amount of the discount increases over time with the volume purchased. See Non-Cumulative Quantity Discount.

Curbside Sales Training

informal coaching or training of a sales representative by a supervisor in the field. See Buddy System; Formal Training; On-the-Job Training.

Current Market Demand

the maximum level of sales available to all the firms in a market during a given period, with a given level of marketing effort, and under a given set of market conditions.

Current Profit Maximisation

a price setting objective in which organisations set a price for a product that will give maximum profits, cash flow or return on investment in the short term without regard to long-run performance.

Current Ratio

the commonest of three financial ratios used to evaluate a firm's liquidity; current assets are expressed as a percentage of current liabilities. See Acid-Test Ratio; Quick Ratio.

Curve Fitting

a method of analysing associative data in which a number of possible curve shapes - straight lines, concave, convex, s-shaped etc - are used with historical data to discover trends or relationships.

Custom Marketing

marketing activity in which a company attempts to satisfy the unique needs of every customer; also called Market Atomisation Strategy. See Disaggregated Market; Complete Segmentation; Customised Marketing Mix.

Custom Publishing

the publishing of a magazine by an organisation wishing to strengthen its bonds with its customers and to exercise greater control over the editorial environment in which its advertisements appear; a custom published magazine will usually carry outside advertisements as well in order to defray the cost of the launch and lend an air of legitimacy. Jenny Craig International, Mary Kay Cosmetics, the Benetton Group and IBM Corp. have all launched magazines.

Customary Price

the traditional price; the price that consumers expect to pay for a certain product.

Customer Database

an organised collection containing comprehensive information about individual customers and/or potential customers, including such details as geodemographics, lifestyles and preferences, past purchases, product enquiries and satisfaction levels; the database may be used to generate sales leads, promote new products, and foster customer relationships in a finely-targeted way.

Customer Delivered Value

the difference between total customer value, or the value a customer places on a product, and the total customer cost, or the cost to the customer – in money and effort - of making the purchase; customers will usually buy from the firm which they believe offers maximum delivered value.

Customer Delight

a stage of pleasure with a product’s features and performance over and above customer satisfaction; some marketers argue that firms should not be satisfied with simply offering ‘customer service’ but that they should strive for ‘customer satisfaction’ and, beyond that, to ‘customer delight’.

Customer Fulfilment

the delivery of a product to the customer who has placed an order; the fulfilment may also entail the collection of payment, the provision of product information and installation.

Customer Intimacy

the notion that organisations should get to understand customers so well that they can tailor their offerings to match their needs and wants precisely; the use of customer databases assists in this endeavour. See Customer Database.

Customer Lifetime Value

The difference between the total revenue received from a particular customer and the total cost of attracting, selling to, and servicing that customer.

Customer Loyalty

the level of faithfulness shown by a customer in continuing to purchase a particular product or brand; customer loyalty is an indicator of the degree of satisfaction the customer has with the product.

Customer Marketing Channels

channels of distribution in consumer markets; these channels may differ from industrial marketing channels which often have fewer levels. See Industrial Marketing Channels.

Customer Need Management

The management of customer demand to ensure efficient and reliable supply of an organisation's goods or services.

Customer Orientation

see Customer-Oriented Management.

Customer Record

a card, slip or computer file on which is recorded pertinent facts about a prospect or customer (name, address, account history, etc.) as an aid to making a sale when next contacted by a salesperson.

Customer Relations Department

a division of an organisation with responsibility for ensuring that customers are satisfied with the goods or services they have purchased and with the way the organisation has served them.

Customer Relationship

the trust, bond or connection, if any, that exists between an organisation and a customer; firms try to build strong customer relationships to ensure repeat purchasing.

Customer Retention

maintaining the existing customer base by establishing good relations with all who buy the company's product.

Customer Salesforce Structure

A salesforce which is organised in such a way that its members sell only to certain kinds of customers or industries. For example, some members of the salesforce of a soft-drink manufacturer may focus its efforts only on supermarkets while others may sell only sell to hotels or restaurants. See Salesforce Organisation.

Customer Satisfaction

the degree to which customers are pleased with the product and are likely to purchase the same product, or from the same company, again. See Customer Delight.

Customer Satisfaction Survey

the systematic measuring of the level of customer satisfaction with a product or marketing program, usually conducted by questionnaire or telephone; also referred to simply as a customer survey. See Customer Survey.

Customer Service

a wide variety of activities intended to ensure that customers receive the goods and services they require to satisfy their needs or wants in the most effective and efficient manner possible.

Customer Orientation

see Customer-Oriented Management.

Customer Panels

see Focus Group.

Customer Philosophy

see Marketing Philosophy.

Customer Retention

a measure of customer satisfaction, shown by the customer’s repeat purchases; most firms like to track customer retention as a measure of their loyalty.

Customer Surveys

see Customer Satisfaction Survey.

Customer Training

training in the proper and efficient use of equipment given by a vendor to its customer's employees; provision of training by the vendor not only adds value to the product but also offers the vendor a means of differentiating itself from suppliers of the same or similar equipment.

Customer Value

the difference between the benefits and satisfaction derived by customers from the products they buy and own and the costs involved in buying them.

Customer Value Analysis

an organisation's rating of the value it provides to its customers relative to that provided by its competitors.

Customer Value Building

to develop stronger bonds with customers, many organisations attempt to provide greater satisfaction and increased loyalty with measures such as bonus point systems, frequent-flyer programs, upgrades and other financial benefits.

Customer-Centred Company

a company that has its customers as its primary focus when designing its marketing strategies. See Competitor-Centred Company; Market-Centered Company.

Customer-Driven Distribution Systems

a system of distribution designed with customer requirements rather than a company's convenience in mind.

Customer-Oriented Management

a management philosophy or state-of-mind in which it is recognised that the effective and efficient satisfaction of customer needs and wants provides the surest means of achieving the organisation's own goals.

Customised Marketing Mix

in international marketing, a marketing program uniquely designed for a particular country. See Complete Segmentation; Custom Marketing; Disaggregated Market; Market Atomisation Strategy.

Cybernet Cafe

a shop or retail store that provides internet-access for customers for a fee, often combining this with the provision of food and beverages, laundromat, or similar, or with sales of photographic equipment, computer parts and accessories, or other goods and services.

Cycle-Time Reduction

seeking a competitive advantage, many firms invest in a range of techniques, processes and technologies, including computer-aided design, computer-aided manufacturing and just-in-time manufacturing in order to reduce the time it takes to design, develop and manufacture new products and get them to customers. See Computer-Aided Design; Computer-Aided Manufacturing; Just-in-Time Manufacturing.

Marketing dictionary - Dd

DAGMAR

acronym for Defining Advertising Goals for Measured Advertising Results, after the title of a book by Russell H. Colley (New York: Association of National Advertisers, 1961). See DAGMAR Approach.

DAGMAR Approach

an approach to measuring advertising effectiveness in which advertising objectives are turned into specific measurable goals. See DAGMAR.

Daily Activities Report

a record of a salesperson's activities on a day-by-day basis, showing clients visited, products presented and results; it may also include reasons for the failure to sell.

Daily Sales Plan

a record of a salesperson's intended sales calls on a day-by-day basis, listing the clients to be visited, the objectives of each call, and the anticipated outcomes.

Data

facts or information gathered in a marketing research study. See Primary Research; Secondary Research.

Data Analysis

the processing of marketing research findings to summarise a situation, discover relationships between elements of the information, or to draw conclusions from them. See Marketing Research.

Data Coding

grouping information gathered in a survey or by some other marketing research instrument and assigning values to the responses to enable statistical analysis.

Data Collection

the activity of gathering facts or information about a subject in a marketing research study. See Marketing Research.

Data Editing

the process of checking responses to a survey, questionnaire or other research instrument to identify mistakes made either by the respondent or interviewer.

Data Enhancement

The addition of new information to, or the partitioning of existing information in, a database which may allow for better understanding of the responsiveness of customers to marketing programs. See Database.

Data Entry

the tasks involved in the input of responses gathered in a survey into a software package to enable the statistical manipulation and analysis which will provide useful information.

Data Field

a basic characteristic such as age, gender and geographic location of a respondent to a questionnaire or other survey instrument.

Data Mining

searching through collected research data or other textual material to identify patterns and relationships.

Data Source

the place from which data are acquired. Two types of data are available: primary data or that which is collected specifically for the current research, and secondary data, that which has been collected previously and is available in some already-published form.

Data Tabulation

the process of counting the number of observations or cases, by category, in a marketing research project.

Data Validation

the process of checking collected data to determine whether it has been correctly gathered and is free of error, fraud or bias.

Data Warehouse

a very large collection of stored data from different sources but all relating to the one topic, subject or project.

Database

information arranged in such a way that it can be stored in, and processed by, a computer. See Database Marketing.

Database Marketing

the use of large collections of computer-based information in marketing; the database listings may be reference databases containing information on specific topics; full databases which contain full transcripts of documents or articles being sought; or source databases which contain listings of names and addresses, etc of prospective customers.

Database Mining

see Data Mining.

Date Code

a date on a package indicating either the date by which the product should be used or the date the product was packed. See Date Stamping.

Date Stamping

See Open Dating.

Deal Prone

a term used to describe a group or segment of customers who are eager and ready to purchase, and who are expecting, and will actively seek out, special offers

Dealer Listing

the naming in a product advertisement of certain retailers who have stocks; the naming of dealers is done as a convenience to consumers and to encourage the retailers to carry higher stock levels. Also referred to as Tagging.

Dealer Loader

a gift given to a retailer who purchases a specified quantity of a product during a trade sales promotion. See Trade Sales Promotion.

Death of Salesman

a play by the U.S. playwright, Arthur Miller, set in the 1930s, the era of the "selling concept"; the play and its central character, Willy Loman, a salesman, are often referred to in sales training material.

Debriefing

the interrogation or questioning of a person about a completed undertaking in order to obtain additional information.

Debriefing Analysis

the comparison of insights, impressions and perceptions of moderator and the organisations’ observers following a focus group session.

Debt

money or other item that is owed; an obligation.

Decentralised Exchange System

any system for the exchange of goods or services which does not utilise a central marketplace. See Centralised Exchange System.

Deceptive Advertising

advertising intended to deceive consumers with false or misleading claims.

Deceptive Packaging

packaging intended to deceive the purchaser; excessive ullage creates the impression that the volume of the contents is greater than it actually is. See Ullage.

Deceptive Pricing

the pricing of goods and services in such a way as to cause a customer to be misled; an example of deceptive pricing is bait-and-switch pricing. See Bait-and-Switch Pricing.

Decider

the person who actually makes the decision in the organisational buying process; the decider is often difficult to identify because he or she may not necessarily be the one who has have the formal authority to buy. See Buying Centre.

Decision Flow Diagram

see Decision Tree.

Decision Making

choosing between alternative courses of action using cognitive processes - memory, thinking, evaluation, etc; also called Problem Solving.

Decision Matrix

a tool used in decision making in which the various dimensions of a problem are listed and rated to determine the most appropriate alternative in a particular situation.

Decision Problem

in marketing research, the basic question to which a client organisation seeks an answer from a marketing research agency; in conducting the research, the agency may break the decision problem down into any number of smaller research questions in order to provide an answer.

Decision Support System

any computerised system of changing raw data (sales, stock levels, etc) into information that can be used by management in decision making.

Decision Tree

a decision-making tool in which alternative options are portrayed graphically as branches on a tree; also referred to as a Decision Flow Diagram.

Decision-Making Intelligence

business data that is sought, gathered, analysed and distributed to assist managers to make good decisions.

Decision-Stage Model

in new product development, a technique used at pre-set points in which evaluation criteria are examined to determine whether the development process should continue. Also referred to as the Stage Gate Model.

Decline Stage

the final stage of the product life cycle (after introductory stage, growth stage and maturity stage) when sales are dropping because the original need and want have diminished or because another product innovation has been introduced. See Product Life Cycle; Introductory Stage; Growth Stage; Maturity Stage.

Declining Demand

the falling away of customer demand for a particular good or service, caused by the introduction to the market of a new innovation, competition from substitutes or other factors.

Decoding

the step in the communication process in which the receiver accepts and interprets the message. See Communication Process; Encoding.

Deep Assortment

an assortment strategy in which a reseller decides to carry many variants of each product in the range. See Assortment Strategies; Broad Assortment; Exclusive Assortment; Scrambled Assortment.

Defence Strategies

the means used by companies in market leadership positions to defend their market share from attacks by challengers; six common defence strategies are position defence, flanking defence, pre-emptive defence, counter-offensive defence, mobile defence and contraction defence. See Contraction Defence; Counter-Offensive Defence; Flanking Defence; Position Defence; Pre-Emptive Defence Mobile Defence.

Defensive Advertising

advertising intended to combat the effects of a competitor's promotion.

Deferred value

the value which a good or service will deliver at some future time; for example, a university degree's deferred value resides in the sum of the benefits it will provide to the student during his or her lifetime.

Deficient Product

a term used in a classification of products by societal marketers to describe any good or service that has neither immediate appeal nor long-term benefits.   See Desirable Product; Pleasing Product; Salutary Product.

Defined Target Population

in marketing research, a subset of the total population singled out for specific investigation.

Deflation

a slowing of the economy characterised by falling prices and wages; the reverse of inflation.

Delayed Quotation Pricing

an industrial pricing method in which the seller delays quoting a price until delivery; the method protects the seller against cost over-runs and production delays.

Delayed Reward

in sales promotion, a purchase incentive such as a cash-back offer, for which the consumer has to wait a length of time. The alternative is to receive the reward immediately, as when a discount couponis redeemed at time of purchase. See Immediate Reward.

Delivered Pricing

a pricing method in which the final price to the buyer is adjusted to include transportation costs; the seller takes responsibility for arranging delivery but adds the cost to the quoted price. Four widely used methods of delivered pricing are single-zone pricing, multiple-zone pricing, base-point pricing and freight-absorption pricing. See Base-Point Pricing; Freight-Absorption Pricing; Multiple-Zone Pricing; Single-Zone Pricing.

Delivery-Based Classification

an approach to product classification which utilises the delivery method as its basis. For example, products may be delivered by a person (for instance, a speech therapist) or a machine (an ATM) or a combination of both (a taxi).

Delphi Technique

a forecasting method in which a cordinator seeks predictions from experts who revise their opinions in light of the opinions of the others until some degree of consensus is reached.

Demand

a measure of those in a market who wish to buy a product and can afford to do so.

Demand Analysis

the measurement of the demand for a particular good or service. See Demand

Demand Backward Pricing

a pricing method in which an estimation is made of the price that customers are willing to pay for a given product; this price is then compared to the per unit cost to see if it meets the firm's profit objectives.

Demand Chain

the network of intermediaries between a manufacturer and the consumers of its product. The term ‘demand chain’ is often used in preference to the more traditional ‘supply chain’ which many marketers believe does not adequately describe the role of consumers in pulling the product through the channels of distribution. See Supply Chain.

Demand Chain Management

the selection, support and control of the network of intermediaries that comprise an organisations distribution channel. See Demand Chain; Supply Chain.

Demand Curve

a line drawn on a graph to represent the number of units of a product which will be purchased at any particular price point.

Demand Elasticity

see Elasticity of Demand.

Demand Fluctuation

see Fluctuating Demand.

Demand Forecasting

all of the tasks involved in determining the volume and profitability of sales to a targeted segment that will result from an organisation’s customised marketing efforts.

Demand Function

the demand for a particular product as a function of total market demand which will vary with ever-changing market conditions.

Demand Inelasticity

see Inelasticity of Demand.

Demand Management

the way in which marketing managers deal with varying demand states, such as no demand, adequate demand, irregular demand and over-demand.

Demand Measurement

estimation of the current and/or future size of the market for a particular good or service. See Demand.

Demand Schedule

a hypothetical but systematic rating of the relationship between price and quantity sold for a given product. See Demand; Demand Curve.

Demand-Backward Pricing

a method of pricing in which prices are set by determining what consumers are willing to pay; then, costs are deducted to see if the profit margin is adequate.

Demand-Pull Approach

In new product development, the creation of new products on the basis of market demand rather than on company-generated ideas. See Product-Push Approach

Demand-Related Attractiveness

an approach to evaluating the attractiveness of market segments in which the segment or segments to be targeted are selected on the basis of current size rather than growth potential, competitive intensity or other characteristic.

Demand-Side Market Failure

the effect that occurs when marketing research tools and techniques such as focus groups and surveys produce negative responses and reactions that lead to the creation of advertising and promotional campaigns that have a negative impact on the market. See Supply-Side Market Failure.

Demarketing

marketing aimed at limiting market growth; for example, some governments practice demarketing to conserve natural resources, and organisations use a demarketing approach when there is so much demand that that are unable to serve the needs of all potential customers adequately.

Democratic Leadership Style

a style of leadership characterised by group participation in decision-making. See Autocratic Leadership Style.

Demographic Characteristics

variables within a nation's population, such as age, gender, income level, marital status, ethnic origin and education level; demographic characteristics are commonly used as a basis for market segmentation. See Demographic Segmentation.

Demographic Dividend

the economic benefit which a nation receives from a favourable age structure.

Demographic Factors

see Demographic Characteristics.

Demographic Segmentation

the division of the heterogeneous population of a country into relatively homogeneous groups on the basis of variables within the population mix; sometimes called State-of-Being Segmentation. See Segmentation Bases.

Demographic Variables

see Demographic Characteristics.

Demographics

the range of physical, social and economic characteristics that exist within a population. See Demography.

Demography

the study of the range of physical, social and economic characteristics that exist within a population.

Department Store

a large retail store offering a wide variety of goods in different departments. See Full-Line Department Store; Limited-Line Department Store.

Dependent Variable

a variable in a research experiment which is affected by manipulation of the explanatory or experimental variable or variables. See Experimental Variable; Independent Variable.

Deployment

the configuration or arrangement of a sales force into territories on some logical basis.

Depreciation

an allowance made in a balance sheet for wear and tear; a measure of the loss of value of a fixed asset because of use or obsolescence.

Depth Interviews

a qualitative marketing research approach in which interviews are conducted by a trained moderator with individuals, rather than with groups, to obtain information about a product or brand. See Focus Group.

Depth of Product Line

see Product Line Length.

Depth Selling

see Problem-Solving Approach.

Deregulation

the complete or partial removal of government control and restrictions relating to a specific business activity or industry.

Derived Demand

demand for raw materials in a producer market which is based on the demand for consumer products. See Primary Demand.

Descriptive Label

a label on a product which announces the size, net weight, ingredients, composition, nutritional value, etc. See Label.

Descriptive Research

marketing research that is aimed at understanding problems or marketing situations in greater depth and that will help to define them more satisfactorily. See Causal Research; Exploratory Research.

Descriptive Research Design

The determining of the kinds of data needed for a descriptive research project and the planning of ways to gather them. See Descriptive Research.

Descriptor

in market segmentation, a single factor or variable such as age, gender, income level or marital status, that is used as the basis for customer grouping. See Market Segmentation.

Design

a general arrangement, layout or scheme to accomplish a project.

Designated Marketing Area

See Area Of Influence.

Desirable Product

a term used in a classification of products by societal marketers to describe any good or service that gives high immediate satisfaction and long-term benefits. See Deficient Product; Pleasing Product; Salutary Product.

Desire

an unsatisfied longing; a strong urge to acquire something.

Desire Competitors

all companies and organisations offering a product that the consumer desires immediately. See Competitors.

Desk Jobber

see Drop Shipper.

Desk Research

see Secondary Research.

Desk-to-Desk Direct Marketing

a form of business-to-business selling in which firms purchase and use computer databases to locate potential customers; typically, the databases are compiled by list brokers and are organised according to business type, sales revenue, number of employees, location and telephone area code.

Destination Store

a retail store which shoppers purposely plan to visit; some major retail chains reduce costs by selecting quite isolated locations for their free-standing stores knowing that consumers will seek them out when buying shopping goods. See Shopping Goods.

Detailer

a salesperson, especially in the pharmaceutical drug industry, whose primary task is to inform clients about new products. See Missionary Selling.

Determinance Model (of Brand Evaluation)

a model used in the study of consumer decision processes to evaluate alternative brands. The idea that consumers, about to make a purchase, will not be swayed in their product choice by any one product attribute, no matter how important, if all products possess the same amount of the attribute. Thus, the decision is made on the basis of a less important attribute. Other models of brand evaluation include the expectancy-value model, ideal brand model, conjunctive model, lexicographic model and determinance model.

Deterministic Models

a statistical tool used in sales forecasting in which marketing variables, such as price levels, advertising expenditures and sales promotion expenses, are used to predict market share or sales.

Developmental Marketing

marketing activity intended to increase demand for a product that appears to meet an evident market need.

Developing Nation

a country in which a large percentage of the population is poor, has limited infrastructure and which is working to improve economic and social conditions; also referred to as a Developing Country.

Dichotomous Question

a closed-ended question in a marketing research questionnaire in which the respondent must choose one of only two possible responses. See Multichotomous Question.

Difference-Testing

in marketing research, the measurement of the difference between means of variables using a range of statistical techniques.

Differential Advantage

the element or factor in a firm's product or strategy which makes it superior to that of a competitor.

Differential Pricing

a pricing strategy in which a company sets different prices for the same product on the basis of differing customer type, time of purchase, etc; also called Discriminatory Pricing, Flexible Pricing, Multiple Pricing, Variable Pricing. See One-Price Policy.

Differentiated Marketing

the division of a heterogeneous market into relatively homogeneous segments so that the needs and wants of the different segments may be served more effectively; a segmented approach to marketing.

Differentiated Segmentation Strategy

one of four possible approaches (with concentrated segmentation strategy, market segment expansion strategy and product line expansion strategy) available to a firm in relation to the segment or segments it wishes to target; in a differentiated segmentation approach a firm operates in several or all segments and targets different products to each. See Segmentation Strategies; Concentrated Segmentation Strategy; Market Segment Expansion Strategy; Product Line Expansion Strategy.

Differentiated Strategy

see Differentiated Marketing; Differentiated Segmentation Strategy.

Differentiation

an approach to competitive advantage in which a company attempts to outperform its rivals by offering a product that is perceived by consumers to be superior to that of competitors even though its price is higher; in adopting a differentiation approach, the company seeks to attract a broad market audience. See Differentiation Focus.

Differentiation Focus

an approach to competitive advantage in which a company attempts to outperform its rivals by offering a product that is perceived by consumers to be superior to that of competitors even though its price is higher; in adopting a differentiation focus strategy, the company focuses on narrow market coverage, seeking only to attract a small, specialised segment. See Differentiation.

Diffusion of Innovation

the idea that some groups within a market are more ready and willing to adopt a new product than others and that the product is diffused through a society in waves; the groups, in order of their readiness to adopt are innovators (2.5 percent of the population), early adopters (13.5 percent), early majority (34 percent), late majority (34 percent) and laggards (16 percent).

Diffusion Process

the manner in which an innovative technology spreads across a market group by group according to the readiness of each group to adopt it. See Diffusion of Innovation.

Digital Economy

a term coined to describe the omnipresence and importance of microprocessor chips in product development, manufacture and marketing and in everyday life.

Digitisation

the development, manufacture and use of goods and services with microprocessor chip componentry.

Direct Accounts

large accounts serviced by head office personnel or company executives rather than by salespeople in regional offices; sometimes called House Accounts or National Accounts.

Direct Advertising

advertising aimed narrowly at single businesses or individuals by means of leaflets, brochures, catalogues and similar materials rather than to a wider audience through the mass media. See Direct Marketing.

Direct Channel

a channel of distribution in which the producer sells directly to the end-user; sometimes called a Zer—Level Channel because there are no intermediaries between producer and consumer.

Direct Close

the most straight-forward closing approach; the salesperson simply asks the buyer for an order. See Close.

Direct Competition

a product or brand which competes in the same product category. See Indirect Competition.

Direct Competitive Advertising

advertising intended to stimulate immediate purchase of a particular brand. See Indirect Competitive Advertising.

Direct Costs

costs which can be attributed directly to the production of a particular product. See Indirect Costs.

Direct Denial Method

handling a buyer's objection by contradicting it in a "head-on" manner. See Objections.

Direct Foreign Investment

see Direct Investment.

Direct Investment

in international marketing, a foreign-market entry strategy in which an organisation develops a manufacturing and/or assembly plant in an overseas country.

Direct Mail

the posting of advertising material to a potential customer with the objective of making a sale or getting a response of some kind. See Direct Mail Advertising.

Direct Mail Advertising

advertising direct to end-users by sending catalogues or other sales literature through the post.

Direct Mail Survey

a questionnaire that is sent by a researcher by mail to selected respondents for self-completion.

Direct Marketing

communications, often interactive, between an organisation and its customers to effect a measurable response and to make a sale; the use of advertising and sales promotion via electronic media, catalogues, direct-mail advertisements, and other media for this purpose. See Direct Selling.

Direct Marketing Channel

a distribution channel in which no intermediaries are used; a manufacturer sells direct to an end-user; also called a Zero Level Channel. See Channel Length.

Direct Observation

a marketing research technique in which the behaviour of respondents is watched and usually recorded as it occurs.

Direct Print and Reproduction

a form of direct marketing in which a tailored offer is made to potential customers by means of a catalogue, brochure, CD-disk or similar advertising vehicle.

Direct Rating

a technique for pre-testing the communication effect of a planned advertisement or campaign in which a consumer panel is asked to rate alternative versions; the ratings are then analysed to assess their appeal and effectiveness.

Direct Reference Group

small informal groups with which individuals have face-to-face contact and membership, and whose norms and values have an influence on their buying behaviour; direct reference groups can be primary (for example, the family) or secondary (clubs and societies to which the individuals belong). See Indirect Reference Group; Reference Group).

Direct Retailing

a form of retailing in which goods and services are sold door-to-door, office-to-office or at home parties rather than from stores in particular locations; Avon and Mary Kay Cosmetics are companies that use this approach.

Direct-Response

see Direct-Response Campaign; Direct-Response Marketing.

Direct-Response Campaign

a planned advertising program which utilises mass media to promote a direct-response offer. See Direct-Response.

Direct-Response Marketing

a form of non-store retailing in which customers order merchandise by mail or telephone and the goods are shipped direct to their homes; also referred to as Direct-Response Selling. See At-Home TV Shopping.

Direct-Response Radio Marketing

a planned advertising program which utilises radio to promote a direct-response offer. See Direct-Response.

Direct-Response Television Marketing

a planned advertising program which utilises television to promote a direct-response offer. See Direct-Response.

Direct Selling

selling directly to end-users by means of a sales force. See Direct Marketing.

Direct-to-Home Retailing

see Direct-Response Selling.

Direct-to-Store Delivery

the delivery of goods direct to a retailer's various premises rather than to its central warehouse.

Directed Data

comprehensive information about customers collected by organisations by means of the Internet.

Directive Probes

questions posed to prospective buyers to obtain a better understanding of the customer and the customer's business.

Directories

classified lists of names and addresses of individuals and organisations used in selling for prospecting for new accounts and in marketing research as sources of secondary data.

Disaggregated Market

a market in which separate products must be made for each customer because each has different needs; also referred to as Complete Segmentation. See Customised Marketing Mix; Market Atomisation Strategy.

Discontinuous Innovation

entirely new-to-the world products made to perform a function for which no product has existed previously.

Discount

a reduction off the list price offered by a producer to a buyer; five types of discounts are common: trade, quantity, cash, seasonal and allowances. See Allowances; Cash Discount; Quantity Discount; Seasonal Discount; Trade Discount.

Discount Department Store

a retailing operation which, like conventional department stores offers a wide range of merchandise but differs from them in offering lower prices and providing fewer services. See Department Store.

Discount House

a retailer specialising in consumer durables and soft goods, attracting customers with low prices; typically, discount houses operate on low mark-ups and offer a minimum of customer service.

Discount Pricing

a pricing strategy in which a company reduces its price to encourage bulk buying, off-peak use or early payment.

Discount Specialty Store

see Discount Department Store.

Discount Store

see Discount House.

Discrete Pricing

setting a price which will attract a particular customer type or segment.

Discrepancy of Assortment

the difference between the range of items carried by a supplier and the items required to satisfy the needs of a customer. See Discrepancies; Temporal Discrepancy; Time Discrepancy; Spatial Discrepancy.

Discrepancy of Quantity

the difference between the quantity a manufacturer produces and the quantity end-users want to buy. See Discrepancies; Temporal Discrepancy; Time Discrepancy; Spatial Discrepancy.

Discrepancies

In logistics, the differences between sellers and buyers in relation to relate to time, place, quantity and assortment, which must be overcome in planning the channel structure; sellers will often manufacture goods at times (time or temporal discrepancy) and places (spatial discrepancy), and in quantities (discrepancy of quantity) and assortments (discrepancy of assortment) that do not suit sellers and so they have to managed by the channel members in ways that are appropriate.

Discretionary Effort

in services marketing, the service that managers or employees of an organisation provide which is over and above that which they are obliged or expected to provide in carrying out their normal tasks. For example, a taxi driver who helps an elderly passenger out of the car and escorts him or her across the road to the safety of a footpath is making a discretionary effort.

Discretionary Income

the balance of a person's income which is available for spending after payment of the basic necessities of life and fixed commitments such as mortgage, rent and rates. See Disposable Income.

Discriminant Analysis

a statistical technique used in the analysis of marketing research data when the dependent variable is categorical and the independent variables are intervals. See Dependent Variable; Independent Variable.

Discriminant Function

the linear combination of independent variables developed by discrimination analysis that will best discriminate between categories of the dependent variable. See Discriminant Analysis.

Discriminant Function Coefficients

the multipliers of variables in the discriminant function when the variables are in the original units of measurement.

Discriminant Score

in discriminant analysis, the score of each respondent on the discriminate function. See Discriminant Analyis; Discriminant Function.

Discrimination

in consumer behaviour, the capacity of customers to recognise the differences between sets of similar products or other stimuli and make differing responses to each; in this sense, discrimination is the opposite of generalisation, in which customers faced with similar sets of product or other stimuli will respond to them all in a similar way.

Discriminatory Power

in statistical analysis, the ability of a scale to differentiate significantly between categorical scale responses.

Discriminatory Pricing

see Differential Pricing.

Diseconomies of Scale

see Economies of Scale.

Disguised Observation

a marketing research technique in which the behaviour of unaware respondents is observed in marketing situations.

The ‘mystery shopper’ technique is an example of disguised observation.

Disintermediation

the shortening of a channel of distribution by the removal of one or more members. See Distribution Channel.

Disjunctive Model (of Brand Evaluation)

a model used in the study of consumer decision processes to evaluate alternative brands; the idea that consumers, about to make a purchase, evaluate competing brands on the basis of one or a few attributes, ignoring their standing on other attributes. Other models of brand evaluation include the expectancy-value model, ideal brand model, conjunctive model, lexicographic model and determinance model.

Display Aids

see Visual Aids.

Display Allowance

a type of trade sales promotion in which buyers are given incentives in the form of price reductions or merchandise to encourage them to display the items purchased prominently. See Allowances.

Display Centre

a complex, usually managed by an industry association, set up to display new products and innovations such as building products and home renovation ideas.

Display Media

any form of advertising material, especially that used in retail stores, used to display or promote merchandise.

Disposable Income

the balance of a person's income after payment of tax liability. See Discretionary Income.

Disposer

the person who has to dispose of a product or its container after it has been consumed; for example, the person who disposes of the cardboard milk cartons when empty.

Especially for societal marketers, the disposer can play an important role in the buying decision process because if disposing of the cardboard cartons becomes difficult, he or she could influence the others in the buying centre to purchase milk in a different container form.

Disproportionate Stratified Sampling

an approach to stratified sampling in which the size of the sample from each stratum or level is not in proportion to the size of that stratum or level in the total population.

Dissociative Groups

groups with whom an individual does not wish to be associated; groups whose use of a product will deter other buyers. See Aspirational Groups;

Dissonance

see Cognitive Dissonance.

Dissonance-Reducing Buying Behaviour

in consumer behaviour, any activity that is aimed at lessening the tension or feelings of discomfort and unease which accompany an unfamiliar purchase.

Distance Property

a measurement scheme that is capable of precisely expressing the exact or absolute difference between each of the descriptors, scale points or responses.

Distortion

see Selective Distortion.

Distributed Marketing Information System

an approach to the provision of marketing information and intelligence in which marketing managers have direct access to marketing information through personal computers and other technologies.

Distribution Centre

a short-term storage centre located close to a major market to facilitate the rapid processing of orders and shipment of goods to customers; unlike a warehouse, the emphasis is on the moving of goods rather than on long-term storage.

Distribution Channels

see Marketing Channels.

Distribution Centre

a large warehouse, usually highly automated, established centrally by a manufacturer or wholesaler to receive goods from multiple suppliers and dispatch them to customers.

Distribution Costs

costs associated with the holding of inventory and the shipment of goods to customers.

Distribution Decisions

all decisions involved in the efficient delivery of goods and services from producer to end-user.

Distribution Intensity

the level of availability selected for a particular product by the marketer; the level of intensity chosen will depend upon factor such as the production capacity, the size of the target market, pricing and promotion policies and the amount of product service required by the end-user. See Exclusive Distribution; Intensive Distribution; Selective Distribution.

Distribution Management

see Physical Distribution Management.

Distribution Objectives

specific goals and targets relating to the efficient delivery of goods and services from producer to end-user.

Distribution Strategy

see Place Strategy.

Distribution Structure

the way in which an organisation arranges the movement or delivery of its products to end-users, either by direct supply or by means of one or more intermediaries. See Marketing Channels.

Distribution-Based Pricing Strategies

pricing methods designed to recover or offset the costs associated with the shipment of goods to distant customers. See Geographic Pricing.

Distributor

a wholesaler, agent or other intermediary in a distribution network.

Distributor's Brand

a brand owned or controlled by an organisation, the primary economic commitment of which is to distribution rather than production; also called a private brand or a house brand. See Manufacturer's Brand.

District Sales Manager

a sales manager with responsibility for the sales activities within a particular region or district.

Divergent Acquisition

difersification into new or unrelated businesses. See Convergent Acquisition; Diversification.

Diversification

introducing new offers to new markets. See Diversification Strategy.

Diversification Risk Model

a technique for evaluating the risk involved in a diversification strategy in which relevant product and market factors are evaluated against a set of pre-determined criteria. See Diversification; Diversification Strategy.

Diversification Strategy

a growth strategy in which an organisation takes on new products and new markets at the same time. See Diversification; Growth Strategies; Concentric Diversification; Conglomerate Diversification; Horizontal Diversification.

Diversionary Pricing

a pricing tactic in which an organisation sets a low price to encourage trial of its goods or services in expectation that the trial or initial purchase will lead to more significant purchasing at a later time.

Diverting

a business practice that occurs when an organisation takes advantage of a discounted price a manufacturer is offering for a product in one particular geographic region, purchases it in large quantity and then ships it to another region.

Divest Strategy

a planned decision to get out of a particular business or product line; to sell off.

Divisibility

the extent to which a new product can be tested in a limited scale purchase. See Adoption Rate Determinants.

Division of Labour

a common business practice in which workers in a factory or on a manufacturer's assembly line or similar specialise in one aspect of a task; for example, a group of automotive assembly workers may specialise in fitting headlights and play no other role in the vehicle's assembly.

Divisional Marketing Manager

a marketing manager with responsibility for the marketing activities of one of the operating divisions of a company.

Divisional New Product Development Structure

an organisational structure in which each of the company's divisions is responsible for developing its own new products and bringing them to market.

Divisional Sales Manager

a sales manager with responsibility for the sales activities of one of the operating divisions of a company.

DIY Goods

goods produced for the "do-it-yourself" market.

DMA

See Designated Marketing Area.

Dogs

a product classification used in the Boston Consulting Portfolio Analysis Matrix; dogs are products with a relatively low market share in a slow-growth market. See Boston

Consulting Group Portfolio Analysis Matrix; Cash Cows; Question Marks; Stars.

Dollar Volume Quota

a common form of sales assignment, goal or target used to measure a salesperson's performance; for example, the salesperson may be told that his or her sales must total $400,000 during the coming year. Other common forms of sales quotas are unit volume quotas, gross margin quotas, net profit quotas and activity quotas. See Sales Quota.

Domain Name Segmentation

the division of a market into segment groups on the basis of their internet addresses. For example, it is possible for a manufacturer of video equipment to target all educational institutions in Australia by obtaining a list of organisations with ‘dot-edu- dot-au’ in their internet domain name.

Domain of Observables

the set of components of an abstract construct that can be identified and measured.

Dominant Design

a product configuration which endures; a particular combination of product features which appears to satisfy the market and survives, without major change, for some time.

Door-to-Door Selling

direct selling in which a salesperson calls on prospective buyers at their homes without appointments.

Downstream

the channel members between a manufacturer and its consumers.

Down-Ageing

a recently-observed cultural phenomenon or cultural shift in which many people dress and behave to make themselves appear younger, healthier, more active and more vibrant than they are.

Down-Market Consumers

consumers who habitually look for, and purchase, low-priced rather than more expensive products. See Up-Market Consumers.

Downside Elasticity

a term used in reference to the sensitivity of consumers to a decrease in the price of a particular product; downside elasticity means that the demand for the product increases significantly as the price falls. See Downside Inelasticity; Upside Elasticity; Downside Elasticity.

Downside Inelasticity

a term used in reference to the sensitivity of consumers to a decrease in the price of a particular product; downside inelasticity means that there is no significant increase in demand as the price falls. See Downside Elasticity; Upside Elasticity; Upside Inelasticity.

Downsizing

a business practice in which organisations restructure and reconfigure processes to enable a reduction in staff numbers for the purpose of cost reduction and increased productivity.

Downward Stretching

introducing a new product into a product line at the lower priced end of the market. See Product Line Stretching; Upward Stretching; Two-Way Stretching.

DPI

abbrev. Disposable Personal Income.

Dramatisation of Presentation

the vitality given to a presentation or demonstration of a product by a salesperson to a buyer; presentations can be dramatised by using audiovisual aids, involving the buyer in the operation of the product, etc.

Drip Advertising

limited expenditure on advertising over a relatively long period of time. See Burst Advertising Expenditure.

Drive

a motivating force or need sufficiently strong to impel a person to seek its satisfaction. See Learning Process.

Driver (Social Style)

one of the four social styles (with Amiable, Analytical and Expressive) commonly used to classify salespeople and their customers; Drivers are characterised by high assertiveness and low responsiveness. See Social Style; Amiable; Analytical; Expressive.

Drop Error

a mistake made by a company in deciding to abandon a new product idea that, in hindsight, might have been successful if developed. See Go Error; New Product Development.

Drop Shipper

a marketing intermediary who receives orders from customers and forwards them to a producer for shipment direct to the customer; the drop shipper takes title to the goods but never actually handles them. Also called a Desk Jobber.

Drop-In Product

a product that is so nearly identical to that of a competitor that it can be "dropped in" to the competitor's equipment or machinery without the need to alter settings and without affecting performance.

Drop-Off Survey

a survey technique in which a researcher drops off questionnaires for respondents to complete in their own time; the completed forms are mailed back to the researcher or picked up again at some later date.

Drugstore

A term used especially in the U.S., to describe a retail store that dispenses pharmaceutical prescriptions and across-the-counter medicines as a wide range of health-related personal items and other convenience goods.

Drummers

a nineteenth century term of American origin for a travelling salesperson.

DSS

abbrev. Decision Support System.

Dual Distribution

a system of marketing channel organisation in which a manufacturer uses two approaches simultaneously to get products to end-users; commonly, one approach is to use marketing intermediaries, while the other is to sell direct to end-users.

Dummy Media Vehicle

a mock-up of a media vehicle (magazine, etc) used to test advertising effectiveness with a representative group of the target market.

Dummy Variable

a false or artificial variable introduced into a regression equation to represent the categories of a nominal-scaled variable

Dumping

a practice in which a firm sells its product cheaply into a foreign market undercutting the domestic price.

Durables

see Consumer Durables.

Marketing dictionary - Ee

Early Adopters

the group in a market second only to innovators in the speed with which they adopt a new product. See Diffusion of Innovation; Early Majority; Innovators; Laggards; Late Majority.

Early Majority

the group in a market who are more deliberate than the innovators and the early adopters in making purchase decisions, but less conservative than the late majority and laggards. See Diffusion of Innovation; Early Adopters; Innovators; Laggards; Late Majority.

Economic Environment

factors in the economy, such as inflation, unemployment, interest rates, etc., that influence the buying decisions of consumers and organisations.

Economic Forecast

a prediction of the likely impact on the business environment of factors such as inflation, interest rates, unemployment, government and consumer spending, etc.

Economic Order Quantity

the optimum quantity of each product that must be ordered to balance the inventory holding costs against the order processing costs; holding costs increase with more inventory, while order processing costs decrease.

Economic Utility

the ability of a good or service to satisfy a customer's needs or wants; the five kinds of economic utility are form utility, time utility, place utility, information utility and possession utility.

Economies of Scale

reductions in the price per unit of marketing or manufacturing a product as the quantity marketed or produced increases.

EEC

abbrev. European Economic Community.

Effective Buying Income

an individual's disposable income, consisting of salary and wages, dividends, interest, profits, etc., less all government taxes. See Disposable Income.

EFTPOS

abbrev. Electronic Funds Transfer at Point of Sale.

Ego States

a proposition in transactional analysis that every person has three mental conditions - parent ego state, child ego state and adult ego state, and that at any particular time one of these states is dominant in the personality.

Ego-Drive

the need of one individual to persuade another to a particular point of view and feel satisfaction in having done so.

Eighty-Twenty Principle

see Pareto's Principle.

Elaboration Probes

questions posed by salespeople when positively encouraging prospects to provide additional information about their needs.

Elasticity of Demand

a measure of the degree to which any change in the price of a product will affect the demand for it. See Inelasticity of Demand.

Electronic Funds Transfer at Point of Sale

a system commonly used in retailing in which a consumer pays for purchases by means of an electronic transfer of funds from his or her bank account to that of the store.

Electronic Retailing

the use by customers of computer terminals in conveniently located shopping kiosks to call up product information and then to place orders using credit cards.

Electronic Shelf-Talkers

see Shelf-Talkers

Embargo

a total restriction on a particular good leaving or entering a county; any restriction imposed in the release of information, advertising, etc before a given date.

Embedding

a form of subliminal advertising; the concealing of imagery in various products and advertisements to appeal to the subconscious drives of potential customers. See Subliminal Advertising.

Emergency Goods

a category of consumer goods consisting of items purchased quickly in necessity. See Consumer Goods; Convenience Goods.

Emotional Appeals in Advertising

advertising messages, usually based on imagery rather than information, which attempt to achieve the advertiser's objectives by evoking strong emotionsl feelings (fear, anger, passion, etc) rather than by a rational appeal. See Rational Appeals in Advertising.

Emotional Close

a closing technique in which the salesperson attempts to get a favourable response from a buyer by appealing to his or her fear, pride or similar emotion. See Close.

Emotional Risk

the concern or uncertainty felt by a prospective buyer that he or she will feel bad about the purchase afterwards; also called Psychological Risk. See Risk.

Empathy

the ability of an individual to project his or her own personality into a situation and understand it; a quality deemed desirable in salespeople who must be able to see the product from the buyer's point of view.

Employee Poaching

the act of enticing key employees from one competing firm to another.

Employee Publics

the part of a company's public consisting of its employees. See Publics.

Empty Nesters

those in the stage of the family life cycle where the children have all grown up and left home; typically, empty nesters are at the peak of their earning potential, and are an excellent market for travel, leisure and sporting goods, and home improvement merchandise. See Family Life Cycle.

Encirclement Attack

a competitive strategy used by a strong challenger to attack the market leader; the market challenger launches an attack on several fronts at once in an attempt to break the leader's grip on the market.

Encoding

the translation of a message into code by a sender so that it can be relayed through a medium to a receiver. See Communication Process; Decoding.

Encouragement Probes

question posed by salespeople to get additional information from a prospective buyer.

Endless Chain Method

a prospecting method in which a salesperson asks each customer called upon to suggest the names of other likely purchasers of the same product. See Prospecting.

Endorsements

recommendations to purchase a particular brand of product made in advertisements by well-known personalities or experts.

ENP

abbrev. Expected Net Profit.

Enterprise Competitors

firms of similar type vying for a consumer's business. See Competitors.

Entertainment Marketing

promotion of a product by means of movie tie-ins, endorsement by entertainment industry celebrities, or similar. See Movie Tie-ins; Endorsement.

Entry Barrier

see Market Entry Barrier.

Envelopes and Stubby Pencil

a rough method of calculating the size of the market for a given product, based on the known size of an overseas market.

Environmental Assessment -

Environmental Forecasting

attempting to predict the nature and intensity of the microenvironmental and macroenvironmental forces that are likely to affect a firm's decision making and have an impact upon its performance in a given period.

Environmental Management

see Megamarketing.

Environmental Scanning

the process of examining the internal and external factors which influence the firm's operations and decision making in order to identify market opportunities and threats.

EOQ

abbrev. Economic Order Quantity.

Equipment-Based Services

Services in which machinery or equipment plays a significant role in delivering; for example, automatic telling machines play a significant role in the delivery of banking services. See People-Based Services.

Error Rate

the percentage of errors (wrong items, wrong quantity, wrong address, etc.) made in shipping merchandise to customers.

Escalator Clause

a clause in a contract which allows a tenderer to adjust the final amount charged to take account of price rises in component parts between acceptance of the bid and completion of the delivery, installation, etc.

ESP

see Envelopes and Stubby Pencil.

Esteem Needs

the desire to feel important in the eyes of others. See Maslow's Hierarchy of Needs.

Ethics

see Marketing Ethics.

European Economic Community

a group of European nations acting as a trading block, limiting trade barriers among members and applying common tariffs to products from non-members.

Evaluative Criteria

features of a supplier, product, etc. considered by a buyer when choosing between alternatives; evaluative criteria may be objective or subjective.

Evaluative Probes

questions posed by salespeople to help their understanding of a prospective customer's feelings on a subject.

Evoked Set

brands that a buyer is aware of, and thinks well of, when considering a purchase ; also called the Consideration Set. See Inept Set; Inert Set.

Exchange

the transfer of an object, idea, service, etc. from one person or organisation to another in return for something desired. See Centralised Exchange Processes; Decentralised Exchange Processes.

Exclusive Agreements

agreements between manufacturers and middlemen in which the latter are granted sole rights to distribute a product within a defined territory.

Exclusive Assortment

an assortment strategy in which a reseller decides to carry the product line of only one manufacturer. See Assortment Strategies; Broad Assortment; Deep Assortment; Scrambled Assortment.

Exclusive Dealing Agreement

an arrangement in which a manufacturer prohibits a marketing intermediary from carrying competitors' products.

Exclusive Distribution

restricting the availability of a product to one particular outlet. See Distribution Intensity; Intensive Distribution; Selective Distribution.

Exclusive Sales Territory

a region in which a distributor has been given sole rights to a manufacturer's product.

Exclusivity

see Exclusive Agreements; Exclusive Distribution.

Expectancy-Value Model (of Brand Evaluation)

a model used in the study of consumer decision processes to evaluate alternative brands. In this model, brand attributes are weighted; a consumer's beliefs about each brand's attributes are multiplied by the respective weights to produce a preference ranking of the alternatives. Other models of brand evaluation include the ideal brand model, the conjunctive model, the disjunctive model, the lexicographic model and the determinance model.

Expected Return Model

a forecasting technique used to predict future profits where firms bid for business in an uncertain situation; a method of determining the expected value of a set of alternative outcomes. Total expected return in a given period is the sum of the profit from each job bid for, after each profit has been reduced by a factor corresponding to the degree of probability of the bid being accepted. Also called the Expected Value Method and Expected Value Analysis.

Expected Value Analysis

see Expected Return Model.

Expected Value Method

see Expected Return Model.

Expense Account

a budgeted amount of money advanced to a salesperson for food, travel, accommodation, entertainment of clients, and other items of expenditure considered necessary to make sales.

Expense Quota

the amount budgeted for a salesperson for expenses associated with making sales in a territory; used as a cost control measure by sales managers.

Experience Curve

see Learning Curve.

Experience Curve Pricing

the pricing of a product at a lower than average-cost level on the basis that costs will decrease as production experience increases.

Experimental Research Method

a systematic and scientific approach to marketing research in which the research manipulates one or a number of variables and measures any change in other variables.

Experimental Variables

the variables a researcher manipulates in conducting an experiment; also called Explanatory Variables. See Dependent Variables.

Expert Forecasting Survey

a sales forecasting method in which outside specialists or industry experts - economists, academics, management consultants, advertising executives, etc. - are asked to assist in the preparation of the sales forecast.

Explanatory Variables

see Experimental Variables.

Exploratory Research

desk research undertaken before primary research is commenced in a marketing research study, including an informal search for material from internal, external and secondary sources, interviews and discussions with informed sources, etc. See Marketing Research; Primary Research; Secondary Research.

Exponential Smoothing

a quantitative technique for sales forecasting using historical data weighted to favour the most recent information.

Export-Import Agent

an independent marketing intermediary bringing together buyers and sellers from different countries and taking a commission on sales.

Express Warranty

a manufacturer's guarantee, stated in written or spoken words, that the product offered for sale will satisfactorily perform the task for which it is intended, and to the buyer's reasonable expectations. See Warranty; Implied Warranty; Promotional Warranty; Protective Warranty.

Expressive (Social Style)

one of four social styles (with Amiable, Analytical and Expressive) commonly used to classify salespeople and their customers; Expressives are characterised by high assertiveness and high responsiveness.

Extension Approach to Pricing

an approach to global pricing in which a firm sets the same price for its product around the world and expects purchases to pay whatever additional freight and import costs apply. See Adaptation Approach to Pricing; Geocentric Approach to Pricing.

Extensive Decision Making

see Extensive Problem Solving.

Extensive Problem Solving

buying situations which require considerable effort because the buyer has had no previous experience with the product or suppliers; also called Extensive Decision Making. See Limited Problem Solving; Routine Problem Solving.

External Marketing Environment

relatively uncontrollable factors outside the firm which influence its decision making. See Internal Environment.

External Stimuli

advertisements, posters, coupons, point-of-purchase materials, store displays, etc which give rise to a drive. See Learning Process; Drive.

Extrinsic Rewards

rewards for doing a job which are external to the individual, such as wages, bonuses, incentives, fringe benefits, job promotions, and so on. See Intrinsic Rewards.

Eye Pupil Dilation Test

a physiological method of objectively pre-testing advertisements in which involuntary eye pupil dilation is used to measure the level of interest shown by a particular consumer.

Marketing dictionary - Ff

FABS

acronym for Features and Benefits Selling.

Face Validity

the apparent plausibility of the results of marketing research, which on the basis of logic and common sense, seems to be correct.

Face-to-Face Selling

selling situations in which salesperson and buyer meet together (rather than use telephone or mail, for instance) to conduct their business.

Facilitating Channel Institution

an agency or organisation, such as a bank, transport company or insurance agency, which provides specialised assistance to members of a marketing channel; the facilitating channel institution does not take title to the goods.

Factor Analysis

a statistical procedure for trying to discover the basic factors that may underlie and account for the correlations among a larger number of variables. For example, factor analysis might be used to determine and interpret the basic factors underlying some negative attitudes towards the purchase and use of male toiletries and cosmetics.

Factory Outlet

a retail store that sells the products of one manufacturer, usually at very low prices.

FACTS

abbrev. Federation of Australian Commercial Television Stations.

Fad

a product, especially a fashion, that comes quickly to the attention of an eager public, achieves peak sales in a relatively short time, and rapidly declines in popularity; that is, a popular product with a particularly short life cycle. See Fashion.

Fake Interview

a job interview held when a company advertises a non-existent position in its firm hoping to attract personnel from competing firms; the aim of this unethical tactic is usually, to obtain competitive information.

False Objection

see Hidden Objection; Objections.

FAMI

abbrev. Fellow of the Australian Marketing Institute.

Familiarity Scale

a scaling device for measuring a target audience's awareness and knowledge of a company or its products. Responses are commonly recorded on a five-stage scale: 1. Never Heard of It; 2. Heard of It; 3. Know a Little; 4. Know a Fair Amount; 5. Know It Well. See Favorability Scale.

Family Brand

a brand name used for a number of products in the same line, such as Revlon cosmetics or Heinz canned foods; also referred to as a Blanket Brand. See Corporate Branding; Individual Brand; Corporate Branding; Single Brand Name.

Family Life Cycle

a series of stages through which the typical family passes, including bachelor stage, young marrieds, full nest, empty nest and sole survivor.

FARB

abbrev. Federation of Australian Radio Broadcasters.

FAS

abbrev. Free-alongside-Ship (at port of export).

FAS Pricing

see Free-alongside-Ship Pricing.

Fashion

a product that is popular at the moment; fashions tend to follow recurring life cycles. See Fad.

Fast Moving Consumer Goods

a term used in reference to frequently purchased consumer goods, such as foodstuffs, toiletries, etc.

Favorability Scale

a scaling device for measuring a target audience's feelings or attitudes towards a company or its products. Responses are commonly recorded on a five-stage scale: 1. Very Unfavorable; 2. Somewhat Unfavorable; 3. Indifferent; 4.

Somewhat Favorable; 5. Very Favorable. Also called Image Analysis. See Familiarity Scale.

Fear Appeals in Advertising

advertising messages which use fear as their focus; often employed in public service announcements, such as those seeking to discourage smoking, reduce the road toll, warn of the dangers of hard drugs, etc. See Emotional Appeals in Advertising; Rational Appeals in Advertising.

Feature Modification

a change made to any feature of a product in order to make it safer, more useful or more valuable to a purchaser; also called Functional Modification.

Features

prominent or distinctive characteristics of a product's use, construction or design; also referred to as Attributes.

Features and Benefits Selling

a selling style in which a salesperson is careful to relate each feature of the product being presented to a particular benefit which the feature will deliver to the buyer.

Federation of Australian Commercial Television Stations

an association of Australian commercial television stations responsible for the control of television advertising standards; the Federation must preview and approve all commercial announcements before they are broadcast.

Federation of Australian Radio Broadcasters

an association of Australian commercial radio stations responsible for the control of radio advertising standards; the federation must preview and approve all radio commercials before they are broadcast.

Feedback

the mechanism in the communication process which allows the sender to monitor and evaluate the receiver's response to a message. See Communication Process.

Fictitious Pricing

the unethical, possibly illegal, practice of announcing a price reduction (eg. "now $20, formerly $49") when, in fact, there has been no reduction at all.

Field Research

see Primary Research.

Field Sales Manager

a sales manager whose prime responsibility is for the supervision of the sales force in its outside selling activities; generally, the field sales manager will have only minimal involvement in the internal, administrative sales management operations.

Field Selling

face-to-face sales calls made by company representatives on customers in their homes or places of business.

Fighting Brand

a low-priced manufacturer's brand sold with minimal advertising and promotional expenditure; the brand is used to compete with dealers' brands and generics. Also called a Price Brand.

Financial Leverage

a measure of the extent to which a firm uses debt in its total capital structure; the higher the component of debt the more leveraged is the firm. Leverage is calculated by dividing total assets by equity.

Financial Resources

the availability of money in the form of cash, securities, creditors, loan facilities, etc possessed by an organisation.

Financial Risk

concern in the buyer's mind that the product being considered for purchase is too expensive, or will be a waste of money. See Risk.

FIS

abbrev. Free-in-Store.

FIS Pricing

see Free-in-Store Pricing.

Fishyback

a term used in the physical distribution of goods to refer to a system of transportation requiring the transfer of containers from truck to ship. See Birdyback; Piggyback.

Fixed-Sum-Per-Unit

an approach to promotional budget setting in which the total to be spent in a given period is the sum of a certain set amount allocated to each item produced.

Flag

an area on a product label which interrupts the design to announce a special offer or similar promotion.

Flanker Brand

a brand introduced into a market by a company which already has an established place in order to increase overall market share in a product category.

Flanking Attack

a competitive marketing strategy in which one company attacks another in a weak spot, commonly by paying maximum attention to either a geographic region or a market segment in which the rival is under-performing.

Flanking Defence

a competitive marketing strategy in which the market leader attempts to identify and strengthen its own weak points, commonly geographic areas or market segments in which it is under-performing, before a smaller rival can mount an attack against it.

Flanking Strategy

see Flanking Attack; Flanking Defence.

Flexible Pricing

a pricing method in which the price charged for some consumer shopping goods and specialty goods and for many industrial products is open to negotiation between buyer and seller; also known as Multiple Pricing and Variable Pricing.

Flighting

scheduling advertising campaigns in irregular bursts followed by periods of relative or complete inactivity. See Continuity; Pulsing.

Floor Price

see Price Floor.

Fluctuating Demand

demand in the industrial sector which rises and falls sharply in response to changing economic conditions and consumer spending patterns.

Flyer

a promotional leaflet or mailing piece.

FMCG

abbrev. Fast Moving Consumer Goods.

FOB

abbrev. Free-on-Board.

FOB Pricing

see Free-on-Board Pricing.

FOC

abbrev. Front-of-Counter.

Focus Group

a qualitative marketing research technique in which an independent moderator interviews a small group of consumers from the target market in an informal setting to get an immediate market reaction to a new product or brand name, to generate new product ideas, etc. Also referred to as a Customer Panel. See Qualitative Marketing Research.

Follow-the-Leader Strategy

decisions and actions taken by a firm which chooses to follow the market leader as an alternative to challenging it; essentially reactive, follow-the-leader strategies, also known os "me-too" strategies, minimise the risk of retaliation which might result from an attack, direct or indirect, on the market leader's share. See Breakthrough Strategies.

Follow-the-Leader Pricing Strategy

a pricing strategy adopted by firms which copy the market leader's prices.

Follow-Up

the vital final stage in the selling process; the salesperson's call-back upon a client after the ordered goods have been supplied to check that all has been handled to the buyer's satisfaction.

Follower Role

see Market Follower.

Foothold Firm

see Market Nicher.

Forecasting

predicting future variables, such as the level of sales in a given period, the environmental factors that will influence the firm's performance, etc.

Foreground Radio

a term used in reference to pre-recorded or live radio programs featuring music and commercial announcements broadcast direct to stores where the advertised merchandise is available.

Foreign Currency Exchange Rate

the price of one country's currency expressed in terms of the currency of another country.

Foreign Market Entry

expansion by entering an overseas market; the four possible ways of entry an overseas market are by exporting, licensing, joint venturing or direct ownership.

Foreseeability Doctrine

the notion under product liability laws that a manufacturer has an onus to foresee how a product might be misused and warn consumers accordingly.

Form Utility

the value given to a product by virtue of the fact that the materials and components which comprise it have been combined to make the finished product. See Utility.

Formal Product

see Actual Product.

Formal Training

training given in a classroom setting as opposed to that given in the field. See Curbside Sales Training; On-the-Job Training.

Formula Approach

an approach to selling in which the salesperson uses a formula such as AIDA - awareness, interest, desire, action - as a guide to taking the buyer from one stage of the buying process to the next; also called the Mental States Approach. See AIDA Concept.

Formula Marketing

a term used to describe an approach to marketing practice which relies heavily on conventional wisdom and spurns anything innovative.

Forward Buy

the placement of an inventory purchase order earlier than required in order to take advantage of a special price offer, or similar.

Forward Integration

a strategy for growth in which a company develops by seeking ownership of, or some measure of control over, its distribution systems. See Backward Integration; Horizontal Integration.

Four Ps

the four major controllable variables of the marketing mix - product, price, promotion and place.

Franchise-Building Sales Promotions

consumer sales promotions which impart a selling message along with the deal, as in the case of free samples or premiums related to the product. Consumer sales promotions which are not "franchise-building" include price-off packs, contests and sweepstakes, and premiums not related to the product. See Consumer Franchise.

Franchise Extension

see Brand Extension.

Franchising

an arrangement in which a supplier grants a dealer the right to sell a product in return for some percentage of the total sales; typically, the supplier provides buildings and equipment, management advice and marketing assistance to the franchisee, who agrees to operate according to the franchisor's general rules.

Free Associations

a method of collecting qualitative marketing research data in which respondents are asked to supply the word or idea which first comes to mind in response to a word or phrase given to them by a researcher; the technique is used to further understand shopping, advertising, branding, etc.

Free Market

a market place which has minimum direct involvement of government in market decisions.

Free Merchandise

a type of trade sales promotion in which resellers are given a certain quantity of merchandise free of charge in return for an order of a specified size. See Trade Sales Promotion.

Free Samples

see Samples.

Free-alongside-Ship Pricing

a pricing approach in which the manufacturer pays the freight cost to the wharf; costs associated with loading and shipping are borne by the purchaser. See Geographical Pricing.

Free-Form Presentation

a selling approach which does not rely upon any set formula or method. See Formula Approach.

Free-in-Store Pricing

a pricing method in which the producer is responsible for all freight and delivery costs; the ordered goods are delivered freight free to the customer. See Geographical Pricing.

Free-In-The-Mail Premium

a type of sales promotion in which consumers are offered a gift which is sent to them by post in return for proof of purchase of the product.

Free-on-Board Pricing

a pricing method in which a producer bears only the costs involved of delivery of goods "free-on-board" to a local carrier's despatch point; at that time, title for the goods passes to the purchaser, who is responsible for the remainder of the freight charge. See Geographical Pricing.

Free-Standing Inserts

brochures, leaflets and similar advertising material distributed with magazines and newspapers as loose inserts.

Free-Standing Retailer

a retail store, not located in a shopping complex with other retailers, having its own premises and parking area.

Freight Absorption Pricing

a pricing method in which the manufacturer bears some or all of the freight costs involved in transporting the goods to the customer. See Delivered Pricing.

Freight Charges

transportation costs involved in shipping goods from producer to customer.

Freight Forwarders

firms specialising in the supply of transportation services; by buying large volumes of land, sea, air and pipeline transportation at low rates, they are able to offer attractive rates to small businesses whose products they combine into large shipments.

Frequency

the number of times the target consumer will be exposed to the message during the specified period of the campaign.

Freudian Motivation Theory

the theory that a consumer's buying preferences are dictated by unconscious motives, and that visual, auditory and tactile elements of a product may evoke emotions which stimulate or inhibit purchase. See Motivation; Maslow's Theory of Motivation; Herzberg's Theory of Motivation.

Fringe Benefits

benefits enjoyed by employees as part of a total remuneration or compensation package; fringe benefits are subject to taxation in Australia.

Front-of-Counter

the prime and most sought after position for impulse goods. Hence, front-of-counter (or FOC) display pack.

Full Nesters

a term used to describe the stage in the typical family life cycle in which the household consists of parents and growing children; three sub-stages of "full nesters" are used by marketers in targeting their products: Full Nest 1, where the youngest child is under six years of age; Full Nest 2, where the yougest child is over six; and Full Nest 3, where the household consists of parents and older dependent children. See Family Life Cycle.

Full-Cost Pricing

a pricing strategy in which all relevant variable costs and a full share of fixed costs directly attributable to the product are used in setting its selling price. See Incremental-Cost Pricing.

Full-Function Merchant Wholesaler

see Full-Service Wholesaler.

Full-Line Department Store

a department store which offers many different lines of products, including clothing, sporting goods, food, furniture, electrical goods, etc., and many diffrent services, including wrapping, delivery and credit. See Limited-Line Department Store.

Full-Line Strategy

the decision by a producer to offer a large number of product variations in a product line. See Limited-Line Strategy.

Full-Service Advertising Agency

an advertising agency offering a complete range of services including marketing research; media planning; creative design of packaging and advertisements, etc. See Limited-Service Advertising Agency.

Full-Service Research Supplier

a marketing research firm which can offer a client a complete range of services, including problem definition or conceptualisation, research design, data collection and analysis, and reporting. See Limited-Service Research Supplier.

Full-Service Wholesaler

a wholesaler offering a complete range of services including buying, selling, storage, transporting, sorting, financing, providing market feedback and risk-taking; also called a Full-Function Wholesaler. See Limited-Function Wholesaler.

Functional Costs

costs associated with a specific business activity, such as selling, advertising, marketing research, etc.

Functional Discount

a price allowance given to a firm performing some part of the marketing function for other members of the channel of distribution; also called Trade Discount.

Functional Middlemen

see Functional Wholesalers.

Functional Modification

see Feature Modification.

Functional Organisation

the organisation of a firm's business activities so that a separate division is responsible for each business function - production, finance, personnel, marketing, etc; the organisation of a firm's marketing activities so that a separate division is responsible for each marketing function - planning, research, sales, advertising, distribution, new product development, etc. See Organisational Structure.

Functional Risk

see Performance Risk.

Functional Wholesalers

agents, brokers, commission merchants, etc. who facilitate exchanges between producers and resellers and receive commissions for their services; also referred to as Functional Middlemen.

Marketing dictionary - Gg

Galvanic Skin Response

a physiological testing technique in which the electrical conductivity of the skin is measured to check the level of arousal caused by an advertisement. See Galvanometer.

Galvanometer

a scientific instrument used in marketing research to measure the reaction of a subject in a study to an advertisement; the instrument measures the perspiration that accompanies the subject's interest or arousal. See Galvanic Skin Response.

Gap Analysis

the determination of the methods and techniques used to fill the "gap" between corporate sales and financial objectives and the current long-range forecasts of the sales team.

Gatekeepers

people within organisations who can control the flow of information to members of the buying centre. See Buying Centre.

GE Matrix

see General Electric Strategic Business Portfolio Planning Grid.

General Electric Strategic Business Portfolio Planning Grid

a portfolio analysis and planning grid developed by General Electric; it uses a two-dimensional matrix based on industry attractiveness and business strength.

General Public

all of the people in the society in which a firm operates; within the general public there may be some who view its actions favourably and some who view them unfavourably. See Publics.

Generic Advertising

advertising a category or class of product rather than a particular brand, as in "Butter is good for you!", "Feed the man meat!", "Drinka Pinta Milka Day!", etc.

Generic Brand

a "no-name" brand; a product that does not carry a brand name.

Generic Competitors

products which are all different in type but are capable of satisfying the same basic want of the prospective purchaser. For example, the consumer may want to buy some new kitchen appliances but must choose between a dishwasher, a refrigerator and a microwave oven.

Generic Products

unbranded products identified only by product category.

Generics

see Generic Brand.

Geocentric Approach to Pricing

an approach to global pricing in which affiliate or subsidiary companies supply information about local market conditions and the corporation then sets prices accordingly to maximise profits in each national market. See Adaptation Approach to Pricing. Extension Approach to Pricing.

Geocentrism

the view that the whole world is one single market.

Geodemographics

Geographic Deployment

the deployment of a sales team on a regional or district basis as opposed to a product-type or customer-type basis.

Geographic Market Concentration

a distinctive characteristic of the industrial market; the industrial market tends to be more geographically concentrated than the consumer market.

Geographic Organisation

the organisation of firm's marketing activities so that a separate division is responsible for each of its major geographic markets. See Organisational Markets.

Geographic Price Adjustments

see Geographical Pricing.

Geographic Segmentation

the division of a total, heterogeneous market into relatively homogeneous groups on the basis of area, district, region, state, etc. See Segmentation Bases.

Geographic Variables

area or regional differences used to segment a market.

Geographical Pricing

a pricing method in which customers bear the freight costs from the producer's location to their own; examples of geographical pricing include FOB pricing, base-point pricing and zone pricing. See FOB Pricing; Base-Point Pricing; Zone Pricing.

Global Brands

brands sold to world markets with essentially the same promotion.

Global Marketing

marketing the same or very similar products to world markets with essentially the same promotion; also commonly referred to as International Marketing.

GNP

abbrev. Gross National Product

Go Error

a failure at any stage (but especially at the screening stage) in the new product development process when a decision is made to proceed with a product which, in hindsight, should have been abandoned. See Drop Error; New Product Development.

Goals

aims of a broad, long-term nature as opposed to objectives which are more explicit and relate to a specified time period. SeeObjectives.

Goods-Services Continuum

the idea that products contain elements of both goods and services in varying degrees.

Goodwill

the difference between the value of a business as a going concern and the sum of the value of its assets if taken separately.

Government Markets

federal, state and local government departments and agencies which buy goods and services needed to conduct their operations.

Grade Label

a tag, sticker, label, letter, mark or symbol which identifies the quality or grade of a product offered for sale. See Label.

Green Marketing

the marketing of "environmentally friendly" products; marketing which takes into account environmental issues such as wastefulness of the earth's resources, pollution, the release of toxins into the atmosphere, etc.

Greeters

a mid-nineteenth century term for a salesperson; greeters, representing manufacturers and wholesalers, met retailers in hotel lobbies as they arrived on buying visits.

Grey Market

the importing of particular goods by firms which have not been appointed by the manufacturer as official distributors of the product; a term also used to describe the "over 60s" market for various goods and services of interest to this age group.

Greying of Australia

a term used to describe the ageing of the population; the median age of the Australian population has been rising steadily since 1960 because of a declining birth-rate and increased longevity.

Gross Margin

see Gross Profit.

Gross Margin Quota

a common form of sales assignment, goal or target used to measure a salesperson's performance; a gross margin quota is used to urge a salesperson to sell a healthy portion of higher-profit items which are usually higher in price and often harder to sell. Other commonly used types of sales quotas are unit volume quotas, dollar volume quotas, net profit quotas and activity quotas. See Sales Quota.

Gross National Product

the total market value of goods and services produced by a nation in a year.

Gross Profit

the amount left when selling costs and operating expenses are deducted from total revenue; also called Gross Margin.

Gross Rating Points

a ratio measuring the value of a media schedule in advertising, calculated by multiplying reach by frequency. See Frequency; Reach.

Gross Sales

the total revenue from all sales to customers in a specified period.

Group Influences

members of a family, peers, opinion leaders, etc. who have an effect on a consumer's spending or purchase behaviour. See Reference Groups; Aspirational Reference Groups; Contactual Reference Groups; Membership Reference Groups.

Group Prospecting

finding new customers by displaying and demonstrating merchandise at functions, clubs, home parties, etc. See Prospecting.

Group Sales Training

the training of sales representatives, usually in formal sessions, as a group. See Formal Training.

Group Selling

a selling situation in which a salesperson presents a product or product range to a group of buyers from one company or to a buying committee. See Team Selling.

Growth Rate

see Market Growth Rate.

Growth Stage of Product Life Cycle

the second stage (after the introductory stage) in the life cycle of a successful product; sales revenues increase steadily as the product finds market acceptance, prices generally remain high despite increasing competitive threats and profit margins are at peak level.

Growth Strategies

the means by which an organisation plans to achieve its objective to grow in volume and turnover. Four broad growth strategies are available - market penetration, product development, market development and diversification.

GRP

See Gross Rating Points.

Guarantee

a written assurance by the manufacturer that a product will be replaced or repaired to the customer's satisfaction if it is found to be defective or does not perform as intended. See Warranty.

Guaranteed Price

an assurance given by a manufacturer to a marketing intermediary that if the wholesale price of a product is lowered while the intermediary is still holding stocks, the difference will be refunded; the purpose of the guaranteed price is to encourage the intermediary to order a large quantity of the product with confidence.

Guided Dreams

a method of collecting qualitative marketing research data in which respondents are asked to imagine they are dreaming or fantasising; whilst in this state, a researcher seeks their emotional reactions to particular products and brands. See Qualitative Marketing Research.

Marketing dictionary - Hh

Habitual Decision Making

consumer decision making or problem solving requiring only minimal search for, and evaluation of, alternatives before purchasing. Also referred to as Automatic Response Behaviour, Routine Response Behaviour and Routinised Problem Solving. See Extensive Problem Solving; Limited Problem Solving.

Halo Effect

the transfer of goodwill from one product in a company's line to another; the attribution, by association, of the qualities of one item to others in the group.

Hard Sell Approach

an approach to selling in which the salesperson puts pressure on the buyer to make a commitment to purchase; an approach typical of the period of the "selling era" from the 1930s to 1950s.

Harvest Strategy

a deliberate decision to cut back expenditure of all kinds on a particular product (usually in the decline stage of its life cycle) in order to maximise profit from it, even if in doing so it continues to lose market share. See Hold Strategy.

Head-to-Head Competition

a competitive situation characteristic of oligopolistic circumstances, where the second or third leading company, decides to challenge the leader.

Hedonists

formally, those who habitually seek pleasurable experiences; individuals who, by nature, seek products which provide them with the most pleasure, without regard to calories, sugar content, salt content, cholesterol levels, colouring or preservative additives, and so on; hedonists are above-average consumers of chocolates, soft drinks, beer, etc.

Herzberg's Theory of Motivation

a theory of motivation developed by Henry Herzberg in which satisfiers (factors that cause satisfaction) are distinguished from dissatisfiers (factors which cause dissatisfaction). Thus, consumers will compare the number and degree of satisfiers to the number and degree of dissatisfiers before making purchase decisions. See Freudian Motivation Theory; Maslow's Theory of Motivation.

Heterogeneity

see Variability.

Heterogeneous Shopping Goods

shopping goods perceived by consumers as markedly different in quality and attributes; price is consequently less important. See Homogeneous Shopping Goods; Shopping Goods.

Hidden Objection

an unstated objection which a prospective buyer has to a product offered by a salesperson. See Objection; Invalid Objection; Stated Objection; Valid Objection.

Hierarchy of Effects Models

various illustrations of the notion that marketing promotion induces consumers to move in steps from one mental state to the next before eventually deciding to purchase a particular product; in the AIDA model the steps, in ascending order, are awareness, interest, desire and action, while in Lavidge and Steiner's expanded model (1962) they are ignorance, awareness, knowledge, liking, preference, conviction and purchase.

Hierarchy of Needs

see Maslow's Hierarchy of Needs.

High-Contact Retailing

a recent trend in retailing in which some retailers attempt to position themselves by emphasising the services aspects of their products more than the goods themselves.

High-Involvement Products

products for which the buyer is prepared to spend considerable time and effort in searching. See Low-Involvement Products.

High-Price Strategy

a planned approach to pricing, appropriate in situations of inelastic demand, in which an organisation decides to keep its prices high; reasons for such a strategy might include a growing super-premium segment of the market, overcrowding at the bottom-end of the market, or the desire to create a prestige image for the product. Also called Premium Pricing.

High-Touch Service

customer service that is characterised by a high level of personal contact with customers, as opposed to "low-touch" customer service which is provided by vending machines, self-service counters, etc. See Low-Touch Service.

Historical Analogy

an approach to sales forecasting in which the past sales results of a similar product are used to predict the likely sales of a similar new product.

Ho-Hum Products

a colloquial term used in reference to common, everyday items (such as paper clips, drawing pins, staples and scribble-pads) which cannot be differentiated significantly from those of competitors; purchasers of "ho-hum" products will generally favour the cheapest available.

Hoisting the Flag

an approach to product introduction or launching, useful when the cost of introducing a new item is low; a new variant is introduced to see if it proves more popular than an existing one.

Hold Strategy

a course of action appropriate for a product (usually in the decline stage of its life cycle) in which a company decides to hold by keeping expenditure on it to a minimum to maximise the return before having to delete it from the line. See Harvest Strategy.

Holding Costs

costs associated with keeping inventory, including warehousing, spoilage, obsolescence, interest and taxes; also called Inventory Carrying Costs.

Home Shopping

forms of non-store retailing which include television home shopping (in which articles are demonstrated on TV so that consumers can place telephone orders for direct-to-home delivery), videotext or electronic catalogue shopping, etc.

Homogeneous Shopping Goods

shopping goods perceived by consumers to be essentially the same in quality and attributes; price is consequently the deciding factor. See Heterogenous Shopping Goods; Shopping Goods.

Horizontal Channel Conflict

discord among members at the same level of a marketing channel, eg. wholesaler-wholesaler discord or retailer-retailer discord. See Channel Conflict; Inter-Type Channel Conflict; Vertical Channel Conflict.

Horizontal Co-Operative Advertising

shared advertising by two or more members at the same level of a distribution channel, each paying part of the total cost.

Horizontal Diversification

a growth strategy in which a company seeks to add to its existing lines new products that will appeal to its existing customers. See Concentric Diversification; Conglomerate Diversification.

Horizontal Integration

a strategy for growth in which a company develops by seeking ownership of, or some measure of control over, some of its competitors. See Backward Integration; Forward Integration.

Horizontal Market

a market for a product which is bought by many industries. See Vertical Market.

Horizontal Marketing Management

the organisation of marketing activities by independent firms on the same level in a marketing channel so that they work closely together in buying, promotion, etc. to achieve economies of scale.

Horizontal Price Fixing

the practice, usually unlawful, of sellers of different brands of the same product making agreements to charge the same price to consumers. See Collusion; Price Fixing; Vertical Price Fixing.

House Accounts

see Direct Accounts.

Hypermarche

see Hypermarket.

Hypermarket

a giant, one-stop shopping facility offering a wide choice of grocery and general merchandise at discount prices; sometimes called a Hypermarche.

Marketing dictionary - Ii

Iceberg Principle

a theory that suggests that aggregated data can hide information that is important for the proper evaluation of a situation.

Idea Generation

the first stage in the new product development process - the sourcing of ideas for new products; important sources include the firm's own R & D work, focus groups, competitor's products and suggestions from customers, distributors and salespeople. See New Product Development.

Idea Marketing

activities associated with the marketing of a cause or idea. See Broadening Concept.

Idea Screening

see Screening.

Ideal Brand Model

a model used to study consumer evaluation of alternative products; the consumer compares actual brands comparing them to a hypothetical ideal brand. Among other models used for the purpose are the expectancy-value model, conjunctive model, disjunctive model, lexicographic model, and determinance model.

Identifiability

see Measurability.

Image

Image Analysis

see Favorability Analysis.

Image Differentiation

as a source of competitive advantage, a company may differentiate itself from its competitors by image; the particular image or "personality" it acquires is created by its logo and other symbols, its advertising, its atmosphere, its events and personalities. Other sources of differentiation for competitive advantage include product differentiation, services differentiation, and personnel differentiation.

Image Oriented Change Strategy

an advertising plan or tactic intended to change a brand's image (rather than to maintain it over time) and which relies on imagery and symbolism (rather than the provision of information) to achieve its objective. See Image-Oriented Maintenance Strategy; Information-Oriented Change Strategy; Information-Oriented Maintenance Strategy.

Image Oriented Maintenance Strategy

an advertising plan or tactic intended to maintain a brand's position over time (rather than to change its position) and which relies on imagery and symbolism (rather than the provision of information) to achieve its objective. See Image-Oriented Change Strategy; Information-Oriented Change Strategy; Information-Oriented Maintenance Strategy.

Image Persistence

the idea that images may persist long after an organisation has changed; for example, one government instrumentality's services might be highly regarded in the public mind even though its programs have deteriorated, while another's might still be poorly regarded long after they have been improved.

Image Pricing

see Psychological Pricing; Prestige Pricing.

Image Utility

the value given to a product by virtue of the fact that it brings satisfaction to the user in creating prestige and esteem. See Utility.

Imagery

the symbols, images or graphic representations used in advertising to suggest a particular mood or feeling.

Impact

the force that an advertisement or message will have on a target consumer; television advertising, for example, because it combines sight and sound, will typically have greater impact than print media.

Implementation

the stage in the marketing management process when plans are put into action. See Marketing Management.

Implied Warranty

the notion, upheld by courts in recent years in response to mounting consumer complaints, that a product is covered by warranty even if not expressly stated, and that manufacturers are liable for injury caused by a product even if there has been no negligence in manufacturing; hence, caveat vendor or "let the seller beware". See Warranty; Express Warranty; Promotional Warranty; Protective Warranty.

Import Quota

a government-imposed limit on the number, quantity or value of a product to be imported, usually to protect local industry.

Impression Management

Improved Services Strategy

Impulse Buying

unplanned consumer buying of attractively presented or conveniently located products.

Impulse Goods

goods which are purchased quickly because of a sudden urge to have them. See Convenience Goods.

In-Home Shopping

see Home Shopping.

In-Magazine Recognition Tests

to test the effectiveness of advertising, individuals selected from the target market are asked to look through a magazine and then to recall advertisements they have seen. See Recognition Tests.

In-Pack Premium

a type of sales promotion in which a small gift is included inside the package of a product to encourage consumers to buy it. See Premiums; Near-Pack Premium; On-Pack Premium; With-Pack Premium.

In-Store Media

in-house media, usually radio or TV networks, inside department or variety stores to encourage foot traffic and generate more sales; music and news, as well as commercials and promotion, are carried by the media.

In-Suppliers

suppliers who are already well known to an organisation and from whom they will purchase with confidence. See Out-Suppliers.

Inbound Telemarketing

telemarketing in which a company receives telephone orders and enquiries from customers; often, toll free telephone lines are used. See Outbound Telemarketing.

Incentive Marketing

the offering of gifts, rewards, premiums, etc to motivate the sales team, to get bigger or more frequent orders from dealers, or to induce customers to buy.

Incentives

(i)in learning theory, an object, person or situation that an individual believes will satisfy a motive; (ii) in selling, any bonus, reward, contest, recognition program, etc. intended to motivate members of a sales team to greater efforts. See Learning Process; Motive.

Incremental Approach (to Calculating Salesforce Size)

an approach used in determining the ideal size of a sales force based on the difference between the expected gross profit that will be earned by the addition of an extra salesperson and the cost of hiring, training and maintaining that salesperson.

Incremental-Cost Pricing

an approach in which the price of all additional units produced after the fixed costs of production have been met are based on variable cost rather than on total cost.

Indirect Competitive Advertising

advertising intended to stimulate purchase of a particular brand at some future time. See Direct Competitive Advertising.

Indirect Competition

a product that is in a different category altogether but which is seen as an alternative purchase choice; for example, coffee and mineral water are indirect competitors. See Direct Competition.

Indirect Costs

costs that cannot be traced directly to a particular product; commonly called Overheads. See Direct Costs.

Indirect Denial Method

handling a buyer's objection by initially admitting the validity of the objection in order to maintain rapport but then offering evidence to rebut the objection; sometimes referred to as the "Yes, but... Method." See Objections.

Individual Brand

a brand name used for a single product within a product line. See Corporate Branding; Family Brand.

Individual Brand Name

the part of the brand name which identifies a particular product when it follows a family brand name; for example, in the brand name "Holden Commodore", Holden is the family brand name, while Commodore is the individual brand name. See Corporate Branding; Family Brand; Product Line Brand Name; Single Brand Name.

Individual Product

see Product Item.

Industrial Buyer Behaviour

the study of the motives and actions of, and the influences upon, industrial buyers while engaged in the purchasing of goods and services. See Organisational Buying Behaviour.

Industrial Buyers

individuals who purchase goods and services on behalf of the organisations by which they are employed; purchasing officers. See Organisational Buyer.

Industrial Distributor

a marketing intermediary, roughly equivalent to a wholesaler in consumer markets, who purchases industrial products in bulk from manufacturers for resale to small industrial users.

Industrial Goods

goods and services purchased by industrial buyers for use in the production of their own goods and services or in the conduct of their business; industrial goods can be broadly classified as equipment, raw materials and services. See Industrial Product Classes.

Industrial Marketing

the marketing of goods and services to business organisations for use in the manufacture of their products or in the operation of their businesses; also called Business-to-Business Marketing.

Industrial Packaging

the protective wrapping and boxing of finished industrial goods for shipment.

Industrial Product Classes

categories of goods and services bought by organisations for use in production or in the operation of their business; classes include installation, accessories, raw materials, component parts, supplies, and services.

Industrial Selling

all forms of personal selling to organisational and industrial buyers of products for resale, or for use in manufacture, or for use in the operation of their businesses.

Incentive

an inducement to buy; incentives include special price deals, premiums, contests, etc.

Inelasticity of Demand

demand which is not greatly affected by a change in the price of the product. See Elasticity of Demand.

Inept Set

brands that a buyer is aware of when considering a purchase, thinks poorly of , but uses in some way as a sourch of information. See Inert Set; Evoked Set.

Inert Set

brands that a buyer is aware of when considering a purchase but has no interest in. See Evoked Set; Inept Set.

Inertia Buying

consumer buying, of unimportant items, which is done frequently and in which the buyer chooses the same brand over and over again without consideration of other brands.

Inertia Selling

a selling practice in which unsolicited goods and services are sent to consumers in expectation that many will prefer to purchase rather than to return them; the practice is considered undesirable and legislation protecting consumers has been enacted.

Inflation

an economic situation in which rising prices result in a fall in the purchasing value of money.

Infomercial

a word coined to describe a particular type of commercial, for print, TV, radio, etc., in which a company promotes its own product while offering valuable information and advice on an important public issue. For example, Volvo may seek to increase awareness of its product and its safety positioning by producing an infomercial on road safety.

Informal Marketing Organisation

the part of a marketing organisation made up of the many working relationships that develop over time, outside the formal lines of authority, among departmental managers.

Information Flow

the information about products, potential customers, consumer needs and wants, etc. that is passed forwards and backwards along a channel of distribution. See Marketing Channels.

Information Oriented Change Strategy

an advertising plan or tactic intended to change a brand's image (rather than to maintain it over time) and which relies on the provision of information (rather than imagery and symbolism) to achieve its effect. See Image-Oriented Maintenance Strategy; Information-Oriented Change Strategy; Information-Oriented Maintenance Strategy.

Information Oriented Maintenance Strategy

an advertising plan or tactic intended to maintain a brand's image over time (rather than to change its image) and which relies on the provision of information (rather than imagery or symbolism) for its effect. See Image-Oriented Change Strategy; Image-Oriented Maintenance Strategy; Information-Oriented Change Strategy.

Information Utility

the value given to a product by virtue of the fact that it can provide the user with information that is useful. See Utility.

Informational Influence

one of three types of influence (with comparative influence and normative influence) exerted on consumers by reference groups; informational influence occurs when the group is the source of information about products and brands. See Reference Groups; Comparative Influence; Normative Influence.

Informational Label

a label which carries information including use instructions, precaustions and warnings, etc. See Label.

Informative Advertising

advertising intended to inform rather than to persuade or remind.

Informed Judgement Techniques

the use of the opinions of knowledgeable people to forecast demand and sales.

Inner-Directed Consumers

one of three broad groups of consumers (with Need-Directed Consumers and Outer-Directed consumers) identified in the Stanford Research Institute's survey of American lifestyles; inner-directed consumers, representing about twenty per cent of consumers in the U.S., buy to meet their own inner-needs rather than in response to social norms. See Value and Life Style Program (VALS); Need-Directed Consumers; Outer-Directed Consumers.

Innovation

the introduction of a product which is new to both the company and its customers; a new-to-the-world product. See Product Extension; New Product Duplication.

Innovators

the small group of alert people who are the earliest to adopt a new product. See Diffusion of Innovation; Early Adopters; Early Majority; Laggards; Late Majority.

Inseparability

one of the four characteristics (with intangibility, perishability and variability) which distinguish a service; inseparability expresses the notion that a service can not be separated from the service provider. See Services Marketing; Intangibility; Perishability; Variability.

Inside Order-Taker

a salesperson who writes up sales orders at a sales counter, or those forwarded to the company by telephone, but is not required to sell persuasively to customers. See Outside Order-Taker.

Installations

a classification of industrial goods which includes land, buildings and major equipment.

Institutional Advertising

advertising intended to promote a company or organisation rather than its products; also called Corporate Advertising.

Institutional Market

a market consisting of schools, universities, hospitals, charities, clubs and similar organisations which buy goods and services for use in the production of their own goods and services.

Intangibility

one of the four characteristics (with inseparability, perishability and variability) which distinguish a service; intangibility expresses the notion that a service has no physical substance. See Services Marketing; Inseparability; Perishability; Variability.

Intangible Product

see Actual Product.

Intangible Product Attributes

the unobservable characteristics which a physical good possesses, such as style, quality, strength, beauty, etc. See Tangible Product Attributes.

Intangibles

see Services.

Integrative Growth

a strategy for growth in which a firm acquires some other element of the chain of distribution of which it is a member. See Backward Integration; Forward Integration; Horizontal Integration.

Intensive Distribution

making a product available in as many outlets as are willing to stock it. See Distribution Intensity; Exclusive Distribution; Selective Distribution.

Intensive Growth

growth opportunities related to a company's current operations; intensive growth opportunities are market penetration, product development and market development.

Inter-type Channel Conflict

discord among members of different types at the same level of a marketing channel, eg. department store-convenience store discord. See Channel Conflict; Horizontal Channel Conflict; Vertical Channel Conflict.

Intermediate Sellers

see Marketing Intermediaries.

Intermodal Transportation

a shipping method in which two or more modes of transport are used; for example, where containerised goods are loaded from truck to ship and back to truck again in the port of destination.

Internal Data

information recorded and stored by an organisation as it completes it normal transactions and activities.

Internal Information Search

a stage in the consumer buying process for a low-involvement product; past experiences with items in this product class are considered. See Low-Involvement Products.

International Marketing

marketing actvities intended to facilitate the exchange or transfer of goods between nations.

Interviewer Bias

intentional or unintentional prompting by a marketing researcher which affects the interviewee's response.

Interview Study

a common technique for gathering primary data in marketing research. Respondents in an interview study complete a questionnaire delivered to them by telephone or mail or in a face-to-face interview.

Intraorganisational Environment

an organisation's internal environment; the forces arising from the organisation's formal structure and from interactions with employees which affect the marketing operations.

Intrapreneur

Introductory Allowance

see Slotting Allowance.

Introductory Stage of Product Life Cycle

the first stage in the life cycle of a successful product; the product wins acceptance relatively slowly, there are limited versions of it, there is no competition, distribution is patchy, promotion is designed to inform the market (rather than to persuade or remind), penetration or skimming pricing strategies are appropriate.

Invalid Objection

an excuse offered by a prospective buyer to cover some hidden objection to the product. See Hidden Objection; Valid Objection.

Inventory

finished goods stored in a warehouse.

Inventory Carrying Costs

see Holding Costs.

Inventory Management

activities involved in maintaining the appropriate level of stock in a warehouse.

Inventory Remarketing

an innovative strategy for reducing the risks of introducing a new product. Prior to the launch of the new product, a firm may negotiate with an inventory remarketing company for the sale of any unused stock of the new product in the event that it fails to sell as well as expected; thus, the inventory remarketing company will buy the balance of the stock, at the previously agreed price, and resell it, usually in a different market and through different distribution channels.

Inventory Turnover

the ratio of dollar or unit sales or gross profit to average inventory; used in inventory control where the average number of times a company sells the value of its inventory in a year is measured.

Isolation Effect

the notion that a price will appear more attractive if the product is placed in the store next to a an alternative product which is more expensive.

Marketing dictionary - Jj

JIT

abbrev. Just-In-Time Inventory System.

Joint Demand

a situation in which demand for a product rises and falls with demand for another product with which it is used.

Joint Venture

a risk-reducing method of market entry in which two firms combine forces to manufacture or market a product; a method of entry into a foreign market in which a firm joins with an overseas company to establish a partnership for the production and marketing of its product abroad.

Judgment Sample

a type of non-probability sample used in gathering primary data in marketing research; the sample is drawn from those whom the market researcher judges to be knowledgeable about the subject. See Probability Sample; Non-Probability Sample.

Jury of Executive Opinion

a forecasting method based on the opinions of senior management.

Just-In-Time Inventory System

an inventory control method, devised in Japan, for keeping inventory costs to a minimum; supplies are ordered frequently, but in relatively small quantities. Also known as Kanban.

Just-In-Time Purchasing

see Just-In-Time Inventory System.

Marketing dictionary - Kk

Kanban

see Just-In-Time Inventory System.

Keep-Out Pricing

a pricing practice, common in oligopolistic market situations, in which the large companies maintain very low prices to discourage smaller competitors and thus protect their own market shares. See Umbrella Pricing.

Kennel-Keeper

a colloquial term used in reference to a marketer whose products are largely "dogs" - those with a relatively small share of a slow-growth market. See Boston Consulting Group Portfolio Analysis Matrix; Dogs.

Key Influence People

opinion leaders, consultants, experts, etc whose early and enthusiastic endorsement of a new product is sought by salespeople. See Opinion Leader.

Kickback

a bribe or illegal payment offered to an organisational buyer in order to obtain the business; commonly, the kickback is a percentage of the salesperson's commission on the sale or an item of merchandise.

Kinesic Communication

body language; communication by body movement - posture, stance, hand movements, winking, head nodding, etc. See Nonverbal Communication; Proxemic Communication; Tactile Communication.

Kinked Demand Curve

the shape of a demand curve when any rise in price above the customary level will result in a sharp decline in demand.

KIPS

abbrev. Key Influence People.

KISS Principle

acronym for "Keep It Simple and Straightforward"

Knocking Copy

advertising copy in which one manufacturer compares a product to the product of another; under the Advertising Code of Ethics administered by the Media Council of Australia, knocking copy is allowed provided one does not "disparage identifiable products, services or advertisers in an unfair or misleading way". See Comparison Advertising.

Knockoffs

a colloquial term used in reference to new product innovations which are almost identical, look-alike copies of competitors' best-selling items; knockoffs are common where the item copied fits nicely with the manufacturing and marketing strengths of the company which copies it, and are intended to take overall market share from the competitor.

Kotler's Black Box Model

a model devised by U.S. marketing academic, Philip Kotler, to explain the hidden nature of consumer decision-making; using the well-established analogy of the "black box" to represent the human mind, Kotler describes the marketer's task as that of trying to understand why, how, when, and from whom, consumers buy. See Consumer Behaviour.

Marketing dictionary - Ll

Label

the part of a package that carries information about the product it contains; a label may be a permanent part of the primary package or a tag, sticker, band, etc. See Brand Label; Descriptive Label; Flag; Grade Label; Informational Label.

Labelling

activities associated with the design and content of the wording on a product or package which identifies it and provides instructions for its handling and use.

Laboratory Test Markets

see Accelerated Test Marketing.

Laggards

those in a community who are slowest to adopt a new product. See Diffusion of Innovation; Early Adopters; Early Majority; Innovators; Late Majority.

Lagged Effect

see Lagged Response.

Lagged Response

a delayed response by consumers to an advertising campaign; measuring the effect of a campaign which is running currently is made more difficult by a lagged response to an earlier one. Also called Lagged Effect.

Last-Chance Close

see Standing Room Only.

Late Majority

the large, conservative group in a community slower than all except the "laggards" to adopt a new product. See Diffusion of Innovation; Early Adopters; Early Majority; Innovators; Laggards.

Latent Demand

demand for a product which can satisfy a want which is unable to be satisfied by any existing product.

Lead Generation

the activity of identifying potential customers.

Leader Pricing

see Loss Leader Pricing.

Leads

see Sales Leads.

Learning

fixed behavioural changes resulting from an individual's experiences.

Learning Curve

a graphical representation of the way in which average unit cost of production decreases as output rises; also called an Experience Curve.

Learning Process

the way in which an individual's behaviour changes as a result of previous experiences; the process consists of four basic components - a stimulus or cue which creates a drive; the drive which motivates the individual to make a response; the response or action undertaken by the individual; and reinforcement by means of reward or punishment which determines whether the individual will act in that way again.

Leasing

the granting, under contract, of use of a product for an agreed upon period of time in return for a rental payment.

Legal and Political Environment

factors in government, the law and the regulatory system which affect the way an organisation operates.

Less-Than-Carload Freight Rate

a U.S. term for the freight rate charged by a railroad company when a producer's shipment is less in volume than one full carload. See Carload Freight Rate.

Lexicographic Model (of Brand Evaluation)

a model used in the study of consumer decision processes to evaluate alternatives; the idea that if two products are equal on the most important attribute, the consumer moves to the next most important, and, if still equal, to the next most important, etc. Thus, the purchase decision is made when one of the brands possesses more of an attribute, looked at in order of importance, than its rival. Other models of brand evaluation include the expectancy-value model, ideal brand model, conjunctive model, disjunctive model, lexigraphic model and determinance model.

Liability

see Product Liability.

Licensed Characters

figures from fiction, television, movies, etc which are used, under license from their creators, in the marketing of consumer goods such as breakfast cereals, chocolate bars, ice creams and so on.

Licensed Product Strategy

marketing plans and actions based on the use of licensed characters. See Licensed Characters.

Licensing

the granting of permission by one manufacturing organisation to another to use a registered brand, symbol, process, patent, etc.

Life Cycle Cost

the costs associated with the use and maintenance of a product over its expected life span.

Life Stage Buying Power Segmentation

the division of a total heterogeneous market into relatively homogeneous groups on the basis of their ability to afford a product at their particular stage in the family life cycle. See Family Life Cycle.

Lifestyle

an individual's way of life as shaped by his or her interests, attitudes and opinions.

Lifestyle Segmentation

the division of a total heterogeneous market into relatively homogeneous groups on the basis of their way of life as shaped by their interests, attitudes and opinions. See Psychographic Segmentation.

Likert Scale

a rating device frequently used in marketing research questionnaires in which respondents indicate their level of agreement with a statement by choosing the appropriate response from a scale, eg. strongly disagree, disagree, undecided, agree, strongly agree.

Limited Decision Making

see Limited Problem Solving.

Limited Problem Solving

buying situations in which a purchaser has had some previous experience but is unfamiliar with suppliers, product options, prices, etc. Also referred to as Limited Decision Making. See Extensive Problem Solving; Routine Problem Solving.

Limited-Line Department Store

a department store which carries a narrower range of merchandise than a full-line department store; typically, a limited-line department store will be characterised by high-quality merchandise and high prices.

Limited-Line Retailer

a retailer carrying only one line, or a few related lines, but a large assortment of produce. See Assortment Strategies.

Limited-Line Strategy

the decision by a producer to offer a lesser number of product variations than is possible. See Full-Line Strategy.

Limited-Service Research Supplier

a marketing research firm which offers clients fewer services than a full-service research supplier. See Full-Service Research Supplier.

Limited-Service Wholesaler

a wholesaler providing less than the full range of services of some other wholesalers but attempting to compensate for this by offering lower prices. See Full-Service Wholesaler.

Line

see Product Line.

Line Extension

see Product Line Exyension.

Line Manager

see Category Manager.

Line Organisation

an organisational structure in which authority moves down in a line from the chief executive; typically, there are no specialists or advisors, the chief executive having complete authority over decision making. See Organisational Structure.

Line Pruning

see Product Line Pruning.

Line Retrenchment

see Product Line Retrenchment.

Liquidity

current assets, other than inventory and work in progress, to which a firm has ready access; liquidity represents a company's ability to meet its immediate liabilities.

List Brokers

firms which compile and sell mailing and prospect lists.

List Price

the regular price of a product before any discount is given or allowances made. See Allowances; Discounts; Net Price.

Loading Objective

one of a three possible aims or objectives (with loyalty objective and trial objective) of a consumer sales promotion; purchasers are offered incentives to buy a greater quantity of the product than they would otherwise have done. See Loyalty Objective; Trial Objective.

Local Buy

the buying of media (print, newspapers, television, radio and outdoor advertising) serving a local region only.

Logistical Costs

costs involved in the acquisition and transportation of materials required for production, and for the storage, handling, and shipment of finished goods to customers.

Logistical Functions

one of the three kinds of functions (with transactional functions and facilitating functions) performed by intermediaries in a marketing channel; logistical functions include the assembling of a variety of products, storing them, sorting them into appropriate categories and sizes, and arranging them on retail shelves. See Facilitating Functions; Transactional Functions.

Logistics

activities involved with the orderly and timely acquisition and transportation of materials required for production, and with the storage, handling and despatch of finished goods to customers.

Logo

a distinctive mark, sign or symbol, or a graphic version of a company's name, used to identify and promote its product.

Long-Range Planning

strategic planning over an extended horizon; "long-range" is commonly thought to be at least three years into the future.

Long-Run Average Cost

the average cost per unit of a set or group of products in the long term. Note that the long-run average cost may be somewhat lower than the short term average cost because of the effects of greater production experience. See Average Cost; Short-Run Average Cost.

Loss Leader

a product offered at less than cost to attract purchasers to a store so that they will buy other items at regular prices.

Loss Leader Pricing

the pricing of a product at less than cost to attract purchasers to a store so that they will buy additional items at normal prices. See Loss Leader.

Lost Account Ratio

a measure used to evaluate salespeople in which the salesperson's ability to keep prior accounts as active customers is calculated.

Lottery

a form of consumer sales promotion in which purchasers are offered to win prizes if their names are drawn from a barrel; a game of chance. Also called a Sweepstake.

Low-Involvement Products

products which are bought frequently and with a minimum of thought and effort because they are not of vital concern nor have any great impact on the consumer's lifestyle. See High-Involvement Products.

Low-Touch Service

customer service characterised by a low level of personal contact with customers; low-touch customer service is primarily automated or provided by vending machines, such as automatic telling machines at banks, self-service petrol pumps at garages, etc. See High-Touch Service.

Loyalty Objective

one of three possible aims or objectives (with loading objective and trial objective) of a consumer sales promotion; purchasers are offered incentives to stay loyal to a particular brand. See Loading Objective; Trial Objective.

Marketing dictionary - Mm

MAANZ

abbrev. Marketing Association of Australia and New Zealand.

Macro-environment

the major uncontrollable, external forces (economic, demographic, technological, natural, social and cultural, legal and political) which influence a firm's decision making and have an impact upon its performance.

Macromarketing

the study of marketing decision-making from a societal perspective. See Micromarketing.

Macromodel

a descriptive model, designed to communicate, explain or predict some real system or process, in which there is a dependent variable and a relatively small number of independent, determinant variables. See Model; Microanalytical Model.

Macrosegmentation

the division of a market into broadly defined groups, each with its particular needs and wants, prior to further division or segmentation on the basis of more narrowly defined needs and wants. See Market Segmentation; Microsegmentation.

Mail Order House

a retailing organisation which uses catalogues rather than a sales force to promote its goods to customers; also called a Catalogue Retailer.

Mail Order Selling

a system of retailing in which customers order merchandise, usually from a catalogue, by mail; the goods are shipped direct to the customer's home.

Mail Order Wholesalers

wholesalers who use catalogues to sell to retailers too small for full-service wholesalers to serve profitably in the normal way.

Mail Surveys

a relatively inexpensive method of obtaining data in a marketing research study; mail surveys keep interviewer bias to a minimum, but they require considerable time to conduct and response rates are generally low.

Maintenance Marketing

marketing activity intended to maintain the current sales level in a highly competitive situation.

Maintenance Selling

generating sales volume from existing customers.

Maintenance Strategy

a planning or decision-making tactic appropriate for an organisation when growth opportunities are low but the firm is in a relatively strong position in the market; a maintenance strategy implies that the firm will continue to invest in the business, in a limited way, to maintain the current volume of business.

Major Equipment

long-lived business assets that must be depreciated over time; capital items.

Majority Fallacy

the erroneous belief that the biggest segment of a market will be the most profitable one for a firm to enter; competition will usually be keenest in the biggest segment. See Market Segmentation.

Make or Buy Decision

a choice sometimes faced by a manufacturing company when considering the acquisition of a new product - to lease or purchase a product or to manufacture it internally.

Mall Intercept

a type of marketing research interview; typically, respondents are chosen in shopping centres.

MAN

acronym used in selling for qualifying new prospects. Does the prospect have the Money to pay? Does the prospect have the Authority to buy? Does the prospect have a Need for the product? Also referred to as PAN - Pay, Authority, Need.

Management by Objectives

an evaluation and control system in which individual salespeople set goals and objectives for themselves that are acceptable to management; progress towards these goals and objectives is reviewed periodically.

Managerial Judgement

a forecasting method in which predictions about the likely level of sales for a specified future period are made by experienced senior managers.

Manchester Man

an old term for a salesperson, originally used in reference to salespeople hired by textile firms in Manchester, England, in the late eighteenth century to sell the goods produced by the developing factory system.

Manipulative Selling Techniques

selling practices in which the salesperson attempts to overwhelm the prospective buyer; high-pressure methods. See Non-Manipulative Techniques.

Manufacturer's Brand

a brand owned or controlled by an organisation the primary commitment of which is to production rather than distribution; also called a National Brand. See Distributor's Brand; Private Brand.

Manufacturers' Agent

an agent or representative used by manufacturers to supplement or even replace their own sales staff. See Outside Sales Facilities.

Manufacturers' Representative

see Manufacturers' Agent.

Marginal Analysis

the determination of the change in total revenue and total cost that results from the sale of one more unit.

Marginal Cost

the change in total cost that results from producing an additional unit.

Marginal Profit

the change in the total profit that results from the sale of an additional unit.

Marginal Revenue

the change in total revenue that results from selling an additional unit.

Marital Status

whether an individual is married, single, divorced or widowed; an important variable in demographic segmentation. See Demographic Characteristics.

Mark-Down

if a firm reduces an item to sell it at below its original retail price, the difference between the original price and the reduced price is called the mark-down.

Mark-Down Ratio

the difference between the original selling price of an article and the price to which it is reduced in order to sell it, expressed as a percentage of the reduced price; that is, if a firm sells an article originally priced at $20 for a reduced price of $15, the mark-down is $5 and the mark-down ration is 33.3 per cent, $5 being one third of $15.

Mark-Up

the amount added by a wholesaler or retailer to the cost of a product to determine the selling price to the customer.

Mark-Up Ratio

the difference between the buying price of an article and its selling price, normally expressed as a percentage of the selling price; that is, if a firm buys a product at $72 and sells it for $90, the mark-up is $18, and the mark-up ratio is 20 per cent, $18 being one-fifth of $90.

Market

all the buyers and potential buyers of a product who profess some level of interest in it and who can afford it.

Market Accessibility

see Accessibility.

Market Allocation System

see Free Market System; Capitalist System.

Market Atomisation Strategy

see Complete Segmentation; Custom Marketing.

Market Attractiveness

the degree to which a market offers opportunities to an organisation, taking into account the market size and growth rate and the level of competition and other constraints.

Market Broadening

a strategy in which a company looks beyond its existing product to the need or want of the consumers which buy it; thus a company which makes soap powder, knowing that what its consumers want is whiter clothes, might expand its operations to make a bleach.

Market Challenger

a company holding a major market share and competing vigorously with the market leader for outright leadership. See Market Follower; Market Leader; Market Nicher.

Market Development

a strategy by which a company seeks growth by taking its existing products into new markets.

Market Diversification

a strategy in which a company seeks growth by adding products and markets of a kind unrelated to its existing products and markets.

Market Driven Economy

an economy controlled by market forces rather than by government action.

Market Dynamics

changes that occur within the market, but external to a company which influence its decision-making and impact upon its performance.

Market Entry Barrier

any circumstance or feature of a market which inhibits or deters a firm from entering it; the greatest market entry barrier is the presence of a firmly entrenched competitor with a significant competitive advantage.

Market Expansion

a growth strategy in which an organisation targets existing products to new markets; market development by targeting new geographic markets, new demographic or psychographic segments, or totally new users.

Market Factor

any external variable affecting the level of a company's sales.

Market Follower

a company content to maintain its existing market share behind an established market leader. See Market Challenger; Market Leader; Market Nicher.

Market Forecast

the anticipated sales for a market as a whole during a given period, taking into account prevailing environmental circumstances.

Market Growth Rate

the rate, commonly expressed as a percentage per annum, at which a market is increasing in size.

Market Growth-Market Share Matrix

Market Index

a combination of market factors used to predict the likely level of sales.

Market Leader

the company whose products hold the largest market share. See Market Challenger; Market Follower; Market Nicher.

Market Minimum

the level of sales that a firm can expect to achieve in a market without promotional effort of any kind.

Market Niche

a small but profitable segment of a market unlikely to attract competitors.

Market Nicher

a company whose products serve segments too small to be of interest to firms with larger shares of the market; also called market specialists, threshold firms or foothold firms. See Market Challenger; Market Follower; Market Leader.

Market Opportunity

a newly identified market or product gap within a market which a company can exploit.

Market Opportunity Evaluation

the matching of an identified market opportunity to an organisation's objectives and resources.

Market Penetration

a growth strategy in which a company concentrates its efforts on its target market in order to attract a higher percentage of users of its product.

Market Penetration Pricing

an approach to pricing in which a manufacturer sets a relatively low price for a product in the introductory stage of its life cycle with the intention of building market share. See Market Skimming Pricing.

Market Positioning

marketing activity intended to place a product into a desired position in a market and to have it perceived in that way by consumers. See Real Positioning; Repositioning.

Market Potential

the size or value in dollars of a total market should all those who profess a level of interest in a product, and can afford to buy, purchase it.

Market Research

the systematic gathering of information about a market by means of survey, observation or experimentation. See Marketing Research.

Market Segment

a group or sector within a heterogeneous market consisting of consumers or organisations with relatively homogeneous needs and wants; those within a market who will respond to a given set of marketing stimuli in a particular way. See Market Segmentation.

Market Segment Expansion Strategy

one of four possible market segmentation approaches (with concentrated segmentation strategy, product line expansion strategy and differentiated segmentation strategy) available to a firm in relation to the segment or segments it wishes to target; in a market segment expansion approach a firm targets one product to several segments of the market, thus expanding the market for one product. See Segmentation Strategies; Concentrated Segmentation Strategy; Product Line Expansion Strategy; Differentiated Segmentation Strategy.

Market Segmentation

the division of a totally heterogeneous market into groups or sectors with relatively homogeneous needs and wants.

Market Segmentation Organisation

the organisation of a firm's marketing activities so that a separate division is responsible for each of its major market segments. See Organisational Structure.

Market Share

a company's sales expressed as a percentage of the sales for the total industry.

Market Share Protection Strategy

marketing decisions and actions taken by a firm to protect its current market share from competitors.

Market Skimming Pricing

a pricing approach in which the producer sets a high introductory price to attract buyers with a strong desire for the product and the resources to buy it, and then gradually reduces the price to attract the next and subsequent layers of the market. See Market Penetration Pricing.

Market Specialist

see Market Nicher.

Market Testing

introducing a new product and marketing program into a market on a limited basis in order to test both before a full launch. See New Product Development.

Market-Based Marketing Organisation

a marketing structure of an organisation in which staff specialists have responsibility for particular markets (rather than for particular products of the organisation); an appropriate structure when the needs of each market served by the firm differ widely. See Market Segmentation Organisation; Product-Based Marketing Organisation.

Marketing

the systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products.

Marketing Advantage

the competitive edge that can be gained by more accurately identifying customer needs and wants and by developing products which deliver superior satisfactions, or by being more effective and efficient in positioning, promotion or distribution. See Cost Advantage.

Marketing Analysis

see Marketing Audit.

Marketing Audit

the periodic, orderly, objective review, analysis and evaluation of an organisation's marketing structure, goals, strategies, action plans, performance and results.

Marketing Budget

the amount allocated for expenditure on marketing activities in a specified period.

Marketing Channels

the path or route taken by goods and services as they move from producer to final consumer; in addition to the goods and services themselves, title, information, promotion and payment also move along the marketing channels carry. Also called Channels of Distribution. See Channel Flows; Marketing Intermediaries.

Marketing Communications

the formal and informal messages that sellers transmit to buyers; the systematic (planned) as well as the unsystematic (unplanned) promotion by a firm of its products to its markets.

Marketing Concept

a business orientation or philosophy that holds that organisational success is dependent upon the efficient identification of the needs and wants of target markets and the effective satisfaction of them.

Marketing Consultants

independent marketing specialists hired by companies, usually on a short-term contract basis, to advise on a wide range of marketing matters, including marketing planning and management, marketing research, marketing communications, etc. See Marketing Intermediaries.

Marketing Control

activities involved in checking that marketing action plans are producing the desired results, and the taking of corrective action if they are not.

Marketing Controller

an individual, usually with training in finance and marketing, responsible for analysing and evaluating a company's marketing expenditures.

Marketing Cost Analysis

a tool used in marketing planning in which the costs associated with selling, billing, warehousing, promoting and distributing of certain products or product groups, or to certain customers or customer groups, are examined to assess their profitability.

Marketing Database

data brought into an organisation through marketing research projects or a marketing information system and used as an aid to decision making. See Database Marketing.

Marketing Department

a division within a company with responsibility for the planning and co-ordination of all marketing activities.

Marketing Department Marketing

a term used to refer to the orientation of an organisation which has established a separate department to look after its marketing activities but which is not totally imbued with the marketing philosophy.

Marketing Environment

the internal and external influences which affect marketing decision-making and have an impact on its performance. See Macro-environment; Micro-environment.

Marketing Era

the period following the end of the Second World War which saw the emergence of the marketing concept as the prevailing trend in business.

Marketing Ethics

the standards or moral principles governing the marketing profession.

Marketing Expense-To-Sales Ratio

a marketing control measure used to determine whether the cost of the marketing activities engaged in to produce the level of sales in a given period was excessive; total marketing expenses are expressed as a percentage of total sales revenue.

Marketing Implementation

the activities involved in putting marketing strategies into action in order to achieve marketing objectives. See Marketing Management.

Marketing Information System

an organisational section or entity whose purpose is to gather, organise, store, retrieve and analyse data relevant to a firm's past, present and future operations on an on-going basis in order provide support for management's marketing decisions; its four major components are an internal records bank (internally generated marketing information); a marketing intelligence bank (information from external sources); an analytical bank (statistical techniques and mathematical models); and an "ad hoc" marketing research bank (research into non-recurring problems).

Marketing Intelligence

information gathered from sources external to the firm for use in decision-making. See Marketing In formation System.

Marketing Intermediaries

independent firms which assist in the flow of goods and services from producers to end-users; they include agents, wholesalers and retailers; marketing services agencies; physical distribution companies; and financial institutions. Also referred to as Middlemen. See Marketing Channels.

Marketing Management

the analysis, planning, organisation, implementation and control of the marketing activities of the firm.

Marketing Mix - the major controllable variables

product, price, promotion and place (distribution) - that the firm blends to produce the desired market response; also called the Four Ps.

Marketing Models

computer based simulations of realistic marketing situations which allow alternative decisions to be tested for optimum results.

Marketing Myopia

an influential article by U.S. academic, Theodore Levitt, published in Harvard Business Review in 1960; Levitt described the failure of management to define adequately the scope of their business as "marketing myopia".

Marketing Myopia

short-sightedness in marketing; a failure by a firm to define its mission broadly enough result in the over-emphasis of product and the under-emphasis of customer needs and wants.

Marketing Objectives

specific, measurable aims or expected outcomes of marketing activity to be achieved in a given period.

Marketing Opportunities

circumstances in the external environment which offer an organisation the chance to satisfy particular consumer needs and wants at a profit.

Marketing Opportunity Analysis

the systematic examination and evaluation of the firm's external environment in order to identify market needs and wants which it can satisfy profitably.

Marketing Organisation

the structure of the marketing function within the organisation; the two most commonly used approaches to organising the marketing effort are a product-based organisation and a market-based organisation. See Market-Based Marketing Organisation; Product-Based Marketing Organisation.

Marketing Orientation

see Marketing Concept.

Marketing Performance Assessment

see Marketing Audit.

Marketing Plan

a detailed, written account and timetable of the objectives, methods to be used by a firm to achieve its marketing goals.

Marketing Planning Process

a systematic approach to the achievement of marketing goals. Steps in the process include situation analysis; setting of objectives; strategy formulation; development of action programs; implementation; and control, review and evaluation.

Marketing Program

the combination of all of an organisation's marketing plans.

Marketing Research

a formal, planned approach to the collection, analysis, interpretation and reporting of information required for marketing decision-making.

Marketing Research Brief

a document prepared by a company for an independent market researcher which provides background and sets one what it requires - objectives, budget, terms, timing, etc.

Marketing Research Objectives

the aims or purpose of a marketing research study; objectives are often a expressed as hypotheses to be tested.

Marketing Research-To-Sales Ratio

a marketing control measure used to determine whether the amount spent on marketing research in a given period was excessive in relation to its sales; total marketing research expenditure is expressed as a percentage of total sales revenue.

Marketing Services

services which are produced or purchased by a marketing organisation for use in the production, pricing, promotion and distribution of products which they themselves market. Services commonly produced or purchased by organisations for use by their own marketing departments include market research, advertising and promotion.

Marketing Services Agencies

independent companies providing assistance to firms in getting products to their target markets; they include marketing research agencies, advertising agencies, sales promotions specialists, marketing consultants, etc.

Marketing Strategy

the determination of a firm's objectives, the selection of its target markets, the development of an appropriate marketing mix for each, and the allocation of the resources necessary to achieve its goals..

Marketing Synergy

the principle in marketing that the whole is greater than the sum of the parts; putting the marketing mix variables together in a way that achieves maximum effect.

Marketing-Oriented Company

one which subscribes to the philosophy that to survive and prosper it must satisfy the needs and wants of its target markets more effectively and efficiently than its competitors.

Maslow's Hierarchy of Needs

a theory propounded in 1954 by Abraham Maslow, a U.S. psychologist, who hypothesised that some innate human needs are more pressing than others, and must be satisfied before any less pressing ones can be attended to. He arranged human needs into five categories in ascending order - Physiological Needs, Safety Needs, Belongingness and Love Needs, Esteem Needs and Self-Actualisation Needs.

Maslow's Theory of Motivation

the theory that human needs are hierarchical in nature and that a person must satisfy lower-order needs before higher-order needs can be attended to; thus, when a lower-order need is satisfied it ceases to be a motivator. See Maslow's Hierarchy of Needs; Freudian Motivation Theory; Herzberg's Theory of Motivation.

Mass Marketing

a marketing philosophy in which the seller views the market as a homogeneous whole, and, therefore, has only one marketing program (the same product, the same price, the same promotion and the same distribution system) for everyone; also referred to as Unsegmented Marketing or Undifferentiated Marketing. See Differentiated Marketing; Product-Differentiated Marketing; Target Marketing.

Mass Media Advertising

advertising in a non-selective way by means of the popular media in order to reach the widest possible audience.

Material Management

a relatively recent organisational trend in purchasing in which some companies combine several functions - purchasing, inventory control, production scheduling, traffic, and the like - into one high-level function under the control of a materials manager.

Materials Handling

the activities involved in the physical handling and moving of inventory.

Mathematical Forecasting Techniques

mathematically stated relationships or models used to derive forecasts from historical data.

Maturity Stage of Product Life Cycle

the third stage (after introduction and growth) in the life of a typical product; in maturity, the product is well-known, has some loyal customers and strong competition. See Product Life Cycle; Introductory Stage; Growth Stage; Decline Stage.

MBO

abbrev. Management by Objectives

MCA

abbrev. Media Council of Australia

McKinsey 7-S Framework

a framework or model, developed by the McKinsey Company, a leading consulting firm, for maximising success of the implementation of an organisation's strategic planning; according to the McKinsey experts, companies which are excellently managed have seven elements in common strategy, structure and systems (the three "hardware" elements of success) and style, skills, staffing and shared values (the four "software" elements of success.)

Me-Too Competitive Strategy

see Follow-the-Leader Strategy; Breakthrough Opportunities.

Me-Too Products

risk-avoiding products which are not significantly different from those of competitors. See Breakthrough Opportunities.

Measurability

one of the four major requirements (with actionability, accessibility and substantiality) for useful market segmentation; Measurability, sometimes referred to as Identifiability, expresses the notion that the size and purchasing power of the segment must be able to be measured. See Accessibility; Actionability; Substantiality.

Media Council of Australia

a body which represents the interests of advertisers, advertising agencies and the media.

Media Evaluation

the assessment of the effectiveness of a particular media vehicle.

Media Mix

the combination of media types used to carry the advertiser's message.

Media Plan

a blueprint for a firm's advertising, giving details of the media mix, the specific media vehicles and the media schedule.

Media Schedule

a plan which outlines when and how often a company will advertise.

Media Vehicle

a specific medium for the transmission of an advertiser's message.

Megamarketing

a term coined by U.S. marketing academic, Philip Kotler, to describe the type of marketing activity required when it is necessary to manage elements of the firm's external environment (governments, the media, pressure groups, etc) as well as the marketing variables; Kotler suggests that two more Ps must be added to the marketing mix - public relations and power.

Megatrend

a major movement, pattern or trend emerging in the macroenvironment; an emerging force likely to have a significant impact on the kinds of products consumers will wish to buy in the foreseeable future. Megatrends evident today include a growing interest in health, leisure, lifestyle and environmental issues.

Membership Group

a reference group to which an individual belongs. See Aspirational Group; Dissociative Group.

Memorised Presentations

rote-learned presentations of their products to buyers by salespeople; also called Canned Presentations. See Stimulus-Response Approach.

Mental-States Approach

see Formula Approach.

Merchandise Allowance

a trade sales promotion in which manufacturers offer payments or a quantity of free merchandise to buyers for in-store promotion of their products.

Merchandisers

retail stores which sell finished, non-food items; four types of merchandisers (categorised on the basis of service, price and product line) can be identified: specialty stores (full-service, high-price, limited product line); department stores; mass merchandisers; and discount stores (limited-service, low-price, wide product line).

Merchandising Conglomerates

see Multi-Channel Marketing System.

Merchant

_an independent marketing intermediary.

Merchant Wholesaler

an independent marketing middleman buying and taking title to goods and reselling them to retailers or industrial users. See Full Service Wholesaler; Limited-Service Wholesaler.

Microanalytical Model

a descriptive model, designed to communicate, explain or predict some real system or process, in which there is a dependent variable and a relatively large number of independent, determinant variables. See Model; Macromodel.

Micro-environment

the factors or elements in a firm's immediate environment which affect its performance and decision-making; these elements include the firm's suppliers, competitors, marketing intermediaries, customers and publics. See Macro-environment.

Micromarkets

markets in which the volumes of demand are relatively small owing to the fragmentation or splintering of mass markets; markets in which there is great diversity in the needs and wants of customers. See Mass Marketing.

Micromarketing

the study of marketing decision-making from the perspective of an individual firm or organisation. See Macromarketing.

Microsales Analysis

the analysis of the sales performance of an organisation during a particular accounting period by close examination of the work of individual representatives, or of specific products, regions, territories, etc, which failed to achieve the expected results.

Microscheduling (of Advertising Expenditure)

the allocating of the total expenditure on advertising within a short period in order to obtain maximum impact.

Microsegmentation

the division of a market into smaller groups of customers on the basis of more narrowly defined needs and wants, after having already divided or segmented it on the basis of broadly defined needs and wants. See Market Segmentation; Microsegmentation.

Middle-of-the-Roaders

firms in a market which do not pursue a clear marketing strategy.

Middleman

an independent marketing intermediary; an agent, wholesaler, retailer, etc. See Marketing Channels; Marketing Intermediaries.

Middleman's Brand

see Private Brand.

Minor Decisions Close

see Minor Points Close.

Minor Points Close

a closing technique in which a salesperson attempts to get the buyer to agree to the value or usefulness of various smaller attributes and features of a product so that it will be easier to get a favourable response to the bigger decision - to purchase the product.

Mission

see Corporate Mission.

Mission Statement

see Corporate Mission Statement.

Missionary Selling

selling in which the salesperson's role is to inform an individual with the power to influence others to buy a product, rather than to make a direct sale to that person; a missionary salesperson is also known as a Detailer.

MkIS

abbrev. Marketing Information System.

Mock Purchase

a tactic in which a person poses as a customer, usually to obtain information about a competitor's product or plans.

Model

a set of variables and their interrelationships which are designed to represent some some real system or process. See Macromodel; Microanalytical Model.

Model Bank

a variety of mathematic models used in a marketing information system to simulate real-life situations to assist in decision making.

Modes of Transportation

the range of methods available for the shipment of goods - air, rail, road, sea, pipeline, etc.

Modified Rebuy

a buying situation in which an individual or organisation buys goods that have been purchased previously but changes either the supplier or some other element of the previous order. See Buy Classes; New Task Buying; Straight Rebuy.

Monadic Rating

a method for measuring consumer preferences in which potential purchasers are asked to rate their liking for each of a certain number of products on a scale; that is, on a seven point scale Product A may be rated as 6, Product B as 4, and Product C as 1. The method allows researchers not only to derive the individual's preference order, but also to know the qualitative levels of their preferences and the approximate distance between their preferences.

Money-Based Competitors

other organisations offering products on which a company's potential customers might spend their money. See Competitors; Product-Based Competitors.

Monitoring Time

part of the non-monetary price a consumer pays for a product; the time it takes individual to work out that a particular product item needs to be replenished. See Non-Monetary Price; Time Prices.

Monopolistic Competition

a market situation in which there are many sellers and many buyers of products which can be differentiated on price and other features. See Oligopolistic Competition; Pure Competition; Pure Monopoly.

Monopoly

a market situation in which there is only one seller.

Monopsony

a market situation in which there is only one buyer.

Moral Pricing

a pricing method used where the product is socially or politically sensitive and costs are difficult to identify.

Motivation

that which provides the inner drive for a person to act.

Motive

an inner state directing a person towards the satisfaction of a need. See Learning Process.

Movie Tie-Ins

a promotional strategy in which a payment is made to a movie company in return for prominent featuring of a particular product in a forthcoming feature film. See Entertainment Marketing; Promotional Partnership..

Moving Average

a forecasting method using the average volume achieved in several recent sales periods to predict the volume likely to be sold in the next period.

MRO Supplies

abbrev. Maintenance, Repair and Operating supplies.

MRSA

abbrev. Market Research Society of Australia.

Multi-Channel Marketing System

a system in which a producer uses more that one channel of distribution; commonly, producers who use multichannel marketing systems operate their own retail stores as well as sell through other wholesalers and retailers. Multichannel retailers are also called Merchandising Conglomerates.

Multibrand Strategy

the use of more than one brand within a product category in order to counteract brand switching and to increase shelf space opportunities.

Multichotomous Question

a closed-ended question in a marketing research questionnaire in which a respondent must choose one response from two or more possible alternatives. See Dichotomous Question.

Multidimensional Scaling

a multivariate statistical technique concerned mainly with the relationships, differences, similarities, interaction, substitutability, etc. among behavioural data.

Multiform Corporations

highly diversified conglomerates with many unrelated businesses.

Multilevel In-Depth Selling

a tactic used by selling organisations where the buying centre of a large and important company includes many participants; the selling team spends maximum time with company personnel, attempting to reach as many as possible of the decision participants at all levels.

Multilevel Marketing

a form of direct selling in which distributors of a product attempt to locate and sell to end-users and to others who will become distributors.

Multimodal Transportation

some combination of rail, sea, road, air and pipeline services for the shipment of goods.

Multinational Corporation

an organisation operating in several countries, often having a substantial share of their total assets, sales, and labour force in foreign subsidiaries.

Multiple Channel System

the use of more than one channel of distribution to sell a product, eg. direct mail, direct to major retailers, through wholesalers to smaller retailers, etc.

Multiple Exchanges

a term used in non-profit marketing in reference to the fact that non-profit organisations must deal with donors in receiving funds and with their clients in allocating them.

Multiple Marketing Channels

more than one distribution channel serving either a single market or different target markets. See Multi-Channel Marketing System.

Multiple Niching

a strategy adopted by a company operating simultaneously in more than one market niche. See Market Niche; Single Niching.

Multiple Packaging

the practice of placing several units of a product (chocolate bars, soups, yogurt, etc) in one container when offering them for sale in order to increase total sales, to help introduce a new product or to win consumer acceptance.

Multiple Pricing

see Flexible Pricing.

Multiple Publics

a term used in non-profit marketing in reference to the fact that non-profit organisations must market themselves to their donors as well as to their clients; each target requires a different marketing approach.

Multiple Segmentation Approach

targeting a number of distinct segments in the same market and developing a separate marketing mix for each.

Multiple Sourcing

buying supplies from several vendors so that the risk of any one source being unable to supply is minimised.

Multiple Unit Pricing

offering a lower price per unit for the purchase of two or more products of the same type when bought together than when units are bought singly.

Multiple Zone Pricing

see See Delivered Pricing; Zone Pricing.

Mummy Dust

a slang term referring to the ingredients, parts or accessories that manufacturers sometimes add to their products to enhance them, but for which no scientific basis can be found; also referred to as Whiffle Dust.

Marketing dictionary - Nn

NAM Teams

see National Account Marketing

Narrowcasting

a term used in reference to cable television in the U.S., where cable TV stations, with specialised interests such as sports, news, weather, movies, etc, allow advertisers great selectivity; that is, advertisers can ìnarrowcastî their messages rather than broadcast them.

National Account Marketing

the creation of marketing teams or groups (NAM Teams) within a company specifically to meet the needs of major client organisations; the teams or groups usually consist of marketing and sales personnel as well as engineers, production specialists, and so on.

National Accounts

major accounts which are sometimes served by a separate salesforce because of their importance. Account specialists try to meet their special needs and to develop close relationships with key personnel. Also referred to as Direct Accounts and House Accounts.

National Brand

see Manufacturerís Brand

National Introduction

the immediate launch of a new product on a nation-wide scale. Because of the risk and the substantial investment in production and marketing that a national introduction requires, many organisations choose rollout approach instead. See Rollout.

National Marketing Manager

a marketing manager with the responsibility for the nation-wide operations of a marketing division.

National Sales Manager

a sales manager with responsibility for the nation-wide operations of a sale division.

Near-Pack Premium

a sales promotion in which a gift is to be collected from elsewhere in the store by consumers who have purchased a particular product. See In-Pack Premium; On-Pack Premium; Premiums; With-Pack Premium.

Need-Directed Consumers

one of three broad groups of consumers (with outer-directed consumers and inner-directed consumers) identified in the Stanford Research Instituteís survey of American lifestyles. Need-directed consumers, representing about ten per cent of consumers in the U.S., are motivated by need rather than by choice. See Inner-directed consumers; Outer-directed consumers.

Need-Gap Analysis

an approach to identifying the unmet needs of consumers, in which respondents are asked to envisage the ideal brand or product and then to rate various existing brands or products on key attributes; if no existing brand or product measures up to the ideal, a gap exists which could be filled by a new brand or product.

Need Objection

an objection by a prospective buyer that they have no need for the product offered by a salesperson. See Objections.

Need-Satisfaction Approach

an approach to selling based on soliciting information to uncover a buyerís need before attempting to present an appropriate product from the range to satisfy it.

Needs

innate feelings of deprivation in a person. See Wants.

Negative Demand

demand for products which consumers dislike and would prefer not to have to purchase. Negative demand for a particular product exists when consumers, generally, would be prepared to pay more than the price of the product to avoid having to buy it, as in the case of unpleasant and painful medical treatment.

Negotiated Contract

a formal arrangement for the supply of goods or services at a price agreed upon both the buyer and seller.

Negotiated Price

a price agreed upon for the supply of goods or services by both buyer and seller.

Negotiated Rate

a non-standard charge for the carriage of goods agreed to by both manufacturer and transport company.

Negotiated Selling

a selling approach in which a salesperson attempts to produce a ìwin-winî outcome for both parties. The approach entails the assumption of a partnership between buyer and seller, the salesperson acting as a counsellor to assist the buyer to find the best solution to a problem.

Networking

establishing an informal set of contacts among people with common social and business interests as a source of prospects, for the exchange of information, and for support.

New Account-Conversion Ratio

a measure used to evaluate a salespeople in which the conversion rate of prospects to customers is calculated.

New Product Committee

a group within a company responsible for new product policies, including the assignment of priorities to options and ideas for new products and the final decision on whether or not to commercialise them.

New Product Department

a permanent department within a company responsible for overseeing the development of all new products.

New Product Development

the creation of new products needed for growth or to replace those in the decline stage of their life-cycle; the stages in the new product development process are commonly listed as idea generation; screening; concept development and testing; the formulation of marketing strategies; business analysis; production; market testing; and commercialisation.

New Product Duplication

the introduction by a company of a product that is known to the market but new to the company. See Innovation; Product Extension.

New Products

products which are ìnewî in one or other of two - new to a company or new to a market; they include existing products which have been improved or revised, brand extensions, additions to existing line, repositioned products targeted at to new markets, and new-to-the-world products. See Innovation; New Product Development; New-To-The-World Products; Product Extension.

New Task Buying

an organisational buying situation in which the organisation has had no previous experience with the purchase of product of the kind required. See Buy Classes.

New-To-The-World Products

products which serve a purpose for which no product has previously existed. See New Products.

Niche

see Market Niche

Niche Marketing

see Concentrated Marketing

Nichemanship

a term used to refer to the art of skilful selection of market segments in which a firm can compete effectively.

Noise

any influence external to the sender or receiver which distorts the message in the communication process. See Communication Process.

No-Name Brand

see Generic brand

No-Need Objection

an objection raised by a prospective buyer on the ground that the product offered by a salesperson is not needed.

Non-Business Marketing

see Non-Profit Marketing

Non-Cumulative Quantity Discount

a one-time reduction in list price for a quantity purchased. See Cumulative Quantity Discount.

Non-Durable Goods

see Consumer Non-Durables

Non-Family Households

singles and non-related individuals living together; the increase in the number of non-family households is an important feature if the changing Australian demography in recent years.

Non-Manipulative Selling Techniques

methods used in selling where a salesperson, rather than trying to force an unwanted product on a customer by high-pressure means, works with the customer to identify a genuine need and to provide a satisfying solution. See Manipulative Selling Techniques.

Non-Monetary Price

that which it costs a consumer, other than money, to buy a product; the non-monetary price of purchasing a product includes the time devoted to shopping for it and the risk taken that it will deliver the expected benefits. Non-monetary price is an important concept in social marketing - for example, the price of avoiding the cancellation of a driverís licence is the abstinence from alcohol if driving.

Non-Packaged Goods

a sub-category of consumer non-durables; for example, petrol is a non-packaged consumer non-durable good. See Consumer Non-Durables; Packaged Goods.

Non-Price Competition

competition in which an element other than price (eg: prestige, convenience, taste etc) is the major means of differentiating the product of one company from that of a rival. See Competitors; Price Competition.

Non-probability Sample

a sample in which the chance of an individual within the total population being chosen is not known.

Non-probability Sampling

the selection of a sampling unit by arbitrary methods, such as convenience and judgement.

Non-Profit Marketing

marketing activity undertaken by a firm whose primary objective is one other than profit; sometimes called Non-Business Marketing.

Non-Profit Organisations

organisations that buy and distribute goods and services for reasons other than the return of profit to their owners.

Non-Selling Activities

tasks other than selling activities which form part of a salespersonís duties and responsibilities - paperwork, reports and sales meetings, for example.

Non-Store Retailing

the merchandising of goods by means other than retail shops; merchandising by mail order, vending machines, telephone, door-to-door, etc.

Nonverbal Communication

the transmission of a message from sender to receiver without using words. See Body Language; Kinesic Communication; Proxemic Communication; Tactile Communication.

Normative Influence

the influence exerted on an individual by a reference group to conform to its norms.

NQT

abbrev. New Qualitative Technologies

Nutritional Labelling

the requirement, either by law or under voluntary industry codes, that certain products be marked with the nutritional value of their ingredients. See Label.

Marketing dictionary - Oo

Objections

any form of sales resistance offered by a buyer to a salesperson.

Objective and Task Method of Budgeting

a budgeting method in which the amount to be spent on sales promotion, advertising, personal selling, etc is determined by the desired result of the activity and the nature of the tasks necessary to achieve it.

Objectives

specific, measurable outcomes or results that an organisation plans to achieve in a given period.

Observation Method

an method of obtaining marketing research data by watching human behaviour; mechanical monitoring devices are also commonly used.

Odd Pricing

pricing so that all prices end in an odd number, as in $7.95, $19.95; sometimes referred to as Odd-Even Pricing. See Psychological Pricing.

Odd-Even Pricing

see Odd Pricing.

Off-Invoice Allowance

a reduction in price allowed to a retailer in return for purchasing specific quantities of goods within a specified time; the purpose of the allowance is to push slow-moving merchandise, to counter competitive programs, to introduce new products or line extensions, or to "load" channels members. Also referred to as a Purchase Allowance.

Off-Premise Buying

buying that is done by wholesalers and retailers through buying offices located overseas or in distant locations.

Off-Price Retailer

a retail store specialising in buying leading brand items in bulk for resale at discount prices.

Oligopolistic Competition

a competitive situation in which there are only a few sellers (of products that can be differentiated but not to any great extent); each seller has a high percentage of the market and cannot afford to ignore the actions of the others. See Monopolistic Competition; Pure Competition; Pure Monopoly.

Oligopoly

a market situation in which there are only a few sellers; in an oligoplistic situation the marketing action of one firm will have a direct effect on the others.

Oligopsony

a market situation in which there are only a few buyers.

Omnibus Survey

a type of marketing research survey, commonly organised by a major professional marketing research company, in which different cross sections of the community are interviewed by probability sampling at regular intervals about buying habits, product and brand preferences, etc; called an "omnibus" survey because any marketer can join in (on a regular or ad hoc basis), for a fee, to add questions.

On-Pack Premium

a common form of consumer sales promotion in which a gift is banded to the package of another product to encourage its purchase. See Premiums; In-Pack Premium; Near-Pack Premium; With-Pack Premium.

On-the-Job Training

sales training given in the field rather than in a formal classroom setting. See Curbside Sales Training; Formal Training.

One Level Channel

a marketing channel in which there is only one intermediary (for example, a retailer) between manufacturer and end-user. See Marketing Channels.

One-Price Policy

a policy of offering the same price to every customer. See Differential Pricing.

Open Bid

a system, common in the government market, of calling for bids from selected suppliers.

Open Dating

an aspect of labelling in which certain products are required, either by law or under voluntary industry codes, to be marked with a "use-by" date to indicate their expected shelf life; also called Date Stamping.

Open Promotion

a sales promotion which is advertised widely and available to all who wish to enter. See Closed Promotion.

Open System

any system or enterprise (nation or business firm) that is affected by external forces.

Open-Ended Question

a question that allows the respondent the opportunity to express an opinion in his or her own words. See Closed-Ended Question.

Open-to-Buy

the money that a reseller has available to spend on stock purchasing at any given time.

Operant Conditioning

Operating Expenses

all the costs incurred by a firm in carrying out its day-to-day activities.

Operating Statement

a statement of the financial results of a company's operations during an accounting period.

Opinion Leader

an individual who actively provides opinions about products to others or from whom views, opinions and advice is sought. See Key Influence People.

Opportunity Analysis

see Marketing Opportunity Analysis.

Opportunity Cost

the value of the benefit forfeited by choosing one alternative over another.

Opportunity Matrix

a diagnostic marketing tool providing a means of appraising environmental attributes to alert managers to the benefits associated with changing environmental conditions and to impending dangers. See SWOT Analysis.

Optimal Reorder Frequency

see Economic Order Quantity; Just-In-Time Inventory System.

Optimal Reorder Level

see Economic Order Quantity; Just-In-Time Inventoy System.

Optimising

an approach to planning in which a firm expresses its intention to do things better (as opposed to "better things") in the future. See Adaptivising, Satisficing.

Order Cycle Time

the time between placement of the order by the customer and the receipt of the merchandise.

Order Filling Costs - costs associated with filling orders

warehousing, transportation, order processing, billing and collection of payments.

Order Generation Costs - costs associated with obtaining orders

advertising, personal selling and sales promotion.

Order Getter

a salesperson responsible for actively persuading customers to buy rather than simply collecting orders that the customers wish to place. See Order Taker.

Order Processing

all of the activities related to filling a customer's order - checking the order, prices, terms, customer credit and stock levels; producing an invoice; picking the goods from the warehouse; packing and shipping them, and collecting payment.

Order Taker

a salesperson who writes up orders but is not involved in persuading customers to buy. See Order Getter.

Organisation Marketing

activity related to the marketing of an association, school, college, hospital, sporting or social group, club, charitable body, etc.

Organisational Buyer

the individual responsible for the firm's purchasing. See Buying Centre.

Organisational Buying

purchasing done by organisations for resale purposes, for use in the manufacture of other goods and services, or for the operation of their businesses.

Organisational Buying Behaviour

the study of the motives and actions of, and the influences upon, organisations while engaged in purchasing goods and services.

Organisational Goals

an organisation's broad, longer-term aims or performance expectations as opposed to its organisational objectives which are of a more specific nature and generally cover a shorter, specified period of time.

Organisational Markets

the sum of all industrial, institutional, reseller and government markets whose buyers purchase products for use in making other products, for resale, or in the operation of their businesses.

Organisational Objectives

the sum of all industrial, institutional, reseller and government markets whose buyers purchase products for resale, for use in the manufacture of other products, or in the operation of their businesses.

Organisational Services

see Industrial Services.

Organisational Structure

the way in which a firm has arranged its lines of authority and communication, and allocated duties and responsibilities; the structure may be of a divisional, geographic or functional kind or some combination of these. See Functional Organisation; Geographic Organisation; Line Organisation; Product Organisation.

Out-of-Stock Costs

the cost of sales lost when a particular item is not available when ordered by a customer.

Out-Suppliers

suppliers with whom the buying organisation has not had dealings previously and therefore considers risky. See In-Suppliers.

Outbound Telemarketing

telemarketing in which a company uses trained salespeople to sell to customers by telephone. See Inbound Telemarketing.

Outdoor Advertising

advertising by means of posters and signs, stationary or mobile.

Outer-Directed Consumers

one of three broad groups of consumers (with inner-directed consumers and need-directed consumers) identified in the Stanford Research Institute's survey of American lifestyles; outer-directed consumers buy "with an eye to appearances and to what other people think." This group represents about two-thirds of consumers in the U.S. See Value and Life Style Program (VALS); Inner-Directed Consumers; Need-Directed Consumers.

Outside Order-Taker

a salesperson who visits customers to write up orders but is not responsible for persuading them to buy. See Inside Order-Taker.

Outside Sales Facilities

manufacturers' agents and representatives, sales agents, dealers, distributors, etc available to supplement or even to replace a firm's own sales force.

Marketing dictionary - Pp

Package

the wrapping, packet, carton, bottle, box, etc, used for containment, protection or promotion of a product. See Packaging.

Package Modification

making any change to the attributes (shape, colour, size, graphics, lettering, etc.) of a package.

Packaged Goods

a sub-category of consumer non-durable goods; toothpaste, shampoo and soap powder are packaged consumer non-durables. See Consumer Non-Durables; Non-Packaged Goods.

Packaging

the materials (glass, aluminium, cardboard, etc) originally intended merely to contain and protect a product; in recent years the role of packaging has been broadened so that, in addition to containment and protection, its purpose is to attract attention, provide additional product information, and assist in promotion.

Palletisation

the packing of goods on to small wooden platforms, or pallets, for ease of handling in shipment.

Panel Test

a technique used to pre-test advertising, new products, etc; a group of individuals selected from the target market are asked to evaluate alternative versions (of an advertisement, new product, etc.)

Parasitic Advertising

advertising by one group which has an adverse effect upon another group. For example, the advertising of lamb may reduce sales of beef, the advertising of apples may reduce sales of pears.

Pareto's Principle

the idea or notion in business, commonly known as "the 80:20 rule", which says that eighty per cent of the revenue comes from twenty per cent of the products, that eighty per cent of the sales volume is derived from twenty per cent of the customer accounts, etc; named after Vilfredo Pareto, the nineteenth century economist and sociologist.

Paretopoly

a market situation in which there are a few large sellers and many smaller ones.

Paretopsony

a market situation in which there are a few large buyers and many smaller ones.

Parity Product

Pass-Up Method

handling a buyer's objection by attempting to ignore or "pass off" the buyer's objection, especially if there is reason to believe that the objection is not made seriously and does not warrant a response. See Objections.

Payback Period

the time taken for a new product to recover its investment cost and to generate profits; used as a measure of performance for new products.

PDM

abbrev. Physical Distribution Management; Product-Differentiated Marketing.

Penetrated Market

the individuals or organisations in a particular market who have already purchased the product.

Penetration Pricing

see Market Penetration Pricing.

People-Based Services

services in which people, rather than equipment or machinery, play the major role in delivery; for example, people play the major role in the delivery of financial planning services. See Equipment-Based Services.

Per Capita Income

average income per person in a population.

Per Diem Expense Plan

the payment of travel and accommodation expenses to a salesperson at a fixed daily rate.

Perceived Risk

see Risk.

Percentage-of-Sales Method

a method of setting a budget for promotion in which the sum to be expended in a given period is a fixed percentage of the sales income for the previous period.

Perception

the way in which an individual interprets stimuli received by the senses.

Perceptual Mapping

a tool or process used in marketing research for charting the way individuals selected from the target market perceive different companies, products or brands; also called Position Mapping.

Perfect Competition

see Pure Competition.

Performance Allowance

a discount or price reduction given to a wholesaler or retailer who promises to perform some additional activity (special display, etc) to sell a greater quantity of product.

Performance Appraisal

an evaluation of the activities and effectiveness of a salesperson, marketing officer, etc during a given period.

Performance Price

the value to a consumer of the time saved by using a new product to complete a specified task; the performance price can often offset other "time prices". See Non-Monetary Price; Time Price.

Performance Risk

concern in the buyer's mind that the product being considered for purchase will not work efficiently; also called Functional Risk. See Risk.

Perishability

one of the four characteristics (with inseparability, intangibility and variability) which distinguish a service; perishability expresses the notion that a service cannot be made in advance and stored. See Sercices Marketing; Inseparability; Intangibility; Variability.

Person Marketing

marketing activity aimed at creating target market awareness, and a favourable opinion, of a particular person.

Personal Income

the wages, salary, etc. earned by an individual.

Personal Interview

a face-to-face meeting with a client, job applicant, buyer, marketing research respondent, etc.

Personal Selling

a form of promotion utilising the services of a sales team; one of the major controllable variables (with advertising, sales promotion and publicity) of the promotion mix. See Promotion Mix.

Personality

the distinctive character of an individual; used as a basis for the psychographic segmentation of a market in which individuals of relatively similar personality, with similar needs or wants, are grouped into one segment. See Psychographic Segmentation.

Personality Segmentation

the division of a heterogeneous market into homogeneous groups on the basis of personality characteristics and enduring patterns of behaviour such as aggressiveness, compliance or compulsiveness. See Psychographic Segmentation.

Persuasive Advertising

advertising intended to persuade (rather than to inform or remind).

PERT

acronym for Progam Evaluation and Review Technique; a quantitative technique used as a managerial tool in planning and controlling complex programs. Common use has been made of PERT, originally introduced for use in the aerospace industry, in the coordinating, timing and scheduling of the many activities in the new product development process.

Phantom Freight

a freight charge imposed upon a customer in excess of the true freight cost incurred by the supplier. For example, in the base-point pricing approach, a local customer will be charged a phantom freight when the freight charge is calculated from an arbitrarily-chosen, possibly distant, central point. See Base-Point Pricing.

Physical Distribution

the storage, handling and movement of goods within an organisation and their shipment to customers.

Physical Distribution Management

the management and control of the activities involved in the storage, handling and movement of goods within an organisation and in their shipment to customers.

Physical Risk

concern in the buyer's mind that the product being considered for purchase will be harmful, unhealthy or cause injury.

Physiological Needs

innate human feelings of deprivation related to an individual's biological well-being. See Psychological Needs.

Piggyback

a system of transportation requiring the transfer of containers from truck to rail. See Birdyback; Fishyback.

Piggybacking

a low-cost market entry tactic in which manufacturers of products arrange for manufacturers of complementary, non-competing products to represent their products in another country or region.

Pioneering Advertising

advertising which is intended to create primary rather than selective demand; commonly used at the introductory stage of the product's life cycle. See Primary Demand; Selective Demand.

Pipeline Transportation

the carriage, delivery or shipment of a gas or liquid product by pipeline.

Place

one of the four controllable variables (with product, price and promotion) of the marketing mix; the delivery of a good or service to a consumer; also referred to as Distribution. See Distribution; Marketing Mix.

Place Marketing

marketing activity intended to promote an awareness, and favourable opinion, of a particular place or region.

Place Strategy

the element of a firm's decision-making concerned with developing an efficient and effective means of storing and handling finished products and of getting them efficiently to the target market.

Place Utility

the value given to a product by virtue of the fact that it is where it is wanted.

Plain Vanilla

slang term for a product with only the most basic features; see Bells and Whistles.

Planned Cannibalisation

the expected loss of sales of a product in a line to a more recent product introduction; planned cannibalisation might occur when a company wants its customers to switch to another of its own products rather than to a product of a competitor. See Cannibalisation.

Planned Economy -

;also called Controlled Allocation System; Command System; see also Free Market System; Capitalist System.

Planned Obsolescence

a tactic by which a manufacturer deliberately seeks to make earlier versions of its product appear undesirable in the eyes of consumers who have purchased them in order to expand the market for later versions by improving the characteristics of later versions or by altering consumers' perceptions of the desirability of the models they have already purchased.

Planning

see Strategic Planning; Marketing Planning; Sales Planning.

Planning Horizon

the total timespan covered by a firm's marketing plans; the length of the planning horizon is commonly determined by the degree of uncertainty in the environment.

PLC

abbrev. Product Life Cycle

Point-of-Purchase Displays

a form of promotion used to support personal selling and advertising; displays, consisting of packages, signs, display cartons and so on (more common in the marketing of consumer goods) are used to provide additional product information and to impel on-the-spot buying.

Polyopoly

a market situation in which there are no large sellers but many small ones.

Polyopsony

a market situation in which there are no large buyers but many small ones.

POP

abbrev. Point of Purchase.

Population

in marketing research, the total group that a researcher wishes to study; also called the Universe.

Population Characteristics

variables including age, gender, income, marital status, education, nationality, race, religion, etc. upon which a population may be segmented.

Porter, Michael

Portfolio Analysis

the systematic evaluation or assessment of a company's businesses or products; two variables frequently used in the evaluation are market attractiveness (including market growth rate) and business strength (including relative market share).

Portfolio Tests

a method of pre-testing an advertisement; after looking through a portfolio of different versions of a particular advertisement, respondents chosen from the target market are asked to recall in detail those which they can remember.

Position Mapping

see Perceptual Mapping.

Positioning

see Market Positioning

Possession Utility

the value given to a product by virtue of the fact that the purchaser has the legal right to own and use it freely.

POSSLQ

abbrev. Persons of Opposite Sex Sharing Living Quarters; sometimes written as POSLSQ - Persons of Opposite Sex Living in Same Quarters.

Post-Purchase Evaluation

the quick mental assessment of a low-involvement product by a consumer after purchase. See Low-Involvement Product.

Post-Purchase Satisfaction

the pleasure that a carefully selected high-involvement product gives to a consumer after purchase. See High-Involvement Product.

Postage Stamp Pricing

see Uniform Delivered Pricing.

Poster

an outdoor advertising medium; a billboard.

Potential Market

all the individuals and organisations in a particular market who have some level of interest in the product.

Potential Product

PR

abbrev. Public Relations.

Pre-Approach Stage

the first stage in the selling process; the stage in which a salesperson prospects for new accounts, qualifies them and prepares to make contact with the client.

Pre-Testing

the testing of a questionnaire, advertisement, etc on respondents selected from the target market before using it in a full-scale research study, campaign, etc. See Questionnaire Pre-testing.

Pre-Ticketing

the practice by a vendor of placing a tag on each product sold listing its particular style, size, colour, etc; the pre-ticketing is designed to make re-ordering easier for a reseller.

Predatory Pricing

a pricing practice by which a company hopes to inhibit or eliminate competition by charging lower than normal prices for its products in certain geographic regions.

Premium Pricing

see High-Price Strategy.

Premiums

a type of sales promotion in which merchandise is given free or at a reduced price to purchasers of products or visitors to a store.

Press Conference

a meeting to which media personnel are invited by a government body, organisation or company seeking to make a public announcement, usually to gain favourable publicity or to offset some negative reaction.

Press Release

an announcement released to the news media by a government body, organisation or firm, usually to obtain publicity or to offset some negative reaction to it or its products; also called a News Release.

Pressure Group

any group of individuals who work together to exert an influence upon the decision-making of a company to achieve some specific outcome.

Pressure Selling

see High Pressure Selling.

Prestige Builder

the highest-priced item in a product line. See Product Line; Traffic Builder.

Prestige Pricing

a pricing strategy in which prices are set at a high level, recognising that lower prices will inhibit sales rather than encourage them and that buyers will associate a high price for the product with superior quality; also called Image Pricing. See Psychological Pricing.

Prestige Products

items of superior quality; high status merchandise.

Price

the value agreed upon by the buyer and the seller in an exchange; one of the four controllable variables (with product, promotion and place) of the marketing mix. See Marketing Mix.

Price Adjustments

allowances, discounts, etc. granted by a seller to meet the requirements or circumstances of specific buyers.

Price Band

the range within which a product can be priced as dictated by competitive intensity and the perceived value of the product to consumers.

Price Brand

see Fighting Brand.

Price Bundling

a pricing strategy in which various products sold to a customer together are offered at a price less than the sum of the prices of the products sold individually.

Price Ceiling

A price, usually imposed by law, above which market prices are not permitted to rise; also called a Ceiling Price. See Price Floor.

Price Competition

a competitive situation in which price is used as the major means of differentiating the product of one firm from that of a rival. See Non-price Competition.

Price Cycle

the regular, periodic fluctuation in the price of a product, especially of an agricultural product, owing to expansion or contraction in its supply.

Price Discounting

see Discount.

Price Discrimination

a pricing strategy, generally illegal, in which a seller charges different prices to marketing intermediaries for the same product. See Differential Pricing.

Price-Elastic Segments

segments of the market which are more responsive to price changes than other segments of the market. See Price Elasticity.

Price Elasticity

buyers' sensitivity to price; measured by the percentage change in quantity demanded that results from a percentage change in price. See Price Inelasticity.

Price Fixing

agreement or collusion between competitors to maintain certain fixed price levels to avoid competition. See Horizontal Price Fixing; Vertical Price Fixing.

Price Floor

A price, usually imposed by law, below which market prices are not permitted to floor; also called a Floor Price. See Price Ceiling.

Price Gouging

a monopolistic pricing technique in which the seller takes advantage of the lack of competition by charging unusually high prices relative to a product's cost.

Price Incentives

a common form of sales promotion in which price reductions are offered to consumers to encourage them to buy a particular product earlier or in larger quantity.

Price Inelasticity

buyers' insensitivity to price; when the percentage change in quantity demanded is less than the percentage change in price, consumers are price-insensitive. See Price Elasticity.

Price Leader

a firm whose prices set a lead for other firms in the industry to follow.

Price Leadership

a situation which occurs when one or a few companies, usually larger companies, are consistently the first to institute price changes.

Price Lining

pricing different products in a product line at various price points, depending on size and features, to make them affordable to a wider range of customers.

Price Objection

an objection raised by a prospective buyer on the grounds of price, credit terms, discounts, allowances, freight charges, etc. related to the cost of a product offered by a salesperson.

Price Packs

a type of sales promotion in which consumers are offered a reduction in the regular price of a product; the amount of the reduction is usually marked, or "flagged", prominently on the label or package; also called a "cents-off" deal.

Price Sensitivity

see Price Elasticity.

Price Space

the price difference between items in a product line; having the right amount of price space is often critical as too little space may confuse buyers and too much space may leave gaps which can be exploited by competitors. See Product Line.

Price-Taker

any firm which is unable to influence the general level of commodity prices by altering the quantity of the product produced; a firm operating in a perfectly competitive market situation is, necessarily, a price-taker. Price-takers are sometimes also referred to as Quantity Adjusters as their chief decision is to adjust the amount they produce to a given price. See Perfect Competition.

Price Wars

a conflict situation likely to occur in industries where products cannot be greatly differentiated; a decrease in price by one company will attract a large number of customers to it, forcing other companies to retaliate by cutting the price even further.

Price-Value Relationship

the connection that consumers make between price and quality; products with a higher price are commonly perceived to be of better quality.

Pricing

marketing activity concerned with the setting of prices for new products and the adjustment of prices for existing products.

Pricing Strategy

the element of a firm's decision-making concerned with the setting of prices that will attract the target market and allow profit objectives to be met.

Primary Advertising

advertising intended to create demand for a class or category of product rather than for a brand. See Generic Advertising; Pioneering Advertising.

Primary Data

information that is obtained directly from first-hand sources by means of surveys, observation or experimentation. See Secondary Data.

Primary Demand

demand for a product class rather than for a particular brand within the class.

Primary Packaging

a product's immediate container or wrapper. See Secondary Packaging; Shipping Packaging.

Principle of Integrating Interests

a technique used in selling in which the salesperson, knowing the buyer's personal interests or buying motives, places emphasis on these in the presentation rather than on the features or benefits of the product.

Print Campaign

Private Brand

a brand owned by a wholesaler or retailer; also called a private label. See Manufacturer's Brand.

Private Carrier

any form of transport operated by an independent organisation and used for the shipment of goods. See Common Carrier; Contract Carrier

Private Label

see Private Brand.

Private Treaty

a market agreement arranged by a buyer and seller in private negotiation.

Privatisation

Proactive Marketing Strategies

marketing activites which anticipate competitive action and attempt to forestall it; offensive strategies. See Reactive Marketing Strategies.

Probabilistic Models

a statistical tool in which the probability that an event will occur again is estimated using historical data; for example, in sales forecasting past purchasing behaviour is used to estimate the degree of probability with which consumers will purchase the same item again.

Probability Sample

a sample in which each individual within a total population has a known chance of being chosen.

Problem Children

see Question Marks.

Problem Situation Model

a model of a problem situation faced by a decision-maker, constructed (often by a marketing researcher) in order to get as clear a picture as possible of the problem; a problem situation model includes a description of the desired outcomes, the relevant variables, and the relationships of each of the variables to the outcomes.

Problem-Solving Approach

an approach to selling in which the salesperson works with the buyer to evaluate alternative solutions to a problem and to select the best; a consultative approach intended to build long-term relationships with clients. Also called Depth Selling.

Process Materials

a classification of goods bought by organisations for incorporation into a product; the process materials cannot be recognised in the finished product.

Procurement Costs

the costs involved in reordering an inventory item; the costs include the cost of processing and transmitting the order as well as the cost of the item itelf.

Product

a bundle of need-satisfying tangible and intangible attributes offered to a buyer by a seller. See Actual Product; Augmented Product; Core Product.

Product Advertising

advertising in which a company promotes a particular good or service.

Product Attributes

distinctive tangible and intangible features of a product that give it its value to a user.

Product Audit

a systematic appraisal of a firm's product mix to evaluate its strengths and weaknesses and to assess the available opportunities.

Product Category

the specific generic to which a good or service belongs; for example, while Fanta is a brand name, the product category to which it belongs is soft drinks.

Product Concept

see Product Orientation.

Product Depth (of Line)

see Product Line Length.

Product Development

a growth strategy in which the firm develops new products for existing markets.

Product-Differentiated Marketing

a marketing philosophy in which the seller views the market as a homogeneous whole, but produces two or more products for it; the products, differing in attributes (price, style, quality, etc), are designed to offer variety rather than to satisfy the needs and wants of different market segments. See Mass Marketing; Target Marketing.

Product Differentiation

a strategy which attempts (through innovative design, packaging, positioning, etc.) to make a clear distinction between products serving the same market segment.

Product Differentiation Advantage

Product Elimination

the decision to drop a product (for example, in the decline stage of its life cycle) in order to use the costs associated with it to enhance profits or to release resources that could be more effectively used in other ways.

Product Extension

the introduction of a product that is known to the company but which has features or dimensions which are new to consumers; three types of product extensions are possible: revisions, additions and repositionings. See Innovation; New Product Duplication.

Product Failure

a product that does not meet management expectations in the marketplace.

Product Flanking

a competitive marketing strategy in which a company produces its brands in a variety of sizes and styles to gain shelf space and inhibit competitors.

Product Form Competitors

firms offering slightly different variants of the same basic product.

Product Item

a product variant with its own distinctive attributes (price, packaging, etc.); also called a Stock-Keeping Unit and a Stock-Taking Unit.

Product Knowledge

detailed knowledge of a product's features and benefits required by a salesperson to persuade a prospect to purchase.

Product Leveraging

see Brand Leveraging.

Product Liability

the onus or responsibility imposed by legislation on a manufacturer to warn consumers appropriately about possible harmful effects of a product, to foresee how it might be misused, etc.

Product Life Cycle

a concept which draws an analogy between the span of a human life and that of a product, suggesting that, typically, a product's life consists of four stages - introductory, growth, maturity and decline; the concept is used as a tool to formulate marketing strategies appropriate to each of the stages.

Product Line

a group of products manufactured or distributed by an organisation, similar in the way they produced or marketed; for example, Gillette markets a line of razors and blades, a line of toiletries, a line of pens and a line of cigarette lighters.

Product Line Brand Name

a brand name applied to several products within a product line. See Product Line; Individual Brand Name; Family Brand; Corporate Branding.

Product Line Expansion Segmentation Strategy

one of four possible segmentation strategies (with concentrated segmentation strategy, market segment expansion strategy and differentiated segmentation strategy) available to a firm in relation to the segment or segments it wishes to target; in a product line expansion segmentation approach a firm offers several products to one segment. See Segmentation Strategies; Concentrated Segmentation Strategy; Market Segment Expansion Strategy; Differentiated Segmentation Strategy.

Product Line Extension

adding depth to an existing product line by introducing new products in the same product category; product line extensions give customers greater choice and help to protect the firm from a flanking attack by a competitor. See Product Line; Product Line Depth; Product Line Stretching.

Product Line Featuring

a strategy in which certain items in a product line are given special promotional attention, either to boost interest (at the lower end of the line) or image (at the upper end). See Product Line.

Product Line Filling

introducing new products into a product line at about the same price as existing products. See Product Line.

Product Line Length

the number of different products in a product line. See Product Line.

Product Line Manager

see Category Manager.

Product Line Modernisation

a strategy in which items in a product line are modified to suit modern styling and tastes and re-launched. See Product Line.

Product Line Pruning

reducing the depth of a product line by deleting less profitable offerings in a particular product category. See Product Line.

Product Line Retrenchment

reducing the width of a product mix by decreasing the diversity of items offered across product categories; product line retrenchment is common following the failure of brand leveraging to launch a brand into a related category. See Product Line; Product Mix Width.

Product Line Stretching

introducing new products into a product line. See Product Line; Downward Stretching; Two-way Stretching; Upward Stretching.

Product Management System

a system which ensures that total marketing control of a product line or brand rests with the person who has profit responsibility for it.

Product Manager

an individual given responsibility for the planning and co-ordinating of a firm's marketing activities related to a single product, product line or market.

Product Mix

the variety of distinct product lines and items manufactured or distributed by an organisation. See Product Item; Product Line.

Product Mix Consistency

the degree of closeness or relatedness between product lines in the product mix. See Product Line; Product Mix.

Product Mix Width

the number of distinct product lines manufactured or distributed by an organisation. See Product Line; Product Mix.

Product Modification

any substantial change made to the attributes (size, shape, colour, style, price, etc.) of a product; modification of a product is usually undertaken in an attempt to revitalise it in order to increase demand.

Product Objection

an objection by a prospective buyer to the quality or characteristics of the goods offered by a salesperson. See Objections.

Product Organisation

the deployment of a firm's sales force or the organisation of its marketing activities so that a separate division is responsible for each of its major products or product groups. See Organisational Structure.

Product Orientation

a management philosophy, concept, focus or state of mind which emphasises the quality of the product rather than the needs and wants of the target market; the orientation assumes that consumers will favour products that offer the most quality, performance and features and that the organisation's objectives will be most readily achieved by a concentration on these.

Product Petrification

a term used to describe the small but persistent demand by loyal customers for a declining product. See Product Life Cycle; Decline Stage.

Product Portfolio

the mix of products manufactured or distributed by a company. See Product Mix; Product Mix Width.

Product Portfolio Analysis

an examination of each of the products manufactured or distributed by the company to assess future marketing strategies. See Boston Consulting Group Portfolio Analysis Matrix.

Product Position Map

a tool used in comparing consumer perception of the differences between products or brands; consumers are asked to mark the particular location of a product or barnd on a two-dimensional "map", where the axes of the map are attributes felt by consumers to be important. See Perceptual Mapping.

Product Positioning

see Market Positioning.

Product Positioning Strategy

marketing decisions and actions intended to create a particular place for a product in the market and in the minds of consumers; a product positioning strategy may attempt to differentiate a marketing offer from a competitor's or to appear similar to it.

Product Recall

the advertised request by a company that a product be returned to it by those who have already purchased it; a product recall is often deemed desirable when a product proves to be unsafe or unreliable.

Product Strategy

the element of a firm's decision-making concerned with developing the most appropriate products for its target market.

Product Testing

exposing consumers to a new product, in final or prototype form, so that they might compare it to their usual brand and rate it; the results of product testing will indicate to the company whether further evaluation of the product in test markets is desirable. See Concept Development and Testing; New Product Development.

Product Variant

see Product Item.

Product Warranty

see Warranty; Express Warranty; Implied Warranty.

Product-Based Competitors

see Product Form Competitors.

Product-Based Marketing Organisation

a marketing structure of an organisation in which staff specialists have responsibility for various products of the organisation (rather than for particular markets); most appropriate when customer needs are differentiated by product. See Market-Based Marketing Organisation.

Product-Differentiated Marketing

an approach to marketing in which a company disregards market segmentation but produces goods and services that are different from others on the market.

Product-Push Approach

an approach to the generation of new product ideas in which a company's strengths rather than market needs are given prime emphasis. See Demand-Pull Approach.

Production Goods

a classification of industrial goods; goods purchased by industrial firms for use in the manufacture of their finished products. See Industrial Product Classes.

Production Orientation

a management philosophy, concept, focus or state of mind which emphasises production techniques and unit-cost reduction rather than the needs and wants of the target market; the orientation assumes that consumers will favour those products that are the most readily available and at the most affordable prices and that a concentration on efficiencies in production and distribution will most readily achieve the firm's objectives.

Profit and Loss Statement

an accounting statement showing income, expenditure and profit over a given period.

Profit Centre

a division of an organisation with responsibility for generating its own income, and with accountability for profits.

Profit Maximisation

see Current Profit Maximisation.

Profit Objective in Pricing

setting prices with short-run profits rather than long-term market share in mind.

Profit Sharing

a compensation system in which employees are awarded a share of the company's profits to encourage increased productivity.

Profitability Control

marketing effort intended to assess the level of profitability of each product in the portfolio, of each market segment, of each marketing channel, etc.

Progressive Commission

a sales commission system in which the commission rate increases as the salesperson sells more goods. See Regressive Commission.

Promotion

one of the four controllable variables (with product, price and place) of the marketing mix.

Promotion Manager

an individual within an organisation responsible for promotional activities and campaigns.

Promotion Mix

the range of means available to an organisation for communication with its target market - advertising, sales promotion, personal selling, publicity and public relations.

Promotional Adaptation

a strategy in which the same product is sold in different geographic locations but with a unique promotional strategy for some or all of the different locations.

Promotional Allowance

a price reduction or discount granted by a manufacturer to a member of the marketing channel in return for some form of special promotion of a particular product.

Promotional Budget

the sum allocated in a particular accounting period for expenditure on promotion.

Promotional Campaign

a coordinated series of promotional efforts built around a single theme and designed to achieve a specific objective.

Promotional Partnership

an alliance between a manufacturer of a product and another company for the purposes of promotion; for example, Coca-Cola Co. may form a promotional partnership with 20th Century Fox Film Corp., agreeing to pay that company to display the soft drink prominently in a forthcoming feature film. See Movie Tie-Ins; Entertainment Marketing.

Promotional Pricing

the temporary pricing of goods and services at lower than normal levels for a special promotional effort.

Promotional Stock

merchandise offered at a reduced price to a reseller for some special promotion or festive occasion; also referred to as Seasonal Stock.

Promotional Strategy

the element of a firm's decision-making concerned with choosing the most appropriate mix of advertising, sales promotion, personal selling and publicity for communication with its target market.

Promotional Warranty

a warranty designed to reduce the perceived financial or performance risk that a consumer might perceive in purchasing an expensive product. See Warranty; Express Warranty; Implied Warranty; Protective Warranty.

Prospect

a potential customer. See Sales Leads; Suspect.

Prospecting

the first step in the selling process; the activity of seeking out potential customers. See Sales Leads.

Prospecting Plan

a systematic approach to finding new customers involving the setting aside of time after allowing for calls on existing customers specifically for prospecting.

Protectionism

Trade policies of governments aimed at protecting domestic industries by limiting the volume of imports.

Protective Warranty

see Warranty; Express Warranty; Implied Warranty; Promotional Warranty.

Prototype

a sample or early version of a new product made or built specifically for trialling and testing.

Prototype Testing

the trialling of a sample of a newly developed product on selection of customers from the target market .

Proxemic Communication

a form of nonverbal communication or body language in which messages are conveyed from one person to another by the changing space that separates them during a conversation. See Kinesic Communication; Nonverbal Communication; Tactile Communication.

Psychodrama

a qualitative marketing research technique in which respondents are asked to engage in impromptu role-playing exercises intended to have them reveal their feelings about certain products or brands. See Qualitative Marketing Research.

Psychodrawing

a nonverbal, qualitative marketing research technique in which respondents use colours, shapes, symbols, etc. to express their feelings about certain products or brands. See Qualitative Marketing Research.

Psychographic Segmentation

the division of a heterogeneous market into relatively homogeneous groups on the basis of their attitudes, beliefs, opinions, personalities and lifestyles; sometimes called "State-of-Mind" Segmentation.

Psychography

the study of the attitudes, beliefs, opinions, personalities and lifestyles of individuals in a population.

Psychological Discounting

the advertising of a product at a heavily reduced price, as in "Was $49.95, now only $35.00"; the practice may be illegal under the Trade Practices Act unless the reduction is a genuine one.

Psychological Needs

innate human feelings of deprivation related to an individual's mental well-being. See Needs; Physiological Needs.

Psychological Repositioning

the attempt by a firm to alter the beliefs of prospective buyers about the key attributes of its product offering, especially where the buyers generally underestimate its quality. See Market Positioning; Real Positioning; Repositioning; Competitive Depositioning.

Psychological Pricing

pricing intended to influence the customers' perception of the actual price of a product; two common forms of psychological pricing are odd pricing and prestige pricing. See Odd Pricing; Prestige Pricing.

Psychological Risk

see Risk; Emotional Risk.

Psychological Set

a consumer's mind set; his or her positive or negative feelings or predispositions towards a particular brand or company. The consumer's mind set is formed by his or her needs, perceptions and attitudes. See Attitudes; Needs; Perception.

Public Policy Environment

that part of a firm's external environment which consists of controversial issues or matters of concern to governments, the media or influential pressure groups; factors in this environment may have an influence on a firm's decision-making or an impact upon its performance.

Public Relations

the relationship which exists between an organisation and its several publics; efforts to influence this relationship by obtaining favourable publicity.

Publicity

corporate or product promotion that is obtained free of charge.

Publics

the various groups in a society which can influence or bring pressure to bear upon a firm's decision making and have an impact upon its marketing performance; these groups include the financial public, media public, government public, citizen action public, local public, general public and international public.

Puffing

the legitimate practice of making obviously exaggerated claims in advertising, eg. "cleaner than clean".

Pull Strategy

promotion to end-users (mainly by means of advertising, sales promotion and publicity) rather than to members of the marketing channel (mainly by personal selling) to facilitate the flow of a good or service from producer to final consumer. See Push Strategy; Push-Pull Strategy.

Pulsing

scheduling advertising campaigns in fairly regular bursts followed by periods of relative or complete inactivity. See Continuity; Flighting.

Puppy Dog Close

a closing technique in which a salesperson urges an indecisive prospect to "take it home, play with it overnight", believing that once the product is in the customer's keeping he or she will be unwilling to part with it.

Purchase Allowance

see Off-Invoice Allowance.

Purchase Intentions

the likelihood that a consumer will buy a particular product resulting from the interaction of his or her need for it, attitude towards it and perceptions of it and of the company which produces it.

Purchase Laboratory

See Accelerated Test Marketing.

Purchase Probability Scale

a tool used in marketing research surveys of buying intentions; respondents are asked to rate the likelihood of their purchase of a particular product on a scale ranging, for example, from "definitely not" to "certain to buy".

Purchasing Officer

an individual within an organisation responsible for purchasing the goods and services it requires. See Buying Centre.

Purchasing Performance Evaluation

the establishment of criteria by which the performance of purchasing officers can be assessed and of incentive systems so that good purchasing can be rewarded.

Pure Competition

a marketing situation in which there are a large number of sellers of a product which cannot be differentiated and, thus, no one firm has a significant influence on price. Other prevailing conditions are ease of entry of new firms into the market and perfect market information. Also referred to as Perfect Competition and Atomistic Competition. See Monopolistic Competition.

Pure Monopoly

a marketing situation in which there is only one seller of a product. See Pure Competition.

Push Money

a direct payment of money offered to the sales force of a reseller by a manufacturer to encourage greater efforts with a particular product or range.

Push Strategy

promotion to members of the marketing channel (mainly by means of personal selling) rather than promotion to end-users (mainly by means of advertising, sales promotion and publicity) to facilitate the flow of a good or service from producer to final consumer. See Pull Strategy; Push-Pull Strategy.

Push-Pull Strategy

promotion of a good or service both to end-users and members of the marketing channel to facilitate its flow from producer to final consumer. See Pull Strategy; Push Strategy.

Pyramid Selling

a selling system, now illegal in Australia, in which members of a sales organisation derive their earnings by selling to newly introduced members of the distribution network (who pay a fee to enter) rather than to end-users.

Marketing dictionary - Qq

Qangos

acronym for Quasi-autonomous Non-government Agencies.

Qualified Available Market

the individuals and organisations in a particular market who are interested in a product, can afford it, and who are not prevented from purchasing by any access barrier or legal restriction.

Qualifying the Prospect

asking questions to discover whether a prospective buyer has a need for the product, can afford it, and has the authority to buy.

Qualitative Marketing Research

marketing research which is not generally quantifiable; research which seeks insights into a marketing situation but which does not require statistical accuracy. Qualitative research techniques include focus groups, depth interviews and projection techniques such as free associations, psychodrawing and psychodrama. See Quantitative Marketing Research.

Qualitative Objectives

objectives which cannot be expressed in quantifiable terms; for example, a salesperson might set as an objective in a specific period the acquisition of certain product knowledge, or the forming of a close business relationship with the buyer from a major account. See Quantitative Objectives.

Quality Circles

a management technique with its origin in Japanese industry, developed as a means of increasing productivity; groups of autonomous workers, responsible for their own output, meet together voluntarily to plan their work so that a better quality product results and so that the work of other autonomous groups further down the production line is not delayed.

Quality Controls

measures taken by organisations to ensure that all legal requirements, and consumer expectations, of their products are met; good product performance, achieved by efficient quality control, helps to ensure that consumers will become repeat purchasers.

Quality Creep

a phenomenon which, in a counter-productive way, impels a manufacturer to enhance a product over time, increasing its price and thereby diminishing its appeal to the market segment for which it was originally intended.

Quality Modification

any change made to the quality of a product.

Quantitative Marketing Research

marketing research that can be quantified; the collection of data that can be expressed in numerical terms.

Quantitative Objectives

objectives which can be expressed in specific numerical terms; for example, a salesperson might set as an objective for his or her territory "to increase sales revenue of Product X by 10% in 1991".

Quantity Adjuster

see Price-Taker.

Quantity Discount

a price reduction made to encourage a purchaser to order a larger quantity than would otherwise have been purchased.

Question Marks

a classification of products or strategic business units used in the Boston Consulting Group Product Portfolio Analysis. Question Marks are products characterised by low market share in a high growth market; also called Problem Children.

Question Method

handling a buyer's by making the prospect answer his or her own objection. If, for example, the buyer objects that the item being considered for purchase is excellent but that the price of $500 is too high, the salesperson responds by asking, "Why do you feel that way?" or "Are you willing to invest $500 in an asset that will return you 100% per annum?"

Questionnaire

an instrument used for soliciting responses in a marketing research survey; a list of questions.

Questionnaire Pre-testing

the trialling of a questionnaire to be used in a marketing research study on a small sample of respondents from the target group prior to its full-scale use in order to eliminate ambiguities and other design problems.

Quick Ratio

one of three financial ratios commonly used to evaluate a firm's liquidity; calculated by dividing current assets less stock on hand by current liabilities. See Acid-Test Ratio; Current Ratio.

Quota

any restriction imposed by law on the quantity of a product which can be produced or imported; a form of protectionism. See Protectionism; Sales Quota.

Quota Sample

a nonprobability sample, chosen without regard to location, representativeness, etc. from individuals who meet certain specified criteria.

Marketing dictionary - Rr

R and D

abbrev. Research and Development.

Rack-Jobber

a specialised form of merchant wholesaler supplying non-general lines to supermarkets, pharmacies, hardware stores, etc.

Rational Appeals in Advertising

advertising messages, usually product-feature based, in which advertisers attempt to achieve their objectives by appeals to logic and reason rather than to the emotions. See Emotional Appeals in Advertising.

Rational Buying Motives

reasons for buying that are based on logic or judgement rather than on emotion.

Raw Materials

a classification of industrial goods that are basic materials which become part of a physical product in the manufacturing process.

RDC

abbrev. Regional Distribution Centre.

Reach

the percentage of the target audience which will be exposed to at least one advertisement during the specified period of the campaign.

Reactive Marketing Control Systems

evaluation and control systems in which management finds that marketing performance is not satisfactory and takes corrective action; after-the-fact and steering control are reactive systems. See Proactive Marketing Control Systems; Adaptive Control System; After-the-Fact Control System; Steering Control System.

Reactive Marketing Strategies

marketing activities forced upon an organisation by competitive action; defensive strategies. See Proactive Marketing Strategies.

Real Positioning

the modification of a product offering so that it delivers more satisfactorily the benefits that buyers of this kind of product desire. See Market Positioning; Repositioning.

Rebate

a temporary price reduction to encourage immediate purchase.

Recall

see Product Recall.

Recall Tests

a means of evaluating the effectiveness of a company's recent advertising by asking respondents to bring to mind advertisements they have read, heard or viewed. See Aided Recall; Unaided Recall.

Receiver

the target of a message in the communication process.

Recession

Reciprocity

a practice, which may be illegal under the Trade Practices Act, in which a firm gives purchasing preference to a firm to which it sells. See Reverse Reciprocity.

Recognition Tests

a means of evaluating the effectiveness of a firm's recent advertising; respondents are shown an advertisement, asked if they have seen it before, and, if so, are quizzed on its contents.

Recruiting

see Sales Personnel Recruitment.

Recycling

the collection and processing of used materials for reuse.

Redemption

the conversion of a sales promotion coupon to a purchase.

Redemption Rate

the number of sales promotion coupons converted to purchases expressed as a percentage of the number distributed.

Reduced Price Pack

a type of consumer sales promotion in which two or more units of the same product are banded together and sold at a lower price.

Reference Groups

all of those whose influence plays some part in the buying behaviour of consumers. See Aspirational Reference Group; Contactual Reference Group.

Referral Selling

selling to customers whose names have been suggested by previous satisfied customers.

Reflective Probes

neutral statements of the salesperson reaffirming or repeating a customer's comment in order to stimulate the customer to provide more information.

Regional Brands

manufacturers' brands sold only in certain regions.

Regional Shopping Centre

a major retail shopping complex serving a distinct geographic area of a city or state, housing at least one major full-line department store and a number of other retailers and service providers.

Registered Design

a form of legal protection against the copying by a competitor of the external appearance of a product.

Regressive Commission

a sales commission system in which the rate of commission paid decreases with the quantity of goods sold. See Progressive Commission.

Regulatory Environment

that part of the firm's external marketing environment on which legal and political forces act to change regulations which affect the marketing effort; regulation changes can pose threats or present opportunities.

Reinforcement

the reward or punishment delivered by a particular response to a stimulus.

Reinforcement Advertising

advertising intended to reassure purchasers, to tell them that they have done the right thing in buying the particular product and to explain how to get the best results and most stisfaction from its use; the purpose of reinfrcement advertising is to maintain market share.

Reinforcement Advertising

advertising to reassure the buyer that the right product has been purchased.

Relationship Selling

selling in which the primary objective is the building of long-term relationships with customers from which repeat business will flow.

Relative Advantage

the degree to which a new product is superior to an existing one; a major determinant of the rate of adoption of a new product. See Adoption Rate Determinants.

Relative Market Share

the size of a company's share of the market compared to that of competitors.

Reliability

the accuracy with which data in a marketing research study has been collected; a reliable marketing research study should produce similar results if repeated.

Remarketing

marketing activity intended to encourage renewed use of a product in which market interest has declined.

Reminder Advertising

advertising aimed at reminding a target market that a product is available as opposed to informing or persuading it; typically associated with products in the mature stage of their life cycle. Also referred to as Retentive Advertising. See Advertising Objectives.

Reorder Frequency

see Economic Order Quantity.

Reorder Level

see Economic Order Quantity.

Repositioning

arranging for a product or brand to occupy some other clear and distinctive position in the market and in the minds of target consumers than that which it presently occupies; repositioning may be necessary or desirable if sales expectations are not being met, or to allow for the introduction to the market of a new product or brand, or similar. See Market Positioning.

Representative

see Sales Representative.

Representativeness

the degree to which a sample of consumers in a marketing research study represents the characteristics of the population as a whole.

Resale Price Manintenance

a practice, now illegal in Australia, in which the manufacturer fixes the price at which a buyer may resell the product.

Research Design

the controlling plan for a marketing research study in which the methods and procedures for collecting and analysing the information to be collected is specified.

Research Objectives

see Marketing Research Objectives.

Researcher-Controlled Sampling

a form of nonprobability sampling in which the researcher selects the respondents in a marketing research study. It may result in researcher bias.

Reseller

a middleman; one who buys merchandise to resell it at a profit.

Reseller Market

the market consisting of wholesalers and retailers who buy products for resale purposes.

Response Bias

the inclination of respondents in a marketing research survey to give the answer that they believe the interviewer wants to hear.

Response Elasticity

a measure of the degree to which individuals or groups respond to a marketing program.

Response Selling

a elementary form of selling, common in retailing, in which the salesperson simply responds to the customer's demands; little creativity or persuasion is used.

Response Time

the time taken by a firm to answer a customer inquiry about the status of an order.

Responsiveness

the degree to which people control their emotions when relating to others; used in selling as an indicator of social style. See Social Styles; Amiable; Analytical; Driver; Expressive.

Restraint of Trade

any action which damages in some way another's opportunity to carry on a business.

Retail Advertising

advertising by retailers direct to consumers.

Retail Buyer

an individual employed by a retailer primarily to buy merchandise for resale through the store.

Retail Image

the perception that consumers have of a particular store and of the experience of shopping there.

Retail Mix

the mix of variables, including location, merchandise, communications, price, services, physical attributes and personnel, which form the overall strategic marketing components of retailing.

Retailers

members of the distribution channel who sell directly to the consumer.

Retailer Cooperative

a wholesaling operation established by a group of retailers to give themselves a buying advantage.

Retailing

the activity of selling to buyers who are buying for their own ultimate consumption.

Retentive Advertising

see Reminder Advertising.

Return on Assets Managed

a measure of a firm's profitability; after-tax profit expressed as a percentage of assets used to make it.

Return on Equity

a measure of a firm's profitability; profit achieved in a given period is expressed as a percentage of the total amount invested in the firm by its owners.

Return on Investment

a measure of a firm's profitability in which profits are expressed as a percentage of investment.

Reusable Container

a type of consumer sales promotion in which potential customers are encouraged to buy a particular product because it is packaged in a container that can be used for some other useful purpose when empty.

Reverse Marketing Channel

a marketing channel in which goods (to be recycled or reprocessed) flow backward from consumer to intermediaries to producer; also called a Backward Marketing Channel..

Reverse Reciprocity

a practice in which a firm gives supply preference to another from which it buys.

Risk

the chance a purchaser takes that the product will not function as expected or satisfy the felt want. See Emotional Risk; Financial Risk; Performance Risk; Physical Risk; Social Risk.

Risk Avoidance

measures including acquiring information, seeking reassurance from family and friends, obtaining advice from experts, etc. taken by purchasers to reduce the level of anxiety they experience when buying.

ROAM

abbrev. Return on Assets Managed.

ROI

abbrev. Return on Investment.

Role Playing

an exercise commonly used in sales training in which one person acts the part of a salesperson and another a buyer to practise selling skills.

Rollout

the launch of a new product on a region by region basis as opposed to a national introduction; the rollout is intended to minimise the risk and to reduce the investment in production and marketing. See National Introduction; New Product Development.

Route Salesforce

a sales team consisting of salespeople who call on existing customers to take orders for the company's products; the route sales force does not sell in the traditional sense, but merely inspects a retailer's shelves and restocks them as required.

Routine Rebuy

see Straight Rebuy.

Routine Response Behaviour

a buying situation in which the buyer has had considerable past experience; also called Automatic Response Behaviour or Habitual Response Behaviour. See Extensive Problem Solving; Limited Problem Solving.

Routing

the planning of the best route to be followed by a sales representative in making a series of sales calls; good routing raises both the number of calls the representative is able to make and the ratio of selling time to non-selling time.

RPM

abbrev. Resale Price Maintenance.

Run-Out Strategy

a strategic decision to allow a product in the decline stage of its life-cycle to continue to be sold, especially if the product has a sizable hard-core market which insists on buying it; often, the marketer may raise the price a little to obtain a slight premium price while paring all promotional costs. See Decline Stage; Product Lifecycle.

Marketing dictionary - Ss

S-Type Response

a response to an advertisement or an advertising campaign which is slow to take effect but gradually gathers pace. See C-Type Response.

Safety Needs

the desire of humans for safety, shelter, security and warmth. See Maslow's Hierarchy of Needs.

Safety Recall

the request by a manufacturer for the return of a particular batch or model of a product (for repair, replacement or credit) when the product has been found to be defective or unsafe.

Safety Stock

a level of stock over and above expected requirements held in inventory as a precaution against unusually heavy demand, delays in supply, etc.

Salary Plan

a salesforce compensation method in which salespeople are paid a straight salary; a salary plan approach provides security and stability but may not provide the incentive associated with commission payments. See Straight Salary.

Sale Advertising

advertising, common in retailing, which announces the sale of products at temporarily or permanently reduced prices.

Sale of Goods Acts

various state legislation aimed at safeguarding consumers by ensuring that goods offered for sale are of reasonable quality and fit for their intended purpose.

Sales Administration-to-Sales Ratio

a marketing control measure used to determine whether the amount spent on sales administration in a given period was excessive; total expenditure on sales administration is expressed as a percentage of total sales revenue for the same period.

Sales Agents

see Outside Sales Facilities.

Sales Analysis

the break-down of sales figures by region, product, customer, market, etc. for a given period as a control measure.

Sales Aptitude Tests

tests used to determine the suitability of applicants for positions in the sales force.

Sales Branch

a manufacturer's office established simply to facilitate sales; no manufacturing is done at this location.

Sales Calls

the visits salespeople make to a buyer's premises in order to sell their companies' products.

Sales Contests

sales promotions aimed at members of a company's sales force; sales contests are competitions designed to boost sales and lift performance by offering awards or prizes to top-achievers in a sales team in a given period.

Sales Effect of Advertising

the effectiveness of an advertisement or advertising campaign in boosting sales of a product; generally hard to measure as sales may be influenced by factors other than advertising, such as the product's price, its other features, its availability and the actions of competitors. See Advertising Effectiveness.

Sales Effect Research

marketing research to assess the effect an advertisement or some other promotional activity is having, or has had, on sales of the product being advertised. See Advertising Effectiveness.

Sales Engineer

a salesperson hired primarily for engineering knowledge or strong technical skills.

Sales Force Composite

a method of forecasting future demand for a product by adding together what each member of the sales force expects to be able to sell in his or her territory.

Sales Force Mix

the mix of individual territory representatives, national account sales teams, telemarketers, etc in a firm's total salesforce.

Sales Forecast

an estimation of the likely volume of sales, measured in dollars and units, for a future planning period; typically, sales forecasting is done on the basis of past trends, sales force estimations, survey of consumer buying intentions, managerial judgement, or quantitative models.

Sales Itinerary

a written schedule of planned sales calls, specifying the date, location and objective of each call.

Sales Kit

a collection of sales materials, such as brochures, calendars, signs and posters, prepared to explain a particular promotion to retailers; it will usualy include a full advertising schedule..

Sales Leads

telephone inquiries, letters, responses to advertising or direct mail, etc that direct a salesperson to a prospective customer.

Sales Literature

printed materials (brochures, catalogues, price lists, etc.) to be used as selling aids.

Sales Management

the process of planning, organising, controlling and evaluating the activities of the sales force.

Sales Manual

a set of printed materials containing product descriptions and related information for the guidance of sales representatives and their customers.

Sales Office

premises of a organisation used as a base for all or part of the sales team but not for carrying inventory.

Sales Orientation

see Selling Concept.

Sales Party

a form of non-store retailing in which a manufacturer's products are displayed, for group selling, at an in-home party.

Sales Personnel Recruitment

identifying appropriate sources of sales personnel and attracting applicants to the firm.

Sales Planning

the assessment of the current situation in a sales region, the setting of objectives, the formulation of strategies and tactics, and the establishment of control and evaluation procedures.

Sales Potential

an organisation's expected sales of a product in a given market for a specified period; the share of the total market that a firm can reasonably expect to attain in a given time. See Market Potential.

Sales Presentation

a salesperson's persuasive demonstration or display of a product to a prospective buyer in order to make a sale.

Sales Promotion

a form of promotion which encourages customers to buy products by offering incentives, such as contests, coupons, sweepstakes, samples, free gifts and so on; one of the four major elements (with advertising, personal selling and publicity) of the promotion mix.

Sales Promotion-to-Sales Ratio

a marketing control measure used to determine whether the amount spent on sales promotion was excessive; total expenditure on sales promotion in a given period is expressed as a percentage of total sales revenue for the same period.

Sales Quota

a sales assignment, goal or target set for a salesperson in a given accounting period; commonly used types of sales quotas are dollar volume quotas, unit volume quotas, gross margin quotas, net profit quotas and activity quotas.

Sales Rally

a meeting or conference held specifically to motivate members of the sales team to greater efforts with a particular product or product range.

Sales Report

a salesperson's detailed record of sales calls and results for a given period; typically, a sales report will include information such as the sales volume per product or product line, the number of existing and new accounts called upon, and the expenses incurred in making the calls. See Call Report.

Sales Representative

a salesperson; an individual employed to sell goods on behalf of a producer or some other member of a marketing channel by contacting prospective customers and developing in them an interest in the company's products.

Sales Quota

the expected level of sales for a territory in a given period; a sales quota is the expression of a territory's volume and profit objectives.

Sales Resistance

anything the prospective buyer says or does to prevent or delay the salesperson from closing the sale. See Objections.

Sales Tactics

the planned day-to-day activities of the sales team when implementing the strategies it hopes will achieve its objectives.

Sales Tasks

the job activities carried out by salespeople; these may include direct selling tasks (making product presentations to prospective buyers, etc), indirect selling tasks (mailing sales literature to new and prospective accounts, etc) and non-selling tasks (attending sales meetings, writing call reports, etc).

Sales Territory

the specific region or group of customers for which a salesperson has direct responsibility.

Sales Territory Performance Modelling

a method of evaluating sales territory performance in which a model depicting the environmental factors that may have impacted upon it, and upon the salesperson assigned to it, is constructed; the model assists a sales supervisor to better understand the quality of the performance.

Sales Training

formal or informal coaching in sales methods, product knowledge, and account handling given to a sales representative by another more experienced salesperson, a sales manager or a specialist sales trainer.

Sales Volume

the total revenue produced or the total number of units of a product sold in a given period.

Sales Volume Analysis

a detailed study of an organisation's sales, in terms of units or revenue, for a specified period; the analysis of sales volume (by sales region or territory, industry, customer type, etc) is commonly used as an aid in determining the effectiveness of the selling effort.

Sales Wave Experiment

a technique used to test consumer reaction to new products prior to full-scale commercialisation; new products are placed in consumer homes to determine the reaction to them, and the rate at which the products are repurchased is tracked.

Sales-Response Function

a measure of the likely level of sales in a given period at different levels of expenditure on any of the major marketing mix variables.

Samples

products distributed free of charge to prospective buyers to promote future purchases.

Sampling

a promotional activity in which consumers are allowed to experience a good or service free of charge or at a greatly reduced cost.

Sampling Error

a measure of the extent to which the chosen sample in a marketing research study can be expected to represent the total population on the characteristics being studied.

Sampling Frame

the source from which sampling units (respondents) are chosen in a marketing research study; commonly used sampling frames are telephone books and electoral rolls.

Sampling Plan

a scheme outlining the group (or groups) to be surveyed in a marketing research study, how many individuals within the group are to be chosen, and on what basis that choice is to be made.

Sampling Principle

the idea that a small number of randomly chosen units (the sample) of a total population (the universe) will tend to have the same characteristics, and in the same proportion, as the population as a whole.

Sampling Unit

the individual members chosen from a total population as respondents in a marketing research study.

Satisficing

a planning philosophy implying a firm's intention to continue to carry on its present operations in much the same way as it has always done . See Adaptivising, Optimising.

SBU

abbrev. Strategic Business Unit.

Scaled Response

questions requiring respondents to a survey to rate a company, product, service, etc. on a scale provided.

Scanning

see Environmental Scanning.

Scanner Systems

electronic equipment which allows product bar codes to be read; the information recorded by the scanning devices is used in marketing decision making, including inventory control. See Bar Codes.

Scrambled Assortment

an assortment strategy in which a reseller decides to carry dissimilar or unrelated lines to generate additional sales; for example, a newsagency might add indoor plants and housewares to its range of newspapers, stationery and books. Also known as Scrambled Merchandising. See Assortment Strategies; Broad Assortment; Deep Assortment; Exclusive Assortment.

Scrambled Merchandising

see Scrambled Assortment.

Screening

an early stage in the new product development process when ideas for new products are sifted or screened to identify those that the firm might profitably develop; two broad approaches to idea screening are possible: managerial judgement and customer evaluation. See Drop Error; Go Error; New Product Development.

Screening Interview

an early stage in the sales hiring process when supervisors meet with applicants to arouse further interest in the most promising and to identify those who are unsuitable.

Seasonal Discount

a reduced price to encourage the purchase of a particular product in the off-season; perhaps better thought of as an "out-of-season" discount. See Discount.

Seasonal Forecast Adjustments

the adjustment of monthly forecasts based on time series projections of historical data to take account of short-term changes in volume caused by seasonal variations.

Seasonal Stock

inventory additional to expected needs kept in case of an unusually heavy seasonal demand or for promotional campaigns; also referred to as Promotional Stock.

Secondary Data

information that is obtained from previously published materials, such as books, magazines, newspapers, government census publications and company reports and files. See Primary Data.

Secondary Packaging

a box or other protective wrapping in which the product in its primary package is kept until ready for use. See Primary packaging; Shipping Packaging.

Secondary Research

the collection of marketing research data using previously published sources. See Primary Research.

Segmentation

see Market Segmentation.

Segmentation Bases - the basic dimensions

geographic, demographic, psychographic and behaviouristic - upon which a heterogeneous market can be divided into relatively homogeneous groups.

Segmentation Strategies

specific marketing approaches available to, or taken by, a firm in relation to the market segment or segments it wishes to target; four specific segmentation strategies are available - concentrated segmentation strategy, market segment expansion strategy, product line expansion strategy and differentiated segmentation strategy. See Concentrated Segmentation Strategy; Market Segment Expansion Strategy; Product Line Expansion Strategy; Differentiated Segmentation Strategy.

SELECT

acronym for Situation analysis; Explicit statement of the problem; Laying out the research design and collecting data; Evaluating the data and making a decision; Creating a plan to implement the decision and Testing the correctness of the decision - a six-step approach to the process of marketing research.

Selective Advertising

advertising intended to create demand for a specific brand rather than for the whole product category or class.

Selective Binding Programs for Advertisers

the customising of magazines and similar print media for specific groups of subscribers and advertisers; in selective binding programs, same issue of a magazine can be tailored for different audiences.

Selective Demand

demand for a specific brand within a particular product class.

Selective Distortion

the perceptual process which occurs when people subconsciously try to make new information fit their old ideas about something. See Selective Exposure; Selective Retention.

Selective Distribution

making a product available in more than one outlet, but not in as many as are willing to stock it; also referred to as Selective Selling. See Distribution Intensity.

Selective Exposure

the perception by an individual of certain, more relevant, facts or advertisements but not of others; also called Selective Perception. See Selective Distortion; Selective Retention.

Selective Perception

see Selective Exposure.

Selective Retention

the perceptual process in which people subconsciously are most apt to remember information that confirms their previously held attitudes. See Selective Exposure; Selective Distortion.

Selective Selling

see Selective Distribution.

Self-Liquidator

a form of consumer sales promotion in which money and proof of purchase of a product (package tops, labels, etc) are traded in for an item of merchandise, usually sold below normal retail price; also called a self-liquidating premium.

Sell-In

see Selling-In.

Sell-Off Period

the duration of a particular sales promotion; the time from the launch of the sales promotion to the end of the special offer.

Sell-Through Quantity

the quantity of merchandise required for a sales promotion.

Seller's Market

a market in which there is a shortage of particular goods or services for sale.

Selling Agent

see Agent.

Selling Concept

the philosophy or orientation of an organisation which emphasises aggressive selling to achieve its objectives; firms characterised by this approach often rely upon pressure selling and manipulative sales techniques to win business.

Selling Formulas

various formulae used by salespeople to guide their presentations to buyers. See AIDA; Formula Selling.

Selling Process

the separate, but related, stages forming the activity of personal selling; these include preapproach, approach, need identification, presentation, handling objections, closing the sale and post-sale follow-up.

Selling Proposition

see Unique Selling Proposition.

Selling Up

a practice in selling aimed at convincing the customer to buy a higher-priced item than the one originally enquired about.

Selling-In

the process of educating the salesforce and distributors to sell a new product as part of the preparation for its launch; the development of sales kits, briefings on the target market and competition, and outlining the organisation's plans to create consumer demand may be involved. See Commercialisation; New Product Development.

Semantic Differential

a rating scale technique using pairs of words of opposite meaning.

Seminar Selling

bringing together a number of prospective buyers at the same time for a sales presentation.

Sender

the originator of the message in the communication process; also called the Source. See Communication Process.

Sensory Retailing

a recent trend in retailing in which the retailer attempts to position the store and attract customers by making a visit to it an exciting visual, auditory, etc. experience. See Atmospherics.

Sequential Segmentation

the division of a heterogeneous market into relatively homogeneous groups on one basis (for example, geographically), followed by further segmentation on some other basis (for example, end-user type).

Served Market

that part of the total market which a company decides to target; also called the Target Market.

Service

an intangible product; any product offering that is essentially intangible.

Service Form Competitors

organisations offering products of different types which can help an individual to fulfil a particular desire. For example, a person who wants to do a creative hobby course could enrol in a photography course conducted by the YWCA or a painting course conducted by the Council of Adult Education; these course providers are service form competitors..

Service Heterogeneity

see Variability.

Service Inseparability

see Inseparability.

Service Intangibility

see Intangibility.

Service Management System

the equivalent of a product management system for service organisations.

Service Mark

a mark, sign, symbol, slogan, etc. that performs the same function for a service as a trademark does for a tangible product.

Service Mix

the range of services offered by a services marketing company.

Service Perishability

see Perishability.

Service Sector

the part of industry or business which deals with the marketing and selling of intangible products rather than physical goods.

Service Variability

see Variability.

Service-Firm-Sponsored Retail Franchising

a system of service product delivery in which an organisation producing a service (eg. car rental, restaurants, financial services, etc.) sets up a number of independently-owned franchised outlets in locations convenient to its customers. See Franchising.

Services Characteristics

the features of services that distinguish them from tangible products; these are intangibility, variability, inseparability and perishability. See Inseparability; Intangibility; Perishability; Variability.

Services Marketing

the marketing of intangible products, such as hairdressing, cleaning, insurance and travel.

Services Selling

the selling of intangible products.

Shelf Facings

the number of units of a product that are visible at the front of a retail store shelf; generally, high-volume categories will be allocated more shelf facings than low-volume categories. See Shelf Management.

Shelf Fee

See Slotting Allowance.

Shelf Life

the period of time in which a product can remain on display in a retail store before the expiration of its "use by" date. -

Shelf Management

the process of determining the number and location of shelf facings in a retail store. See Shelf Facings.

Shelf-Talker

a sign or tag used in a retail store to focus customer attention on a promoted product; especially useful in in-aisle promotions when products are difficult to shelve in special ways.

Shipping Packaging

outer packaging (cartons, for example) in which products are packed for storage and transport. See Primary Packaging; Secondary Packaging.

Shopping Goods

consumer goods that the customer typically compares for suitability, quality, price, features, etc. before selection and purchase. See Convenience Goods; Specialty Goods.

Short-Run Average Cost

the average cost per unit of production of a set or group of products in the short term. Note that in the long term, the average cost may be lower due to the effect of experience. See Average Cost; Long-Run Average Cost.

Short-Term Profit Maximisation

a pricing objective in which a firm aims to make as much profit as possible as quickly as possible; maximum market penetration and long-term profit considerations are ignored.

Shrinkage

a term used in retailing to refer to the theft of merchandise by customers and employees; measures to control shrinkage include mirrors, video cameras, security guards and alarms that sound when tagged merchandise is carried out of the store.

Significance

see Substantiality.

Silent Close

a closing technique in which the salesperson presents or demonstrates the product to the prospective buyer and then deliberately stops talking; the salesperson simply waits for a favourable response from the buyer. See Close.

Simple Random Sample

a sample in which each member of the population has an equal chance of being chosen.

Simulated Store Test

a form of pre-testing of new product introductions prior to full-scale commercialisation; to study their behaviour towards the new products, consumers selected from the target market are asked to shop in test supermarket facilities into which the new products have been placed.

Single Brand Name

a brand name which is not accompanied by any other family or corporate brand name; for example, "Surf" washing powder; "Pal" dog food, etc. Sometimes called an Individual Brand name. See Individual Brand Name; Corporate Branding; Family Brand; Product Line Brand Name.

Single Niching

a strategy followed by companies which operate in only one market niche. See Market Niche; Multiple Niching.

Single-Line Store

a retail store selling a wide assortment of goods in a basic line, such as women's clothing, hardware, cosmetics.

Single-Product Strategy

the decision by a producer to offer only one product variant with few, if any, options.

Single-Source Data

marketing research information, collected from the same source - by people-meters and scanning devices, for example - that makes it possible to link an individual's purchasing behaviour to specific media exposure.

Single-Zone Pricing

see Delivered Pricing; Uniform Delivered Price.

Singles Market

a market segment, regarded as both a lifestyle and a demographic category, which includes widowed and divorced people as well as "never-been-married" singles.

Sink-or-Swim Sales Training

the practice of throwing new sales recruits straight into the field without formal training so that they have to learn fast or risk losing their jobs. See Sales Training.

Situation Analysis

the process of gathering information on the internal and external environments to assess the firm's current strengths, weaknesses, opportunities and threats and to guide its goals and objectives. See SWOT Analysis.

Skimming

see Market Skimming Pricing.

Skim-the-Cream Pricing

see Market Skimming Pricing.

SKU

abbrev. Stock-Keeping Unit.

Sliding Commission

a compensation method in which salespeople are paid commissions at a changing rate depending on the quantity sold. See Progressive Commission; Regressive Commission.

Sliding Down the Demand Curve

a pricing method in which the initial price is set at the highest possible level and then gradually reduced to attract successive waves of purchasers as demand diminishes.

Slippage

in sales promotion, the percentage of purchasers who fail to redeem an offer made with the purchase.

Slotting Allowance

a fee paid by a manufacturer to a supermarket chain for shelf space for a new product; also referred to as the Stocking Allowance, Introductory Allowance, Shelf Fee or Street Money.

Small Order Problem

the problem of coping with sales orders which are so small that the cost of filling them offsets the profit.

Smart Card

an ultra-thin card, similar to a bankcard or credit card, containing computer chips capable of receiving, storing and transmitting significant amounts of data with marketing applications.

Social Audit

a review and evaluation of the social benefits and social costs pertaining to a particular product.

Social Class

the level of society to which an individual belongs; Australians, generally, perceive themselves as being members of either the upper-middle class, middle class or working class.

Social Marketing

the design, implementation and control of marketing activity intended to promote social causes or ideas within a target group in a society; a form of non-profit marketing.

Social Responsibility in Marketing

the recognition by marketers that the well-being of society and customer satisfaction are as important as profits in assessing marketing performance.

Social Risk

concern or uncertainty in the buyer's mind that the purchase of the product under consideration will not be approved of by others. See Risk.

Sociocultural Environment

that part of the firm's external marketing environment in which social or cultural changes (that is, changes to the value system of a society) act to affect the firm's marketing effort; the changing sociocultural environment may pose threats or present opportunities.

Socioeconomic Variables

factors of a social and economic nature (occupation, income, etc) which indicate a person's status within a community.

Soft Sell

a low-pressure selling situation; a selling situation in which the buyer has no feeling of being coerced. See Hard Sell.

Sole Survivor

the final stage in the family life cycle; two sub-categories are used by marketers in examining consumer behaviour - sole survivor, working and sole survivor, retired. Also called Solitary Survivor. See Family Life Cycle.

Solitary Survivor

see Sole Survivor.

Solo Mailing

a database innovation in which a customised marketing piece is prepared to appeal to one individual's interests.

Source

see Sender.

Source Attractiveness

in personal selling, the likeability or personableness of the salesperson.

Source Credibility

in personal selling, the believability of the salesperson.

Source Objection

an objection by a prospective buyer levelled against the firm represented by the salesperson.

Special Event Pricing

reducing prices in retail stores at certain times of the year (e.g. immediately after Christmas) to attract customers.

Special Interest Groups

groups of consumers with concerns about particular products or product categories; for example, special interest groups have spoken out about the marketing of cigarettes, high-sugar breakfast cereals for children, fast foods with low nutritional value, etc.

Special Rate

see Commodity Rate.

Speciality Merchandise Wholesaler

a wholesaler that specialises in one product line (or a few product lines) but carries the line or lines in considerable depth.

Speciality Retailing

retail stores offering limited, specialised lines but carrying a deep assortment within the lines.

Specialty Advertising

an advertiser's message printed on small items such as diaries, note-pads and key-rings, usually to give away without obligation to prospective customers.

Specialty Distributor

a distributor that concentrates on one product line but carries a deep assortment within the line.

Specialty Goods

consumer goods for which the customer has strong preference and is prepared to search for extensively to select and purchase the most suitable. See Convenience Goods; Shopping Goods.

Specialty Store

a retail store typically carrying only one, or part of one, product line but having considerable depth within the line; examples include stores selling only jogging shoes for women, or men's hats.

Sponsor Training

pairing sales recruits with experienced salespeople who are responsible for their training in the field.

Sponsorship

see Corporate Sponsorship.

Spot Buy

in advertising, the buying of media time in a few selected markets only.

Spotter

a person who receives a fee for providing a salesperson with leads to prospects to whom sales are made.

Spreadsheet

an accountant's worksheet; electronic spreadsheets consist of a grid of rows of columns enabling specific marketing data to be organised in a standardised way. See Spreadsheet Analysis.

Spreadsheet Analysis

the analysis of data using special computer software to anticipate marketing performance under a given set of circumstances.

SRO Technique

see Standing Room Only.

Stabilising Price

a price set for a product with the intention of keeping prices steady within an industry in order to avoid a price war.

Stagflation

a term coined to describe a situation which exists in an economy when high unemployment and rising prices and wages occur together.

Standard Product Classes

categories into which products are grouped using formal systems such as the Australian Standard Industrial Classification and the Australian Standard Commodity Classification. See Australian Bureau of Statistics; Casual Product Classes.

Standard Test Market

a form of test market in which the company selects a small number of representative cities in which to trial the full marketing mix prior to a new product launch. See Test Marketing.

Standardised Marketing Mix

a strategy employed by a multinational company in attempting to use one marketing mix to sell its products world-wide; the approach minimises cost but may result in a smaller market than would be possible with a unique marketing program for each country. See Customised Marketing Mix.

Standing Room Only

a closing technique in which the salesperson tries to get a quick commitment to a purchase by telling the buyer that the demand for the product is heavy and that only a limited quantity is left. See Close.

Staples

a sub-category of convenience goods consisting of frequently purchased foodstuffs. See Convenience Goods.

Starch Readership Report

a technique for post-testing advertising effectiveness devised in 1923 by Daniel Starch, at that time a lecturer at the Harvard Business School; interviewers ask selected readers of magazines to recall particular advertisements.

Stars

products in the portfolio characterised by high market share in a rapidly growing market. See Boston Consulting Group Product Portfolio Analysis Matrix.

State-of-Being Segmentation

see Demographics.

State-of-Mind Segmentation

see Psychographics.

Stated Objection

the reason given by a prospective buyer for not accepting the product offered; the stated objection may conceal the true objection. See Objections; Invalid Objections; Valid Objections.

Statistical Bank

a range of statistical techniques used in analysis in a marketing information system to discover the degree of reliability of the data collected and the relationships within it. See Marketing Information System.

Status Quo Strategy

a reactive marketing strategy characterised by a desire to avoid confrontation with competitors; the company seeks to keep things in the industry the way they were, and thus avoid the expensive task on taking on a competitor directly.

Steering Control System

a system of marketing control in which allows for the detection of unsatisfactory marketing performance during, rather than at the end of, a planning period so that prompt corrective action can be taken; a reactive marketing control system. See Adaptive Control System; After-the-Fact Control System; Proactive Control System; Reactive Control System.

Stimulational Marketing

marketing activity intended to stimulate demand for a product among those who are neither aware of it nor interested in it.

Stimulus-Response Approach

an approach to selling which relies on the salesperson's ability to say the right thing (stimulus) in order to obtain a favourable reaction from the buyer (response); often referred to as the Canned Approach because a script is commonly used.

Stock-Keeping Unit

see Product Item.

Stock Point

the level at which stock needs to be re-ordered.

Stock Turnover Rate

see Stockturn Rate.

Stock-Taking Unit

see Product Item.

Stocking Allowance

see Slotting Allowance.

Stockless Purchasing

a practice in which the vendor retains responsibility for carrying the bulk of the inventory and supplies items to a reseller on short notice.

Stockturn Rate

a measure of the operating efficiency of a business; it indicates the "turn over" (that is, sales of the average level of stock held in inventory) in an operating period. Also called the Stock Turnover Rate.

Store Atmosphere

see Atmospherics.

Store Audit

a source of retail store information collected by marketing research firms (A.C.Neilson, for example) and supplied to manufacturers on a subscription basis; the information is compiled by subtracting end of period inventory for a product from inventory at the beginning of the period plus shipments. See Syndicated Marketing Research Firms.

Store Decor

see Atmospherics.

Store Image

see Atmospherics.

Storyboard

a tool used in planning a television commercial; a poster showing a series of miniature television screens depicting the sequence of scenes in a commercial with the words to accompany each picture written below it.

Straight Rebuy

a purchase in which the customer buys the same goods in the same quantity on the same terms from the same supplier. See Buy Classes; Modified Rebuy; New Task Buying.

Straight Salary

a compensation method in which a salesperson receives salary but no commission on sales. See Salary Plan.

Strategic Business Unit

a separate operating division of a company
with some degree of autonomy; commonly referred to as an SBU.

Strategic Control

the regular and systematic checking that the company's strategies are appropriate to its marketing opportunities and resources.

Strategic Gap

the difference between a company's profit objectives for a given future period and its projected level of profit for the same period.

Strategic Group

any group of companies which pursue the same clear strategies to achieve their marketing objectives.

Strategic Marketing Concept

a philosophy, focus, orientation or concept which emphasises the proper identification of marketing opportunities as the basis for marketing planning and corporate growth; unlike the marketing concept which emphasises consumer needs and wants, the strategic marketing concept emphasises both consumers and competitors. See Marketing Concept.

Strategic Marketing Plan

a plan outlining marketing opportunities matched to the resources and abilities of the company.

Strategic Planning

the process of determining the company's objectives and courses of action and the allocation of the necessary resources to achieve them.

Strategic Profit Model

a tool used to assess a firm's profitability; return on equity is calculated by multiplying the net profit margin by the asset turnover to obtain the return on assets which, in turn, is multiplied by the financial leverage. See Asset Turnover; Financial Leverage; Net Profit Margin; Return on Assets; Return on Equity.

Strategic Window

the point of time at which the right environmental conditions exist for a particular marketing opportunity; also referred to as a Window of Opportunity.

Strategy - a broad plan of action by which an organisation hopes to achieve one or more of its marketing objectives. See Tactic.

Stratified Sample

a form of probability sample where respondents are chosen from a random sample of homogeneous sub-groups (according to a common characteristic) into which the total population has been divided. See Cluster Sample.

Street Money

see Slotting Allowance.

Strengths, Weaknesses, Opportunities, Threats

see SWOT; SWOT Analysis..

Strip Centre

a shopping centre in which the stores are located along a suburban roadway.

Style Flexing

a deliberate attempt on the part of a salesperson to adjust his or her communication style to suit the personality of the buyer. See Adaptive Selling.

Subcultures

broad groups of consumers within a society's culture having similar values which distinguish them from the rest of society.

Subliminal Perception

the receipt and interpretation of stimuli received through the senses at a subconscious level.

Suboptimisation

a situation occurring in large companies when departmental or divisional leaders attempt to achieve the objectives of their particular sections at the expense of other sections.

Substantiality

one of the four major requirements (with accessibility, actionability and substantiality) for useful market segmentation; substantiality expresses the notion that the segment chosen as the target market must be large enough to be profitable. Also referred to as Significance. See Accessibility; Actionability; Measurability.

Substitute Products

products that buyers perceive as having some characteristics and utilities in common (for example, potatoes and rice).

Suggestion Selling

a practice in which the salesperson seeks to increase the value of the sale by suggesting related lines, special promotions or seasonal merchandise to complement the original purchase; also called Suggestive Selling.

Suggestive Selling

see Suggestion Selling.

Summative Close

a closing technique in which the salesperson summarises the features and benefits of the product of prime interest to the buyer point by point. See Close.

Super-Speciality Store

a retail store selling only one line of a very superior quality product or offering a very superior quality service in a limited range of goods.

Suppliers

individuals or organisations from which businesses purchase the goods and services they require to operate.

Survey

a method of obtaining primary data in a marketing research study by the use of interviews, either face-to-face, by telephone or by mail.

Survey of Buyer Intentions

a forecasting technique in which known purchasers of a product are asked to predict their requirements for a given future period.

Suspects

sales prospects who have not yet been qualified; sales leads. See Qualifying the Prospect; Sales Leads.

Sustainable Competitive Advantage

the competitive edge sought by a firm which will allow it to satisfy customer needs while maintaining an advantage over its rivals because of the uniqueness of its products or its lower production or marketing costs.

Sweepstakes

a type of consumer sales promotion in which purchasers of a particular product are given an opportunity of winning attractive prizes; winners are chosen purely by chance. Also called a Lottery.

SWOT

acronym for Strengths, Weaknesses, Opportunities and Threats.

SWOT Analysis

an examination of the internal environment of a firm (mission, objectives, strategies, resources, trends, etc) to identify particular strengths and weaknesses, and its external environment (demographic, economic, technological, social and cultural, legal and political, and natural forces) to identify particular opportunities and threats. See SWOT.

Symbiotic Marketing

a marketing method in which one manufacturer sells its finished product to another for resale under the second manufacturer's label where that manufacturer already has access to the market through a well-established distribution system.

Synchromarketing

marketing activity intended to shift the pattern of demand to that it equates more suitably with the ideal pattern of supply.

Syncratic Decision

a purchase decision in which both husband and wife have equal influence. See Autonomic Decision.

Syndicated Marketing Research Firms

marketing research agencies which specialise in gathering consumer and product information and selling it to subscribers who use it as secondary marketing data for a variety of marketing purposes.

Synergy

see Marketing Synergy.

Systematic Sample

a sample drawn strictly according to a pre-determined formula; for example, every eighth, or twelfth, or twentieth, etc. name is chosen.

Systems Buying

buying a complete solution to a problem or need rather than a number of component parts; for example, an organisation may purchase an entire accounting system from one supplier rather than computers from one supplier, software from another, staff training from another, and so on. See Systems Selling.

Systems Selling

selling a complete solution to a problem or need rather than one or more of the component parts. For example, a swimming pool manufacturer might also sell landscaping, filtration equipment, pool chemicals, etc. See Systems Buying.

Marketing dictionary - Tt

T-O Technique

a closing technique commonly used in retailing where one salesperson "turns over" the customer to another if he or she fails to close the sale. See Close.

Tactic

a detailed, specific plan or course of action by which a strategy is to be implemented. See Strategy.

Tactical Planning

planning of the shorter-term tactics to be used in implementating strategies to be employed in achieving planned marketing objectives.

Tactile Communication

a form of nonverbal communication or body language in which touching, handshaking, kissing, etc. conveys a message from sender to receiver. See Kinesic Communication; Nonverbal Communication; Proxemic Communication.

Tagging

see Dealer Listing.

Tamper-Proofing

the sealing of packages of products in such a way as to make deliberate, undetected interference with them, for malicious or nuisance purposes, virtually impossible.

Tangible Product

see Actual Product.

Tangible Product Attributes

elements of a product which have physical dimensions or are discernible by the senses. See Intangible Product Attributes.

Tangible Symbol

a service mark or design, usually of solid appearance, used by some service organisations as a means of positioning their intangible offerings. See Service Mark.

Target Audience Rating Points

a commonly used measure of the gross cumulative exposure of an advertising campaign.

Target Margin on Sales

the desired profit on each sale; used to determine the selling price where the average total cost is known.

Target Market

the group whose needs and wants the company wishes to satisfy.

Target Price

a price which is set in order to achieve a set percentage return on investment or a certain level of profit on net sales. See Target Return Pricing.

Target Public

the group whose needs and wants are served by a nonprofit organisation.

Target Return on Investment

a pricing method which seeks the achievement of a desired return on investment.

Target Return Pricing

a pricing method in which a formula is used to calculate the price to be set for a product to return a desired profit or rate of return on investment assuming that a particular quantity of the product is sold.

Targeted Revenue

the desired income from sales of the goods and services produced.

Tariff

a government tax or duty on imported goods.

TARPS

abbrev. Target Audience Rating Points.

Team Selling

the use of two or more representatives from a selling company to present a product to a buying organisation; the selling team may include sales and technical specialists.

Technical Sales Representative

a salesperson hired primarily for his or her technical or scientific expertise.

Technological Environment

that part of the firm's external environment in which changes in technology affect the firm's marketing effort; the changing technological environment may pose threats or present opportunities.

Telemarketing

a cost effective method of selling to prospective customers and of maintaining contact with existing customers using the telephone and other advanced telecommunications technologies.

Telephone Interviews

a rapid and moderately inexpensive means of gathering marketing research data.

Teleshopping

a form of non-store or in-home retailing in which the consumer can purchase goods and services shown on television; the purchaser telephones an order, or orders with the aid of a computer, and the products are delivered to the home. See Home Shopping; Non-Store Retailing.

Terminal Market

the market to which commodity products are shipped from local and regional markets for processing and packing for final shipment to wholesalers and retailers.

Territorialisation

the division of a sales region into territories.

Territory

see Sales Territory.

Territory Management

see Sales Territory Management.

Test Market

a city, region or state used to test market reaction to a new product and marketing program before full commercialisation begins; test markets can also be simulated by bringing together selected individuals from the target market. See New Product Development.

Test Marketing

see Market Testing.

Testimonials

written recommendations from satisfied purchasers of a product to be used in selling it to new prospects.

Theory-in-Use Model

a decision-making tool employing previous learning and experience; theory-in-use models incorporate statements such as "if action X is taken, then result Y will occur".

Third-Line Forcing

an arrangement in which a manufacturer sells a prodcut to a reseller only on the condition that the reseller also buys another product from some other (nominated) manufacturer. Third-line forcing is usually illegal under the Trade Practices Act.

Thought-Leader Survey

a technique sometimes used in the exploratory stage of marketing research where personal interviews are conducted with community leaders or experts who may be expected to shed some light on a problem to be investigated.

Threat Matrix

see SWOT Analysis.

Threshold Firm

see Market Nicher.

Thrust Marketing

a term used to refer to situations in which sales managers change their titles to marketing managers but continue to ignore the satisfaction of customer needs and wants, emphasising instead the selling of the products their firms can make most cheaply and easily.

Tie-In Arrangements

an arrangement in which a manufacturer sells a product to a reseller only on condition that the reseller also buys another less popular product; also called a Tying Contract. Tie-In Arrangements are usually illegal under the Trade Practices Act.

Time Analysis

a time management technique in which the amount of time allocated to each job activity is recorded and later reviewed in order to plan for more productive use of the available time. See Time Management.

Time Management

the perception of time as a valuable asset and the systemmatic structuring of it to conserve resources and maximise productivity.

Time Prices

the shopping time, travel time, waiting time, performance time and monitoring time that are part of the total price a consumer pays for a product. See Monitoring Time; Non-Monetary Price; Performance Time.

Time Utility

the value given to a product by virtue of the fact that it is available at the time it is required. See Utility.

Time-Efficient Retailing

a recent trend in retailing in which retailers attempt to position themselves by emphasising the speed and convenience of their services, which include non-store retailing, such as computer, credit card and telephone shopping.

Timing Objection

an objection by a prospective buyer to the timing of the purchase of the goods offered by a salesperson; the buer indicates that the goods are not required at this particular time. See Objections.

Title Flow

the transfer of title or ownership of products as they pass from one member to the next in a channel of distribution. See Marketing Channels.

Top-Down Approach to Planning

an approach to planning in which senior management determines objectives, strategies, tactics, etc with minimal input from subordinates. See Marketing Planning.

Top-Down Approach to Promotion Budgeting

an approach to promotion budgeting in which the amount to be spent on promotion is determined by senior management with minimal input from subordinates.

Top-Down Approach to Sales Forecasting

an approach to forecasting which takes the company's objectives rather than market conditions as its basis. See Bottom-Up Forecasting.

Total Costs

the sum of the fixed and variable costs incurred in the production of any given quantity level.

TPC

abbrev. Trade Practices Commission.

Trade Barriers

economic and financial measures, including tariffs, quotas, documentation requirements, etc. imposed by some countries to limit the inflow of foreign goods to protect local industries.

Trade Discount

an allowance or price reduction in payment for a channel member's participation in the distribution network; also called a Functional Discount. See Discount.

Trade Practices Act

legislation introduced to protect consumers from unfair dealings with sellers.

Trade Practices Commission

a body established under the Trade Practices Act 1974 (Commonwealth) to administer and enforce the Act.

Trade Promotions

see Trade Sales Promotion.

Trade Publications

magazines, newletters, journals, directories, etc which serve the interests of particular industries; often used by salespeople as a source of leads.

Trade Sales Promotion

an incentive offered to resellers to encourage them to buy more of a particular product and to sell it more aggressively.

Trade Selling

selling products to wholesalers and retailers for resale purposes.

Trade Show

an exhibition or fair at which manufacturers display their products for the benefit of visiting wholesalers and retailers.

Trademark

a name, design or symbol registered for the exclusive use by a manufacturer to distinguish its product.

Traders

the earliest form of salespeople, existing in most ancient societies; typically, traders had ownership in the goods they sold.

Trading Areas

major cities and centres of business, often used as the basis of sales territory organisation to minimise problems caused by the inequality of territories drawn on strictly geographical lines.

Trading Down

adding a lower-priced version of a product to the range, generally to capture a new market segment not served effectively because the original version of the product was too expensive for it. See Trading Up.

Trading Stamps

a form of sales promotion used by retailers in which customers receive stamps or coupons in proportion to the amount of their purchases; the stamps can be redeemed later for merchandise.

Trading Up

adding a higher-priced, higher-quality version of a product to the range, generally to increase sales of the lower-priced model through consumer association of its image with the more prestigious model. See Trading Down.

Traffic Builder

the lowest-priced item in a product line. See Prestige Builder; Product Line.

Transactional Functions

one of the three kinds of functions (with facilitating functions and logistical functions) performed by intermediaries in a marketing channel; transactional functions are the activities associated with buying products and reselling them, and the risks incurred in keeping the products in stock. See Facilitating Functions; Logistical Functions.

Transfer Price

the price charged by one division of a large company for the shipment of its goods from one profit centre to another.

Translation Method

see Boomerang Method.

Traveller

an old term for a salesperson; a travelling salesperson.

Travelling Salesperson

see Traveller.

Trend Analysis

a forecasting method in which likely future sales are estimated by statistical analysis of previous sales patterns.

Trial Close

a technique used in selling to assess the buyer's readiness to make a purchase decision. A trial close usually takes the form of questions that ask for decisions on minor selling points; if the salesperson gets favourable responses to these questions, he or she can more confidently attempt to close the sale. See Close; Minor Points Close.

Trial Objective

one of a three possible aims or objectives (with loading objective and loyalty objective) of a consumer sales promotion; purchasers are offered incentives to try a new product. See Loading Objective; Loyalty Objective.

Trickle-Across Concept

the notion that the adoption of a particular fashion will spread horizontally within several socioeconomic classes at the same time. See Trickle-Down Concept; Trickle-Up Concept.

Trickle-Down Concept

the notion that the adoption of a particular fashion will flow downward from one socioeconomic layer or consumers to the next. See Trickle-Across Concept; Trickle-Up Concept.

Trickle-Up Concept

the notion that the adoption of a particular fashion will flow upward from one socioeconomic layer of consumers to the next. See Trickle-Across Concept; Trickle-Down Concept.

Try-On-For-Size Method

a buyer-based approach to pricing in which salespeople test resellers' reactions to the proposed price of a forthcoming product before a final decision on price is made.

Turnover Method

see T-O Technique.

Two Level Channel

a marketing channel in which there are two levels of intermediaries (for example, a wholesaler and a retailer) between the manufacturer and the end-user. See Marketing Channels.

Two-Way Stretching

introducing new products into a product line at both the higher and lower priced ends at the same time. See Downward Stretching; Product Line Stretching; Upward Stretching.

Tying Contract

an agreement, usually illegal, which forces an intermediary (wholesaler, retailer, etc) to purchase other products in the line in order to obtain the product actually required.

Marketing dictionary - Uu

Ullage

the amount by which a bottle, box, packet, etc (of soft drink, breakfast cereal, potato chips, or the like) falls short of being full.

Umbrella Pricing

a pricing situation common in oligopolistic market situations where the larger firms, by keeping prices high, create room for smaller companies to operate profitably below them. See Keep-Out Pricing.

Unaided Recall Test

a means of evaluating the effectiveness of a company's recent advertising; without help from the researcher, selected respondents from the target market are asked to bring to mind advertisements they have seen or heard recently. See Aided Recall Test; Recall Test.

Unbundling

eliminating one or more of the elements of a firm's product offering; for example, a firm selling computers might discontinue its offer of free training with each computer sold, deciding instead to charge separately for it. See Bundling.

Undifferentiated Marketing

see Mass Marketing.

Uniform Delivered Price

a pricing method, sometimes referred to as "postage stamp" pricing, in which all customers pay the same freight costs regardless of their distance from the dispatch point; also called Single-Zone Pricing. See Zone Pricing.

Unique Selling Proposition

the particular quality, feature or benefit of a product which a competitor's product, although similar, cannot or does not offer; commonly referred to as the USP.

Unit Cost

see Average Cost.

Unit Pricing

an aspect of labelling in which, either by law or under voluntary industry codes, marketers are required to mark the price per unit of standard measure on certain product items as well as the price of the item so that shoppers in retail stores can compare packs of varying weight and volume.

Unit Volume Quota

a common form of sales assignment, goal or target used to measure a salesperson's performance; the salesperson is expected to sell a certain number of units of the product or product range in each budget period. Other commonly used types of quota are dollar volume quota, gross margin quota, net profit quota and activity quota. See Sales Quota.

Universal Product Code

the American system of computer-assisted product identification; the equivalent system in Australia is the Australian Product Number. See Australian Product Number.

Universality

a feature of ideas marketing that distinguishes it from other forms of marketing; universality means that ideas can be made (and, therefore, marketed) by anyone.

Universe

see Population.

Unplanned Cannibalisation

the unexpected loss of sales from one product to another more recently introduced product in the line; unplanned cannibalisation is more likely when there is little significant difference between the two products. See Cannibalisation; Planned Cannibalisation.

Unsegmented Marketing

see Mass Marketing; Undifferentiated Marketing.

Unsought Goods

a category of goods and services which the buyer (a) is unaware of, or (b) would prefer not to think about buying; commonly quoted examples include cemetery plots, encyclopedias and life insurance. See Convenience Goods; Shopping Goods; Specialty Goods.

UPC

abbrev. Universal Product Code.

Upside Elasticity

a term used in reference to the sensitivity of consumers to an increase in the price of a particular product; upside elasticity means that there will be a significant drop in consumer demand as prices increase. See Upside Inelasticity; Downside Elasticity; Downside Inelasticity.

Upside Inelasticity

a term used in reference to the sensitivity of consumers to an increase in the price of a particular product; upside inelasticity means that there will be no significant change in demand as prices increase. See Upside Elasticity; Downside Elasticity; Downside Inelasticity.

Upward Stretching

introducing a new product into a product line at the higher priced end of the market. See Downward Stretching; Two-Way Stretching.

Usage Rate

a measure of the quantity of a product consumed by a user in a given period; users may be subdivided as heavy, moderate and light. See Behaviouristic Segmentation.

Users

those individuals in the buying centre who will actually use the product being considered for purchase. See Buying Centre.

USP

abbrev. Unique Selling Proposition.

Utility

the inherent quality or ability of a product to satisfy a want. See Economic Utility; Form Utility; Information and Image Utility; Place Utility; Time Utility; Possession Utility.

Marketing dictionary - Vv

Valid Objection

a truthful objection raised by a prospective buyer to a good or service offered by a salesperson; some valid objections are answerable, while others (no money, no need for the product) are not. See Objections; Hidden Objection; Invalid Objection.

Validity

in marketing research, the obtaining of the right information for the purposes of the study.

VALS

abbrev. Values and Lifestyle System.

Value Added

Value Added Tax

Value Analysis

the rating by a buying organisation of slightly different product offerings for the same task on a scale to select the most appropriate.

Value and Life Style System (VALS)

a system developed at Stanford Research Institute for classifying the American adult population into nine distinct groups on the basis of their values and lifestyles.

Value Chain

Value Pricing

a pricing approach in which the selling price of a good or service is based on the company's assessment of the highest value of the product to the consumer; that is, on what the consumer is willing to pay for it. See Competition-Oriented Pricing; Cost-Plus Pricing; Target Return Pricing.

Value Proposition

a clear statement of who the target market for a particular product is, of what key benefits the product will deliver, and of the price that will be charged.

Value Retailing

positioning a retail store as one in which consumers receive greater overall value-to-cost benefits (if not necessarily lower prices) than in competitors' stores.

Value-Added Consumer Orientation

a recognition by the company that the price consumers are prepared to pay for its product will depend on the benefits received and not just on the physical product itself.

Value-Added Wholesaling

providing more wholesaler services and lowering the cost of these services to retailers to improve productivity and profitability.

Value-Added Tax

a tax based on the amount by which value has been added to a product at each stage of production.

Values

enduring moral beliefs shared by members of a society and contributing to its culture.

Values and Lifestyle System (VALS)

a technique, developed in the U.S. by SRI International, in which individuals are classified into groups on the basis of attitudes and demographic characteristics.

Vampiring

a colloquial term used in reference to a situation in which a celebrity (from the media, arts, sporting world, etc) is so dominant in an advertisement or advertising campaign that the advertiser's message tends to be diminished.

Van Distributor

a specialty wholesaler making frequent and regular deliveries of fast-moving consumer goods, mainly cigarettes and foodstuffs, to retailers.

Variability

one of the four characteristics (with inseparability, intangibility and perishability) which distinguish a service; variability expresses the notion that a service may vary in standard or quality from one provider to the next or from occasion to the next. Also referred to as Heterogeneity. See Services Marketing; Inseparability; Intangibility; Perishability.

Variable Costs

costs that vary directly with the volume or quantity produced; variable costs plus fixed costs equal total costs. See Fixed Costs; Total Costs.

Variable Pricing

see Flexible Pricing.

Variety Seeking Decisions

purchase decisions made by consumers who are willing to try a diversity of brands for variety and to avoid boredom; variety seeking decisions occur when the degree of involvement with a product is low. See Boredom Avoidance; Low-Involvement Products.

Variety Store

VAT

abbrev. Value Added Tax.

Vending Machine

a coin-operated device which can be used to dispense a variety of consumer products (food, cigarettes, etc) and services (automatic teller machines at banks).

Vendor

a seller or supplier.

Vendor Analysis

the rating by a buying organisation of all possible suppliers of a product on a scale to select the most appropriate; also referred to as Vendor Rating. See Value Analysis.

Vendor Loyalty

the allegiance a firm gives to a supplier; straight rebuys usually reflect vendor loyalty but they are sometimes due to inertia.

Vendor Rating

see Vendor Analysis.

Vendor Selection Strategy

the decision-making that occurs when a firm selects a supplier in order to minimise the risk of choosing the wrong one. Strategies used include the rating of vendors on a scale; the practice of choosing vendors from an approved list; multiple sourcing; and choosing the lowest priced vendor to minimise the potential for financial loss.

Venture Team

key people from various departments of an organisation given responsibility for the development of a new product from concept to commercialisation.

Vertical Channel Conflict

discord among members at different levels of a marketing channel, for example manufacturer-wholesaler or wholesaler-retailer discord. See Channel Conflict; Inter-Type Channel Conflict; Horizontal Channel Conflict.

Vertical Co-operative Advertising

shared advertising by two or more members at different levels of a channel of distribution, each paying part of the total cost. See Co-operative Advertising; Horizontal Co-operative Advertising.

Vertical Decisions

management decisions which coordinate the flow of goods and services, title, information, payment and promotion along the channels of distribution.

Vertical Diversification

see Vertical Integration.

Vertical Integration

a strategy for growth in which a company adds new facilities to existing manufacturing or distribution facilities; vertical integration can be either forward or backward. Also called Vertical Diversification. See Backward Integration; Forward Integration. See also Horizontal Integration.

Vertical Market

a market for a product that is used in one (or few) industries. See Horizontal Market.

Vertical Marketing System

an organised, structured and unified distribution channel system in which producer and intermediaries or middlemen (wholesalers and retailers) work closely together to facilitate the smooth flow of goods and services from producer to end-user. See Conventional Marketing System; Administered Vertical Marketing System; Contractual Vertical Marketing System; Corporate Vertical Marketing System.

Vertical Price Fixing

agreement between producers and retailers to maintain the producers' recommended retail price; vertical price fixing is resale price maintenance, a practice now illegal in Australia. See Price Fixing; Horizontal Price Fixing.

Videotex

a home shopping technology; an interactive system allowing subscribers to the system to access information about products on their normal TV screens by means of a small computer terminal, and to order items directly. See Home Shopping.

VMS

abbrev. Vertical Marketing System.

Voice-Over

a commentary heard on a TV advertisement, but spoken by an off-screen announcer.

Volume Analysis

a technique or method of marketing control in which sales volume in dollars or units or physical volume in units is measured over a given period in an attempt to identify underachieving salespeople, sales territories, etc.

Volume Discount

Volume Segmentation

the division of a market into segments on the basis of the varying volume of demand for the product by individuals, groups or types of customers; typically, the segments are ranked to denote heavy usage, medium usage or light usage.

Voluntary Chain

a group or chain of retailers working together on a non-contractual basis to achieve economies of scale in buying, advertising, etc.

Voluntary Group

see Voluntary Chain.

Voucher

a type of consumer sales promotion in which vouchers (or coupons) sent by mail or included in newspaper advertisements, etc. can be exchanged for merchandise to encourage trial of a new product.

Marketing dictionary - Ww

Wants

the form, shaped by culture and individual personality, in which basic human needs are given expression. For example, the need to satisfy hunger might be expressed as a want of meat by one person, and as a want of fruit by another. See Needs.

Warehouse

Warranty

a guarantee by a manufacturer that a product will be repaired or replaced or the purchase price refunded if it is found to be defective within a specified period, if it does not perform the task for which it was intended or if it does not meet the purchaser's reasonable expectations. See Express Warranty; Implied Warranty; Promotional Warranty; Protective Warranty.

Wastage

in advertising, that part of the audience or readership of a media vehicle which is "wasted" because it is not part of the target market.

Watch-and-Win Sweepstake

a sales promotion in which consumers must watch a particular TV program to hear contest-winning numbers, etc announced in spots during the program. -

Wearout

see Consumer Wearout.

Weighting

a method of rating the degree of importance of a factor or variable.

What if...Method

a closing technique in which the salesperson attempts to isolate the last remaining objection or obstacle to the sale and closes it contingent upon being able to remove the obstacle; also called the Contingent Method.

Wheel of Retailing

a hypothesis of M.P. McNair explaining the patterns of change in retailing; the hypothesis is that new types of retailers cut prices by lowering or eliminating customer services, but once established they increase prices and customer services and so become vulnerable themselves to new, low-price retailers.

Whiffle Dust

see Mummy Dust.

Whitegoods

a classification of consumer durables which includes refrigerators, dishwashers, clothes dryers, washing machines, etc. See Browngoods.

Wholesale Merchant

see Merchant Wholesaler.

Wholesaler

a marketing intermediary engaged in buying from manufacturers in bulk to resell to retailers or industrial buyers in smaller quantities. See Full-Line Wholesaler; Limited-Line Wholesaler.

Wholesaler-Sponsored Voluntary Chains

groups of retailers formed by a wholesaler into a cordinated marketing system to achieve economies of scale and to lessen conflict.

Wholesaling

the activity of selling to buyers for resale or to further their own business operations.

Width of the Product Mix

Wildcat

a business with a high level of opportunity and a high level of threat.

Window of Competitive Opportunity

see Strategic Window.

With-Pack Premium

a type of consumer sales promotion in which a free or low-cost gift is offered to purchases of a particular product; the gift is either inside the package of the product or fixed to the outside of it. See Premiums; In-Pack Premium; Near-Pack Premium; On-Pack Premium.

Word-Of-Mouth

Workplace-Selling Program

a direct-selling strategy in which manufacturers sell their products to consumers at their place of work; for example, Avon employs working women to sell its cosmetics in their offices.

World Brand

a global brand; a brand that sells in many different countries. For example, Coca-Cola, McDonald's, Marlboro. See Global Brands.

Worldwide Adaptation

a strategy used in global marketing in which slightly different variations of a product are sold in each country, using promotion and distribution strategies which have also been modified to suit the particular needs of each country.

Marketing dictionary - Xx, Yy, Zz

"Yes ... But" Method

see Indirect Denial Method.

Young Marrieds

an early stage in the family life cycle; the "young marrieds" group is often targeted by marketers as it is financially well-off and keen to spend, especially on durables. See Family Life Cycle.

Yuppie

commonly used term to describe a lifestyle-based market segment consisting of "young, urban professionals". See Psychographic Segmentation.

Yuppie Puppies

see Baby Bouncers.

Zero Based Budgeting

a method of budgeting in which past sales and previous expenditure levels are ignored; the company formulates its profit goals, determines the actions that will be required to achieve its goals, and estimates the expenditures that will be necessary to carry out the actions.

Zero Level Channel

see Direct Marketing Channel.

Zone Pricing

a pricing method in which all customers within a defined zone or region are charged the same price; more distant customers pay a higher price than those closer to the company's despatch point. Also called Multiple Zone Pricing. See Geographic Pricing.