

GLOSSARY

This is intended as a short guide - for the full description of each item readers should consult the main text.

4Cs (convenience, consumer needs/wants, cost and communication).

4Ps (product, price, place, promotion) introduced by Eugene McCarthy in the 1960s the 4Ps are considered the four major elements of the 'marketing mix'.

7Ps (product, place, price, promotion, process, physical evidence, people) extension of McCarthy's '4Ps' with process, physical evidence, people, proposed by Booms and Bitner (1981) to extend the concept to embrace services.

a priori extrapolating from a general principle to predict the outcome of a specific case.

absolute income hypothesis one of three theories which have evolved in an attempt to explain variations in aggregate consumption functions. This theory holds that expenditure/savings are a function of income.

accelerated freeze drying (AFD) a process to preserve foods through a process of rapid dehydration, for example, instant coffee, 'Smash' potatoes.

acceptable media communications which are intrinsic to the media they are present in, for example adverts in magazines.

access panels see **panels**.

ACORN a geodemographic analysis system which categorises the population into specific sub-groups, developed by CACI.

acquisitive society a society which wishes to acquire either knowledge or material possessions.

ad hoc research research for a specific purpose.

adaptive planning and control sequence (APACS) an eight-step model to create a marketing strategy developed by the Marketing Science Institute (Robinson and Luck 1964).

adoption the decision to buy and become a regular user of a product or service.

advertising paid for promotion of a firm or product, this can be 'informative', 'combative' (Marshall 1919), or 'persuasive'.

advocacy communications addressing controversial subjects and expressing a particular point of view about them.

age of high mass consumption an aim of an economically developed society.

AIDA (awareness/attention, interest, desire, action) a hierarchy of effects model dating from Strong (1924).

aided recall see **recall**.

analysis, planning, implementation and control (APICS) the four basic activities of effective management.

analytic hierarchy process (AHP) a process for making decisions about resource allocation in terms of the organisation's objectives, sub-objectives and strategies.

analytic network process (ANP) a model proposed by Coulter and Sarkis (2005) to guide media selection by combining analysis of a number of known factors with expert knowledge.

Anglo-Saxon interpretation of capitalism characterised by free competition, ad hoc transactions and short term profit seeking.

appreciation an evaluation of all factors, both external and internal, that determine the possible courses of action open to an organisation.

appropriation of the budget setting aside a proportion of finance for a specific task.

association procedures a research technique using procedures such as word association or picture tests, for example, Rorschach's ink-blot test to establish a subject's opinions on a topic.

assumptions an assumption is a 'best guess' about a future state of affairs that has to be made when making decisions without complete information.

attention conscious recognition of a stimulus.

attitude a behavioural state which enables marketers to predict future actions.

attitude scales a scale of statements used to determine the attitude of the respondent.

augmentation the attributes of a core product added by the seller, for example, packaging, design and brand.

augmented product Levitt (1980), the combination of the core product and added attributes.

- auxiliary service** the benefits which differentiate the service from competitors, similar to the 'augmented product'.
- avoidance** when stimuli are screened out which conflict with our preferred interpretation of a message.
- Baker's box** a diagnostic tool to aid managerial thinking, consisting of a perceptual map using multi-dimensional scaling. Its objective is to help focus and structure management's judgement as to where they and their competitors currently are.
- Baker's composite model of buying behaviour** a model which seeks to synthesise/integrate different interpretations of buyer behaviour developed in different social sciences – economics, sociology, psychology etc.
- balance-sheet** the financial state of a company represented by a comparison of its assets and its liabilities.
- barcode** a series of vertical lines which can be read by an optical scanner, representing the nature, provenance and in some cases the price of a product. See also **European Article Numbering**.
- Bayesian analysis** A name applied generically to statistical decision theory, normally consisting of a subjective approach to probability which incorporates the decision-maker's personal feelings regarding the likely occurrence of specified events.
- behaviour** physical acts performed or undertaken by individuals as opposed to attitudes, beliefs or opinions which constitute a state of mind towards a concept or object, and may not lead to physical action.
- below the line** when advertising agencies are not paid commission for purchasing space from various media.
- bias** in research terms when a researcher's expectations shape the nature of the results.
- bipolar adjectives** two words which represent opposite ends of a scale, for example, hot, cold; strongly agree, strongly disagree. .
- blogs** online personal log or diary, usually about a particular subject.
- blueprint** a basic plan which sets out how to perform a function.
- BOGOF (buy one get one free)** a kind of promotional activity in which the purchase of one product entitles the customer to another of the same product for free.
- bonus** a promotion which offers an extra percentage of a product as an incentive, for example, 33% extra free.
- Boston Box** a technique developed by the Boston Consulting Group to analyse the comparative and collective performance of different products in a firm's range by looking at the structure of competition and the stage of the product life cycle.
- brand** in simple terms, a brand is something (e.g. a name, a logo) which both identifies a product and differentiates it from its competition.
- brand equity** The value given to a brand which recognises its worth as an asset. This value reflects the market share held by the brand, the degree of loyalty and recognition it enjoys, its perceived quality and any other attributes which distinguish it positively from competitive offerings e.g. patent protection, trademark etc.
- brand extension** using an established brand to launch new products which can be related to it, normally when the firm uses its brand name to compete with a new product targeted at a different market. See also 'line extension'.
- brand identity** generally used to describe the image and personality (human characteristics) of the brand.
- brand image** how others perceive the brand based on its past and current positioning and importance.
- brand mapping** a research technique whereby subjects are invited to group brands/products according to various criteria.
- brand position** the aspect of brand identity which enables a product to differentiate itself in the marketplace from its competitors.
- brand share** the proportion of all sales for a given product category held by a given brand.
- brand stretching** any strategy that uses the existing brand name as a basis for introducing modified or new products.
- branding** the practice of giving a distinctive name and identity to a product to enable potential buyers to distinguish it from closely competing alternatives.
- break-even analysis** a technique for estimating the point at which revenues will cover costs based on estimates of price, market size etc.
- BRIC countries** Brazil, Russia, India and China.
- broadsheets** the larger of the two sizes of newspaper, see **tabloid**.
- bubble procedures** a projective research technique which invites respondents to fill in the 'bubble' containing the thoughts of the person in a particular situation.
- budgetary marketing** marketing as an expenditure, mainly in terms of advertising and promotion (Ambler 2000).

- bundle of satisfactions** the collective perceived benefits from a particular product.
- business analysis** an important element of micro-environmental analysis used to establish the attractiveness or otherwise of exploiting a market opportunity.
- business to business marketing (B2B)** marketing activities between businesses.
- business to consumer (B2C)** marketing activities between a business and its consumers.
- buy classes** - a classification system developed by Robinson, Faris and Wind to describe the purchase decision facing a buyer. For example, a situation not encountered before (new task); a change in price or specification (modified rebuy) or a simple routine re-purchase of the same product (straight rebuy).
- buyer behaviour** how consumers use the information available to them to make purchase choices.
- buygrid** an analytic framework for buying decisions created from an analysis of buy classes and buy phases.
- buying decision process** the sequence of issues/facts taken into account by a prospective buyer when considering a potential purchase .
- buyphases** the steps a consumer goes through in order to purchase a product.
- CACI** Consolidated Analysis Centers Inc. an organisation specialising in techniques for the geo-demographic analysis of markets.
- case method** an analytical approach based on the study of detailed descriptions (cases) of organisations, industries, markets etc.
- cash and carry** a wholesaling concern which keeps costs, and subsequently prices down by expecting customers to pay for and immediately remove goods they have purchased, rather than offering credit and delivery service. Membership of these concerns is generally restricted to retailers.
- catalogue drop** a form of selling where a catalogue is left with a customer and a salesperson calls back at another time to take the order.
- category management** where the firm manages categories 'as strategic business units, producing enhanced business results by focusing on delivering customer value' (IGD).
- causality** the relationship between cause and effect.
- cause related marketing** the application of marketing techniques and practices developed in a commercial context to promote good causes like the Red Cross or Salvation Army.
- caveat emptor** literally 'let the buyer beware' indicating that it is the buyer's responsibility to ensure that they are getting what they bargain for.
- census** a survey of every member of a relevant population.
- channel** see **channel of distribution**.
- channel captain** the member of the channel with the greatest influence enabling them to dictate the terms of trade in the channel.
- channel leader** see **channel captain**.
- channel management** the management of the tasks involved in progressing the transfer of goods and services between seller and buyer.
- channel of distribution** a channel consists of all those steps through which a product must pass between its point of production and consumption.
- channel policy** the seller's decision of which channel(s) to use to make the goods or service available to potential buyers, e.g. direct sale, via retailers, online, etc.
- channel structure** the alternatives available within the channel of distribution, e.g. the existence of intermediaries such as wholesalers, retailers etc.
- channels of communication** the various media through which sellers can make contact with potential customers, e.g. print, broadcast, cinema, the Internet etc.
- channel of distribution** the network or system that supports all the exchanges a product must go through between its point of production, and consumption.
- Characteristics of Goods School** a school of thought which argues that advertising is appropriate for selling small, simple, frequently purchased goods, but that personal selling is more appropriate to high priced, technologically complex products which are purchased infrequently.
- China price** a term used to describe the highly competitive prices asked for goods made in China which is often less than the manufactured cost in many advanced economies.
- choice** the availability of products or services that are very close substitutes for one another in the perception of the intending buyer.
- choice ordering** a qualitative research method where researchers can project behaviour from the responses subjects give to requests to rank order objects in response to specified criteria.
- choice process** see **buying decision process**.
- chunking** this is a process used to aid memory, by linking information in an easily recalled way, for example by the use of acronyms such as AIDA (awareness, interest, desire, action).
- classical conditioning** the method used by Pavlov

linking two stimuli until an association between them was 'learned' so that behaviour would be triggered even when one of the stimuli was removed e.g. ringing a bell when presenting food to a dog causing it to salivate. Eventually, ringing the bell alone was enough to cause salivation.

- climatic damage** damage to products caused by climate for example temperature, humidity or precipitation.
- cluster sampling** The process of sampling on the basis of clearly defined groups or units within a population.
- cognition** an individual's understanding of an object or concept derived from their perception, attitudes, beliefs, learned behaviour and needs.
- cognitive consonance** the attempt to maintain consistency between perceptions, attitudes, values and behaviour.
- cognitive-affective-conative (CAC) model** the cognitive-affective-conative model has been traced back to Plato's elements of the human soul - reasonable, spirited, appetitive - which in more modern terms may be defined as the realms of thought, emotions and motives, or knowing, feeling and acting. AIDA is one such example.
- collegial approach** an approach to NPD typically used to enter new businesses or add substantially different products to existing lines.
- combative advertising** making direct comparisons with the performance of a competitor's offering suggesting it is not as good as the one being advertised.
- commercial transaction** any exchange where there is a transfer of value between buyer and seller.
- commercialisation** the act of introducing a new product into the market for the first time.
- commoditisation** the elimination of differences between competing products.
- communication channel** see **channels of communication**.
- comparative analysis** analysing the performance of two products by comparing certain factors.
- comparative cost advantage** the difference in cost between two methods of production.
- compatibility** the extent to which a new product is compatible with an existing production system or way of doing things.
- competence** knowledge/skill learned or acquired by an individual or organisation that enables efficient and effective performance of specific tasks.
- competition and market structure** a theoretical approach developed by industrial economists that holds that the structure of an industry will govern both the conduct and performance of firms in that

industry.

- competition-oriented pricing** pricing based on competitor pricing.
- competitive advantage** a source of differentiation between a firm and its competitors which confers an advantage on it.
- competitive bidding** when a number of firms tender (submit a specification and quotation) to win a project or sale.
- competitive strategy** the decision by an organisation as to the basis on which it will compete in a market, i.e. cost leadership, differentiation, focus.
- competitive variables** those factors which firms competing within a market emphasise in seeking to develop a competitive advantage.
- competitor analysis** comparing critical success factors of a company and its competitors.
- complete monopoly** when one firm has total control of the market for a particular product.
- completely knocked-down state (CKD)** commonly known at the consumer stage as 'flat-pack', this refers to when items such as beds are packaged in their constituent parts to ease transportation and packaging.
- completion procedures** a qualitative research method where researchers can project behaviour from the responses subjects give to complete given statements or dialogue.
- componential analysis** using statistical analysis to predict which type of consumer will be most responsive to which product feature.
- composite model of buyer behaviour** see **Baker's model**.
- composite** composed of several different parts.
- computer mediated communications (CMC)** in modern terms, using the Internet as a communications device, for example, email, web surveys etc.
- computer-assisted telephone interviewing (CATI)** when an interviewer using the telephone is guided by software which records and reacts to each response as it is given, for example, by modifying the next question to be asked depending on the response to the previous question.
- concentrated strategy** when a producer deliberately selects one of the major market segments and concentrates all their efforts upon it.
- concentration** the extent to which the market is concentrated by a monopoly or oligopoly.
- concentration ratio** a numerical calculation of the degree of concentration of a market.
- conclusive research** a highly structured form of

- research with a clear specification of the problem to be solved and a precise methodology.
- confidence factor** the amount of confidence a manager has in their data when making a major decision.
- conjoint analysis** a scaling technique used to determine the 'best fit' value between two approaches to take into account the information available.
- consonance** The achievement of a consistent self-image. Self-image is the way we see ourselves and consonance represents our effort to behave in a manner consistent with this perception of ourself.
- construction procedures** a qualitative research method where researchers can project behaviour from the stories subjects tell in response to picture cues or to their reaction to stereotypes.
- consumer behaviour** the actions of the individual or organisation which lead to the attainment of goods and services.
- consumer goods** goods destined for use by the ultimate household consumer and in such form that they can be used without further commercial processing.
- consumer processing model (CPM)** a communication as information processing model (Shimp 2003) which perceives behaviour as being rational, cognitive, systematic and reasoned.
- consumer services** services provided to consumers, see 'professional services' as a comparison.
- consumption behaviour** see **consumer behaviour**.
- continuous research** regularly repeated research to track changes in behaviour.
- contract purchasing** when a firm agrees to purchase a product at a price, amount and time specified at the outset of the agreement.
- contribution analysis** a financial technique used to determine the amount contributed to cover fixed costs after the deduction of direct/variable costs. Any surplus over fixed costs is profit.
- control group** in experimental design, a group of subjects who are monitored but do not experience the full experimental conditions in order to give a comparison or 'base line' against which the experimental group(s) can be compared. .
- controlled store testing** testing of in-store merchandising to assess potential return.
- convenience goods** consumer goods which the customer usually purchases frequently, immediately and with the minimum of effort.
- convenience multiples** chains of small convenience stores established by major retailers such as Tesco.
- convenience sample** soliciting information from any convenient group whose views may be relevant to the subject of inquiry.
- convenience store** a store of under 3,000 square feet, open for long hours each day of the week, retailing food and drink for consumption off the premises as their main business, and selling at least 8 of the 15 'core products'.
- convergence** when two elements come together.
- conversion rate** the rate at which one thing changes to another, for example, the number of people who try a product once, to the number of people who become regular purchasers.
- co-operatives** a form of organisation in which suppliers or buyers agree to join forces to increase their bargaining power.
- copy platform** the theme around which the advertising campaign is to be based.
- copy testing** running different versions of an advert in order to measure their relative effectiveness as a basis for final selection.
- copyright** exclusive right to control and reproduce original material.
- core benefit** the properties of a product that will satisfy the felt need.
- core identity** the features that make up the essence of the brand.
- core products** a group of 15 products central to the concept of the 'convenience store' ranging from alcohol and confectionary to soft drinks and tobacco.
- core service** the basic service offered, similar to the 'generic product'.
- corporate advertising** advertising designed to promote a whole organisation.
- corporate culture** the shared values, beliefs, norms and traditions within an organisation which influence and shape the behaviour of the individuals comprising it.
- corporate identity** the collection of symbols which organisations use to represent how they wish to be perceived.
- corporate PR** the relationship of an organisation with all of its contacts, including suppliers and customers.
- corporate resources** the tangible and intangible assets available to an organisation.
- corporate strategy** the decisions made and the activities undertaken by an organisation to achieve its broad long-term goals.
- cost benefit analysis (CBA)** the objective analysis of benefits of a product versus cost.
- cost leadership strategy** where the company seeks increased sales for its products in its present markets through more aggressive pricing.
- cost of goods** the total or net cost of the products

or services sold by the firm.

cost-oriented pricing pricing determined on the basic costs of production.

cost-plus pricing the practice of adding to an estimated product cost an amount of money to arrive at a selling price.

costs the expenses of a business which can consist of fixed and variable costs, so, the 'total cost curve' is calculated by adding fixed costs to (unit variable costs multiplied by the number of units).

countervailing power a state proposed by Galbraith (1956), in which the market power of buyers and sellers cancel each other out, and so encourages an equitable equilibrium within the market.

creative specialist an advertising agency member responsible for developing the advertising concept from the initial brief.

critical success factors (CSF) those factors considered critical to success in a competitive market.

cross impact matrix a matrix which allows key issues to be analysed in the context of other key issues.

cross-elasticity of demand Cross-elasticity of demand measures one of the most important demand relationships - namely the closeness of substitutes or the degree of complementarity of demand. A high cross-elasticity means that the commodities are close substitutes for each other, while a zero cross-elasticity means that they are independent of each other in the market. Finally a negative cross-elasticity means that the goods are complementary in the market in that one stimulates the sales of another.

CTN (confectionary, tobacconists and newsagent).

customary prices prices fixed by custom, for example, 'penny' sweets.

Customer the actual or intended purchaser of goods and/or services.

customer analysis the compilation and analysis of information pertaining to customers.

customer care activities performed on behalf of the customer to add value and encourage loyalty.

customer lifetime value (CLV) a measure of the total value to be earned from a customer over the lifetime of the relationship.

customer relationship management (CRM) an aspect of marketing management particularly concerned with creating and sustaining customer loyalty by 'managing' the relationship with the customer.

customer satisfaction management

(**CSM**) paying attention to the customers needs to ensure they are receiving the satisfaction looked for so that they will automatically think of a preferred supplier and develop a loyalty to them.

customer service explosion the increased emphasis given to customer services as it becomes more difficult to create a competitive advantage based on product differences.

customer sophistication when the customer base has knowledge about the product and market which shapes their expectations.

customer-supplier context the environment in which a transaction takes place.

data protection the principles and regulations which govern the use of data on individuals (for the UK see www.dataprotection.gov.uk).

database marketing this combines data on the location and contact details of customers with their purchase records, enquiries and other pertinent information available to form an electronic record of the customer base which can be searched and categorised on any number of criteria, allowing detailed and focused marketing.

decentralisation the spreading of responsibility for a function across different departments.

deception activities intended to confuse or deceive customers.

decision making unit (DMU) a group of people or sub-groups involved in the decision making process.

decoding in communication terms, the step between the signal and the destination, for example television, as opposed to 'encoding'.

degree of competition a measure of the number of firms actively competing in a market; see **concentration**.

delaying a reduction in the number of hierarchical levels to achieve flatter structures with less psychological distance between senior management and other employees.

demand an expression of the relationship between price and the amount which will be purchased/consumed.

demand elasticity a measure of the sensitivity of sales to changes in the price asked.

demand management influencing demand to suit supply - for example, promoting weekend hotel breaks at a quiet time of year.

demand curve the graphical representation of the demand schedule.

demand schedules information which shows the existence and nature of market opportunities.

demand-enhancing marketing increasing the

- potential market through increasing demand, for example through advertising.
- demand-oriented pricing** based on expected customer reaction to price.
- democratic process** in marketing terms, when consumers have an element of choice as to what they purchase, and the right to make any choice they wish.
- demographics** the study of the size, composition, behaviour and distribution of populations.
- department stores** large, general stores on multi-levels, selling a wide variety of merchandise including clothing and soft furnishings and with a minimum of 25 staff.
- desk research** the first stage of research usually conducted using secondary sources.
- dichotomous questions** questions which require a straight yes or no answer.
- differentiated strategy** a differentiated strategy exists where the supplier seeks to supply a modified version of the basic product to each of the major subgroups which comprise the basic markets.
- differentiation** distinguishing a product from competitors by introducing different attributes.
- diffusion** the process of initial slow sales, followed by rapid sales growth until saturation, also known as the 'product life cycle'.
- digital interactive television (DiTV)** digital television which usually has a 'return path' which allows the viewer to interact with the broadcaster.
- digital marketplace** virtual markets made possible by the Internet and the development of e-commerce.
- direct advertising** advertising aimed at the end consumer.
- direct communications** direct communication between two parties, either 'B2B' or 'B2C'.
- direct exporting** sales to customers in foreign markets without making use of an intermediary.
- direct mail** the use of mail communications to promote involvement in the subject of the communication.
- direct marketing** marketing and selling products directly to and interactively with an individual, through channels such as mail, internet and telephone.
- direct response broadcast media** radio and television promotion designed to prompt action by the listener/viewer.
- direct sale** when the producer sells directly to the consumer with no intermediary.
- directed group interview** in which a group of respondents, led by an interviewer, has a discussion about the topic under research.
- discipline** a subject of study or instruction.
- discounted cash flow (DCF)** a financial technique used to calculate the 'present value' of future earnings allowing for the effects of inflation on those earnings.
- discounters** retail stores which sacrifice elements of the retail mix such as range of products to keep prices low. For example in grocery terms, these can be 'hard discounters' who have a very limited range and store interior, e.g. Aldi, and 'soft discounters' which have a wider range and more fresh produce available, e.g. Kwik Save.
- disintermediation** the elimination of intermediaries in the supply chain.
- disposable income** that proportion of an individual's income available for consumption or investment after meeting prior charges such as income tax.
- dissonance** the opposite of consonance, when stimuli are in conflict which causes a state of psychological tension which individuals seek to avoid, reduce or eliminate.
- distinctive competence** any factor at which a firm is uniquely good by comparison with its main competitors (Selznick 1957).
- distribution channel** see **channels**.
- diversification** The process of introducing new products (which may or may not be related to the company's present products) into existing or new markets.
- division of labour** the breakdown of the production process into individual steps which can be performed by different groups of people as opposed to one person completing the whole manufacturing process, thereby increasing overall productivity.
- domain** used to define the scope, nature and boundaries of a subject.
- door-to-door** a form of direct selling where the seller or their agent physically visits the potential customer in their home.
- drive to maturity** defined by Rostow as 'when a society has effectively applied the range of [then] modern technology to the bulk of its resources'.
- drop and collect** a kind of survey methodology where a questionnaire is left with a respondent for self-completion and then collected/returned at a later time.
- dual distribution** when the manufacturer sells part of the output direct but entrusts the balance of their sales to an intermediary.
- dual pricing** when the same product is sold at different prices, for example, in the one country

the same product may be sold under different brands at different prices.

early adopters customers who tend to be the first to purchase a new product.

ecological concerns concern about the possible impact of consumption upon the natural environment.

e-commerce using electronic technology to conduct business.

economic theory the body of knowledge concerned with the maximisation of satisfaction based on the consumption of scarce resources.

economies of scale where a firm with large output will have lower costs per unit and can therefore undercut smaller competitors.

economy the efficient and effective use of resources as related to an organisation or geographic region.

EDLP (every day low price).

effective demand demand backed up by purchasing power.

elasticity of demand an increase or decrease in the asking price will result in a proportionate change in the quantity demanded.

electronic commerce see **e-commerce**.

electronic marketing see **e-marketing**.

elementary sampling unit (ESU) the basic sample from which the final respondents are selected.

e-mail a form of electronic communication.

email survey using email to send out a questionnaire to potential respondents. This can be in the text of the email or as an attachment.

e-marketing using electronic technology to implement marketing strategies.

emergent economies nations like India and China which have begun to industrialise and are growing rapidly.

emergent strategy a term coined by Mintzberg to describe how managers develop strategies as a reaction to events as they occur.

emotional buying trigger (EBT) a stimulus in a marketing communication that prompts an emotional response.

empowerment the willingness to devolve responsibility to an individual employee who, ultimately, is responsible for the quality of the firm's products and actions/relationships.

enabling conditions (EC) those conditions necessary for a desired action to be taken.

enabling technology the technology necessary to achieve a desired outcome.

encoding in communication terms, encoding is the step that links the source and the signal, for example a transmission device like a microphone,

as opposed to a 'decoder'.

entrepreneurial approach an approach to NPD typically used for developing new-to-the-world products.

environmental analysis the compilation and examination of data related to the environment in order to identify key trends and developments as a basis for anticipating their likely effect on an organisation. The major factors are political, economic, social and technological hence PEST analysis.

environmental factors the factors incorporated in an environmental analysis.

environmental scanning a term developed by Francis Aguilar of the Harvard Business School (1967) to describe the activities of managers in monitoring their external environment.

EPOS (electronic point of sale) a scanning system used to read bar codes.

e-procurement online purchasing.

equilibrium a state in which supply and demand are in balance.

equipment Those industrial goods which do not become part of the physical product and which are exhausted only after repeated use, such as major installations or installations equipment, and auxiliary accessories or auxiliary equipment.

essential evidence see **evidence**.

esteem needs recognition of personal status, often through acquisition of material possessions.

ethics acceptable moral standards.

ethnography the scientific study of human society and our environment.

EU European Union, formerly the EEC or European Economic Community or 'Common Market'.

European Article Numbering (EAN) a system developed in the 1970s from the Universal Product Code System in the USA, which uses a 13 digit numeric and 'barcode' on packaging to identify a product and provide related information.

evaluation of competition using attributes of products of services to compare them.

evidence physical evidence is the tangible outcome of receiving a service or product, and this can be further subdivided in service terms into peripheral evidence (a part of the service with no independent value) or essential (a part of the product or service which can not be owned by the customer) (Shostack 1982).

evoked set the set of products triggered in the mind of a customer by a particular need, for example, instant coffee might trigger Nescafé, Maxwell House and Kenco.

evolution of marketing organisation proposed

- as a four phase process in which marketing has moved from sales and demand generation to an integrated part of the business function (Webster 1997).
- excess supply** created when supply outstrips demand.
- exclusive distribution** see 'intensity of distribution'.
- excitement** in marketing terms (Levitt) this is the particular appeal that captures the attention and interest of a prospective customer.
- executive summary** a single-page statement of the basic purpose and findings of a report.
- expectancy-value (EV) model** the EV model is particularly associated with the work of Martin Fishbein (based on Rosenberg and Heider), who argues that an attitude comprises two components - beliefs about the attributes of an object and the values ascribed to these beliefs. In order to maintain consistency (or balance, or congruity, as it is sometimes called) consumers need to act in accordance with their beliefs and the values associated with them.
- exploratory research** research undertaken in the early stages of a project to define the nature of the problem to be solved, and reviewing what is already known about the problem.
- exponential growth** the rate at which something multiplies itself, for example, xy where y is the exponent.
- exponential function** in marketing this is often represented by an s-shaped curve representing low initial sales, through a period of rapid growth, to a slow down when market saturation is reached.
- expressive procedures** a qualitative research method where researchers can project behaviour from subjects 'expressions' of behaviour for example, through the use of drawings or role playing.
- extended identity** the aspect of a brand which extends and represents the product attributes.
- extended marketing mix** an elaboration of the original 4Ps model of Product, Price, Place and Promotion to include Process, People and Physical Evidence which are considered important for the marketing of services.
- external and internal factors** those factors that need to be considered in a marketing audit and /or SWOT analysis.
- external facilitators** third party organisations who provide information or services to a company.
- external perspective** evaluating the organisation and its actions from the customer's point of view.
- extractive industries** industries which provide raw materials, for example mining, drilling for oil etc.
- extrapolative techniques** projective techniques based on past performance and environmental conditions.
- fabricated materials** Those industrial goods which become a part of the finished product and which have undergone processing beyond that required for raw materials but not so much as finished parts.
- fact finding** more commonly known as market research.
- factor rating table** this is a device for analysing the relevance and importance of information required to solve a problem, usually by identifying and rank ordering critical success factors.
- family life-cycles** a sociological concept developed in the early 1930s which posits that families change over time and that these changes are accompanied by significant changes in their consumption behaviour.
- fast moving consumer goods (FMCG)** see **convenience goods**.
- feedback** in communication terms, information which is generated from the destination of a signal which is returned to the source and impacts on future signals.
- felt need (FN)** a consciously experienced, unsatisfied state.
- field research** the collection of original or primary data.
- financial fallacies** financially incorrect assumptions, often based on incorrect data.
- fixed costs** those costs that cannot be altered in the short or medium term and which exist irrespective of the volume of output.
- focus strategy** the same as a concentrated strategy.
- franchising** when one company grants to another the right to use any tangible or intangible possession it owns, such as a trademark, business method or recipe for the purpose of trade, in return for benefits such as expansion for a very low investment, and the receipt of fees, royalties, or profits.
- free enterprise economy** a marketplace in which both the manufacturer and the consumer have freedom to produce and consume with no regulatory interference.
- free sample** a promotional method which involves giving potential customers a free trial of the product.
- freedom of entry** the ease or otherwise of entering a new market determined by the legal, economic, political and other 'barriers' that may limit access.

- frequency of evaluation** how often a marketing analysis or audit is carried out.
- frequency of purchase** the elapsed time between repeat purchases of the same product/service.
- full cost pricing** an approach which includes all costs, fixed and variable, to which is then added the required profit margin.
- full service agencies** organisations such as advertising agencies that provide a complete range of services to their clients.
- function of personal selling** to provide information on an individual basis which advertising is unable to cover.
- functional factors** the activities associated with the performance of a specified function such as finance, R&D, production etc.
- functional marketing** the practice of marketing professionals (Ambler 2000).
- functional quality** see **quality**.
- functional specialisation** when each aspect of a marketing strategy is assigned to a specialist team.
- future orientation** see **orientation**.
- G8** a group of the 8 leading economic powers in the world.
- gatekeepers, amplifiers and filters (GAFs)** people who are expert in the sector of the environment in which the organisation is scanning for information. In order to accomplish their task they must be positioned on the boundary between the organisation and its circumscribing environment. GAFs are at the forefront of expertise and are defined as gatekeepers because it is through them that the organisation is able to look out into the surrounding environment. They are amplifiers because they are closest to the source of weak signals, and filters because it is through their expertise that they are able to distinguish the signal and screen out the 'noise' surrounding it.
- generic product** describing a class of product not a specific brand, similar to the 'core service'.
- geo-demographic segmentation** the division of people into groups according to where they live and information about that location.
- geographic information system (GIS)** a software mapping system (for example InSite) which enables companies to analyse and compare different geographical districts, for example, store catchment areas.
- geographic pricing** different prices for different geographical regions, for example, petrol.
- Germanic-Alpine interpretation of capitalism** based on controlled competition, long term development and relationships and strong social involvement.
- gestalt psychology** the branch of psychology that holds that individuals are conscious of a perceptual field as a whole rather than the individual perceptual stimuli the comprise it; i.e. we perceive what we expect to perceive.
- globalisation** the marketing of products and services worldwide using the same marketing mix in every country or region.
- localisation** the adaptation of elements of the marketing mix to suit the conditions prevailing in a given market.
- gondola** a free-standing shelving unit in a supermarket that customers can walk round.
- goodwill** an intangible company asset. In marketing terms, see also **brand equity**.
- green issues** issues of concern to persons concerned with the impact of consumption on the environment.
- green marketing** the marketing of goods which are seen to be environmentally 'friendly' e.g. recycled packaging.
- grey market** a group of consumers characterised as being aged over 40. Can also be used to describe a situation where products are sold (legally) to end users by an intermediary not directly authorised by the producer.
- gross domestic product (GDP)** the value of all the goods and services produced by a single nation during a year.
- Guttman scaling** a scale where all the statements used belong to the same dimension, for example agreement only, rather than agreement/disagreement as with Thurstone or Likert scales.
- halo influence** the perceived transfer of positive attributes to other products/activities of an organisation.
- hard technologies** see **technology**.
- Hawthorne effect** the danger of an observer influencing the behaviour they are there to observe by their very presence.
- hedonic, experiential model (HEM)** a communication as information processing model (Shimp 2003) which perceives behaviour as being driven by emotions in pursuit of happiness.
- heterogeneous** variable, or of multiple different elements.
- hierarchical frameworks** a concept that identifies linkages between a sequence of events or activities and anticipated outcomes.
- hierarchy-of-effects** a proposition that advertisements or other marketing stimuli exert influence on an audience through a progression or

- sequence of events; e.g. a sale is the consequence of the sequence **AIDA** - Awareness, Interest, Desire, Action.
- homeostasis** a state of balance achieved when psychological needs are satisfied.
- homogeneity** a state in which the objects under consideration are seen as identical.
- human motivation** the inner state that activates or moves people towards goals, resulting in purposive means/ends behaviour.
- human resource management (HRM)** the management of personnel within an organisation.
- hybrid technologies** see **technology**.
- hyper-segmented** when a market is divided into increasingly smaller segments .
- hypodermic effect** a communication model depicting a one step communication process where impersonal (e.g. mass media) or personal sources make direct contact with an audience.
- hypothesis** a statement which may be accepted or rejected based on subsequent findings.
- IMP Group** a group of mainly European scholars who have developed theories of interaction and networking in industrial or B2B markets.
- implementation** the act of translating plans into action.
- incentives** an inducement to act in a way beneficial to the offeror e.g. a discount to encourage purchase.
- income** payment in money or kind in exchange for goods or services rendered with a defined period of time.
- indirect exporting** sale to a domestic customer who then re-sells in a foreign market.
- industrial concentration** see **concentration**.
- industrial goods** goods which are destined for use in producing other goods or rendering services, as contrasted with goods destined to be sold to ultimate consumers.
- industrial marketing** the activities involved in the sale of industrial goods, nowadays commonly referred to as B2B or 'business or business' marketing.
- industrial revolution** a period of major breakthroughs in economic development during the nineteenth century.
- industry** the collection of firms that are engaged in producing goods or services which are close substitutes for one another, e.g. the motor car industry.
- inelastic demand** where changes in price have little or no effect on the quantity demanded.
- infinitely elastic** a marginal reduction in price will result in everyone with a demand for that good buying from the supplier offering this price.
- informal group** a group such as a circle of friends that has no specified structure.
- information processing** The acquisition, storage and interpretation of information usually with respect to making decisions on specific issues or topics.
- information search (IS)** the stage following awareness and interest at which the individual or organisation actively looks for more information on the object of interest.
- information sources** for example the mass media.
- informative advertising** advertising with a high information content designed to explain the features of a product or service and stimulate primary demand for it.
- inseparability** when you can not differentiate between two things, for example, in services, there is often no distinction between delivery and use as many services are produced and consumed simultaneously.
- in-store observation** a method to check in-store merchandising support for different manufacturers and their competitors.
- intangible** something which is not measurable or possible to quantify.
- integrated brand promotion (IBP)** a promotional strategy based specifically on the brand image.
- integrated marketing communications (IMC)** a marketing communications strategy which requires that a company adopts strategies that co-ordinate different promotional elements and that these promotional activities are integrated with other marketing activities that communicate with customers.
- integration** the co-ordination of different units into a cohesive strategy.
- intensity of distribution** intensive (through as wide a range of retailers as possible), selective (through a limited number of potential retailers in order to maximise profits whilst minimising costs), exclusive (through a limited number of outlets thereby conferring a degree of exclusivity on those outlets.).
- interactive digital television (iDTV)** see **DiTV**.
- interactive marketing function** the management of all the factors in the buyer-seller relationship (as opposed to 'internal marketing') (Gronroos 1989).
- intermediary** a person or organisation that buys and re-sells without changing the form of the product.
- internal marketing** where every employee in a

firm is seen as another employee's 'customer' and all parties behave accordingly (as opposed to interactive marketing) (Gronroos 1989).

- international marketing** the sale of goods and services in more than one country.
- international trading communities** associations of countries with agreed terms of trade within the community and between the community and non-members; e.g. LAFTA Latin American Free Trade Association.
- internationalisation** the process of establishing trade relationships with other countries initially via exporting and then through the development of operations, independently or through joint ventures, in the countries concerned.
- internet** the global network of computers which hosts the **world wide web**.
- inter-organisational theory** the use and application between (inter) organisations of theories from intra-organisational approaches.
- interval scales** see **scales**.
- interview** this involves a personal exchange of information between an interviewer and one or more interviewees, in which the interviewer seeks to obtain specific information on a topic with the co-operation of the interviewee(s). These can range from being formal ('structured', or 'closed', in which the interviewer follows a carefully worded questionnaire with a limited set of responses to choose from), through 'open-ended' (open ended questions in a pre-determined sequence), to 'semi-structured' (which is a combination of closed and open ended questions) and the 'interview guide approach' (when an interviewer has a checklist of topics to cover but freedom to interact with the respondent and create questions as the need arises).
- interviewer bias** see **bias**.
- intrusive media** communications which interrupt the medium they are present in, for example, television commercials.
- joint venture** the formation of a business partnership by two or more individuals or organisations.
- judgement sample** when respondents are selected on the basis of the interviewer's subjective opinion that they constitute a representative cross-section of the population to be investigated.
- just in time (JIT)** when supply is co-ordinated with demand so that there is no need to keep stock of a product and it is manufactured and delivered as it is needed.

- key accounts** the most profitable customers of a firm.
- key account management (KAM)** the management of the relationship with the most profitable customers of a firm.
- key performance indicators (KPI)** a limited set of variables that summarise the details of performance needed by marketing managers.
- knock-on effect** when one event causes other events.
- latent demand** A demand which the consumer is unable to satisfy, usually for lack of purchasing power.
- Law of inertia of large numbers** large groups are more stable than small groups owing to the compensating effect of deviation in opposite directions.
- Law of statistical regularity** any group of objects taken from a larger group of such objects will tend to possess the same characteristics as the larger group.
- less developed countries (LDCs)** largely discarded in favour of the less perjorative 'newly industrialising' or 'developing' countries.
- leverage** an additional benefit that accrues to an individual or organisation by virtue of their power or relationship, e.g. ownership of a material in short supply, entitlement to landing time at an international airport etc.
- licence** authorise another to make use of one's intellectual property in return for an agreed payment.
- life-cycle stage** see **product life cycle**.
- lifestyle** the manner in which people live and their consumption patterns and behaviour.
- Likert scales** a form of scale where respondents are presented with a series of statements and asked to indicate their degree of agreement/disagreement with each, on a scale of usually five to seven options.
- line extension** when a firm uses the same brand name to introduce a variant of the basic product targeted at a new/different segment of the market served by the product category, as well as to maintain the loyalty of existing customers. See also **brand extension**.
- linear compensatory model** when a scale is used to represent a person's attitude by assuming that we balance positive and negative factors to come to a single summary position, which can be represented by a single number. See for comparison **multidimensional scaling**.
- linear programming technique** developed

- by Danzig (1949), a mathematical model of relationships between conditions to find the best solution to a problem.
- locus of channel control** A function of the firm's competitive strength vis-à-vis other members of a 'channel of distribution'.
- logistics** the strategic management of the movement and storage of material into production and eventually as finished goods into the distribution channels to the final purchaser.
- long-term memory** this is information which is stored for possible future recall and use.
- love needs** need for affection and feeling of belonging to a social group.
- loyalty** the tendency of a customer to repeat purchase a particular product.
- macro environmental analysis** defines the threats and opportunities facing the firm, and their competitors, both presently and in the future.
- macro level concentration** at the national level, the proportion of total industry output accounted for by some predetermined percentage of all firms.
- macro segment** the basic area to be segmented into sub-groups.
- mail order** the purchase of goods or services through the medium of mail services.
- mail survey** the administration of a questionnaire by means of the mail service.
- managerial school** a view of marketing as a problem solving and decision making process drawing on economics, psychology, sociology and statistics, developed in the 1950s and 60s by authors such as McCarthy (1960) and Kotler (1967). This was the dominant approach until the 1990s.
- managerial approach** an approach to NPD and the standard process used for existing business management.
- manufacturer** an individual or organisation that makes products through the use of machinery.
- margin** the amount of profit gained from a sale once all costs have been deducted.
- marginal cost** the rate of change of the total cost of production depending on output.
- marginal unit** each item which has a known profit margin.
- market** originally a physical location where sellers and buyers could establish contact with one another. Nowadays includes any situation where buyers and sellers can establish communication with one another.
- market demand** the demand of the potential consumer base for a service or product, which can often be used to formulate strategy for example pricing.
- market development** a strategy where the company seeks increased sales by expanding into a new geographical market.
- market manager** when the marketing strategy of a product is overseen by a market manager based on the fact that different markets may have different needs from the same product.
- market opportunity** potential markets.
- market orientation** a business orientation where the primary focus is on the market place, customers, competitors and distributors.
- market oriented organisation** an organisation with a market orientation.
- market penetration** where the company seeks increased sales for its present products in its present markets through more aggressive pricing, promotion and distribution.
- market research** the measurement and analysis of markets; see **marketing research**.
- market segmentation** when a market is divided into sub-groups through the use of distinctive features which are common to those within the group and absent from those excluded from it.
- market segments** a group of buyers who have broadly similar needs and wants that differ in some relevant way from those of other customers in the same market.
- market share** the percentage of the total market accounted for by a single product or firm.
- market structure** the definition of a market in terms of its salient characteristics - number of firms, degree of concentration, size, value, etc.
- marketing** the preferred definition of Baker is 'mutually satisfying exchange relationships'.
- marketing arithmetic** the actual formulae associated with defining specific financial data.
- marketing as a concept** school of thought from 1930s onwards with increased emphasis on the consumer, but main emphasis on stimulation of demand through advertising and personal selling.
- marketing as a process** school of thought in late nineteenth century through to 1930. Strongly associated with business to business marketing.
- marketing audit** a comprehensive analysis of the business and its aims to develop a marketing plan.
- marketing boards** organisations established to promote and regulate the marketing of goods and services.
- marketing communications mix** a sub group of the 'marketing mix' which includes aspects such as advertising, publicity, sales promotion and packaging.

- marketing concept** consists essentially of three basic elements: a customer orientation that places them at the centre of all the organisation's thinking and activities; an orientation that seeks to coordinate and integrate all the organisation's efforts towards common goals; a profit orientation based on maximising customer satisfaction.
- marketing department** a department within an organisation responsible for the management of the marketing function.
- marketing function** what marketing managers actually do.
- marketing leverage** a situation unique to the firm which can give them an advantage, for example the patent over a particular process.
- marketing management** the management of activities involved in setting marketing objectives, formulating and implementing action plans, and the measurement of outcomes.
- marketing management school** in which marketing is the dominant managerial function of the firm, and the focus is on the market and customers.
- marketing metrics** the ability to statistically quantify marketing research and performance.
- marketing mix** the marketing mix refers to the apportionment of effort, the combination, the design, and the integration of the elements of marketing into a programme or mix which, on the basis of appraisal of the market forces, will best achieve the objectives of an enterprise at a given time. The idea of the mix of functions was conceived by Neil Borden in 1965, and the best known model is that of the 4Ps.
- marketing myopia** a term made famous by Ted Levitt (1960), which describes what happens when companies become too product oriented (and thereby focused on manufacture and distribution), so that they lose sight of the basic need which the product satisfies, and their business strategy suffers as a result.
- marketing of services** essentially the same process as that used for the marketing of physical products which involves manipulation of the elements of the marketing mix. It is suggested that services call for consideration of Process, People and Physical Evidence in addition to the 'usual' 4Ps.
- marketing orientation** a company determining what the customer wants, then making what it can sell.
- marketing plan** the overall structure into which a marketer integrates elements of the marketing mix.
- marketing research** as opposed to 'market research', marketing research concerns using scientific methods to collect information about all those factors which impinge upon the marketing of goods and services, and so including the measurement and analysis of markets, the study of advertising effectiveness, distributive channels, competitive products and marketing policies, and the whole field of consumer behaviour.
- mark-up** the amount added to the cost of goods to establish a selling price.
- Maslow's hierarchy of human needs** a 5 level hierarchy of basic needs, often represented as a pyramid, developed by Abraham Maslow in 1943, ranging from the most basic physiological needs, through safety, love and esteem needs to self-actualisation at the apex.
- mass marketing** when the producer offers a single undifferentiated product to all potential customers.
- mass media** communication which reaches a large proportion of the public, for example, press, television, radio, posters, cinema and the internet.
- materialism** a desire for material goods and possessions such as money over emotional fulfilment.
- matrix organisation** project teams made up of representatives from each of the functional departments.
- means-end chain** a procedure for analysing a consumer's knowledge of a product by relating its attributes to the desired benefits and the values associated with them.
- mechanical damage** damage to products caused by handling, for example transportation.
- mechanical revolution** generally attributed to the harnessing of steam power.
- media** in the marketing context this means advertising media rather than news or mass media.
- media classes** the major sub-divisions of advertising media newspapers, magazines, radio, TV etc.
- media schedule** a formal plan/document spelling out the media to be used, when and where in the execution of an advertising campaign.
- media specialist** an advertising expert responsible for selecting the appropriate media for a campaign.
- medium** singular form of media.
- megatrends** large scale changes in the business landscape, after the book by Naisbitt (1982) of the same name.
- merchandising** the arrangement of in-store displays to ensure effective exposure of the product.

- message** in communication terms the message should be meaningful to the recipient, even after distortion through its mode of transmission.
- message appeal** there are six alternative approaches (DeLozier 1976): fear, distraction, participation, emotion versus rational, aggression arousal and humour, and the use of some of these can be controversial and must be carefully considered.
- metasearch** in internet terms, software which conducts multiple searches simultaneously and compiles the results.
- metric of awareness** how aware customers are of the product. Can also be called 'share of voice'.
- metrics** consistent measures used to analyse a firm and its brands performance.
- micro level of concentration** at the industry level, the percentage share of total sales of that industry accounted for by a predetermined percentage of all firms in the industry.
- micro-economic paradigm** maximising profit from the nature of the transaction between buyer and seller.
- micro-environmental analysis** analysis of the immediate environment within which the firm competes defined by the industry, markets, channels, customers and competitors with which it interacts.
- modified rebuy** a situation in which some change has occurred that calls for re-evaluation of the normal purchasing procedure (straight rebuy).
- monopolistic competition** the theory of monopolistic competition developed by Edwin Chamberlin to describe the type of market structure (Theory of Monopolistic Competition, 1933), which combines the characteristics of both perfect competition and monopoly. Can be used to describe when a firm differentiates its product sufficiently to create its own market without any direct competition.
- monopoly** the case of a single seller, enjoying absence of competition of any kind, with complete control over the supply of the product, including control over entry into the industry.
- moral values** those values that define an individual's perception of morally acceptable behaviour.
- MOSAIC** a specific geodemographic database used since 1988 and based on information from a credit reference agency (CCN, now Experian).
- motivation** an inner state, or need, that drives people towards goals, resulting in a behaviour; 'why' consumers act as they do.
- motivation research (MR)** research intended to establish why consumers act as they do.
- multibrands** a family of brands in the same product category.
- multidimensional scaling** The basic characteristic of multidimensional scaling is that respondents are asked to make judgements concerning the degree of similarity/distance between pairs of stimuli using a scale which may be either metric (interval or ratio scale) or non-metric (ordinal scale). (See 'scales'). These judgements, for example, 'greater than x, less than y' combine the dimensions of x and y as opposed to unidimensional scaling, which only measures one dimension, for example, I agree or disagree with x.
- multidisciplinary** consisting of more than one discipline.
- multi-level marketing (MLM)** see **network marketing**.
- multinational corporations (MNCs)** a firm that operates on a large scale in numerous different countries.
- multiple choice questions** questions which offer the respondent a number of alternative answers.
- multiple convergent processing (MCP)** a model of new product development developed by Baker and Hart (1999).
- multivariate analysis** An approach widely used in marketing research due to the complexity of most marketing problems, where several factors are operating together, when one wishes to estimate the influence of each of the variables on the end result.
- mutually satisfying exchange relationships** the essence of marketing.
- NAICS (North American Industry Classification System)** a method for classifying economic activities, and a replacement of the Standard Industrial Classification (SIC) code.
- natural breaks** regular breaks in television programming designed to fit in with the flow of the programme.
- needs, wants and choice** a need is something fundamental to the maintenance of life, such as food, drink, shelter and clothing. Needs are largely physiological in the sense that they are basic and instinctive drives with which we are born. It is clear, however, that a need may be satisfied by any one of a large number of alternatives, for example thirst may be assuaged by water, tea, coffee, beer, wine, and so on. The availability of alternative means of satisfying a need constitutes choice, provision of which is central to the practice of marketing. In the absence of substitute, or

alternative goods, there can be no choice and needs and wants become synonymous. Where there is more than one way of satisfying a basic need, physiological drives will be modified by economic, sociological and psychological factors. Variations in these factors will predispose individuals to prefer a specific alternative and this preference constitutes a want.

negative word-of-mouth see **word of mouth**.

netiquette the unwritten code of behaviour for users of the Internet.

network marketing when a company uses a number of independent distributors to sell its products, normally working on a commission basis, and these distributors are also responsible for recruiting new distributors to expand the sales force. Can also be called 'multi-level marketing'.

new international business realities factors facing businesses in recent years.

new product development (NPD) The development of a new product is seen as a sequential process normally containing six distinct phases: exploration, screening, business analysis, development, testing, commercialisation. (Booz Allen Hamilton 1982).

new task the situation faced by a potential buyer when they develop a need for a product for which they have no prior knowledge or experience requiring consideration of all the **buyphases**.

newspapers a major print medium published daily or weekly on a national or regional basis.

niche strategy A market niche strategy coincides with a concentrated marketing strategy in that the firm realises that it lacks the resources to compete directly with bigger firms in the industry and so seeks to identify a particular niche or segment of the market upon which it can concentrate all its energies.

NICs newly industrialising countries.

No-frills a way of keeping prices low through economising on other aspects of the retail mix such as location and range of products. Such stores are also known as 'discounters'.

non-personal channels all media through which messages are transmitted without face-to-face communications, for example, press, TV, posters etc.

non-probability sampling a selective procedure for choosing a sample as opposed to 'probability sampling'.

non-profit marketing the application of procedures and techniques developed in a commercial context to the activities of not-for-profit and cause related marketing.

non-store retailing any form of retailing e.g. direct mail, the Internet, where the buyer purchases without having to visit a store.

normative theory the basic structures and parameters of a subject, or the recognised 'best practice'.

not-for-profit organisations that seek to deliver benefits to their stakeholders but of a non-monetary nature e.g. RNLI, The National Trust.

objective a desired outcome which is established to measure the effectiveness of a course of action intended to achieve some purpose or goal. Objectives should be quantifiable and capable of measurement so as to provide a benchmark against which to compare actual performance.

objective factors these are factors that are intrinsic to the product, for example, performance and price.

observability how visibly effective a product innovation is.

observation one of the 3 main experimental techniques along with experimentation and survey, which may be either 'informal' for example everyday observations, (also called 'scanning'), or 'formal' observation, a scientific technique which consists of the systematic gathering recording and analysis of data.

odd pricing pricing a product with a figure ending in an odd number.

oligopoly oligopolistic markets exist when there are so few sellers of a particular product or service that the market activities of the seller have an important effect on the other sellers.

open-ended questions these give the respondent complete freedom in answering so giving maximum information and limiting interviewer bias.

operant conditioning seeking to change behaviour by altering the consequences of that behaviour, e.g. giving an unpleasant taste to harmful substances.

opinion leader members of the population who act as filters and amplifiers for messages, and provide a step in the communication process between sources and the audience.

opportunity cost the trade off required between two conflicting stimuli, for example, time and money.

optimum growth the growth rate at which the sacrifice of present consumption necessary to promote future growth is just balanced by the extra future consumption this will generate.

organisational buying behaviour (OBB) the

- process followed when buying on behalf of an organisation.
- organisational culture** the set of beliefs and values that influence behaviour within an organisation; “the way we do things around here”.
- organisational revolution** when the factory system superseded the cottage industry system.
- orientation** in business function, production is seen as a ‘present orientation’ whereas marketing is seen as a ‘future orientation’.
- outdoor advertising** the oldest of the five major advertising media involving the use of poster sites and transport advertising.
- package utilities** generally divided into five groups (Underwood 1993) these include functional, symbolic, information, aesthetic and structural utilities of packaging which influence the customers perception of the value of the product.
- packaging** materials designed to enable a product to be protected, stored and used. Other factors to consider include appearance, cost and disposability/ recyclability. .
- page traffic** a measure of the number of persons actually reading a page in a newspaper or magazine.
- pan-company marketing** marketing across an organisation, not necessarily as a defined function (Ambler 2000).
- panels** groups of consumers monitored to provide data about some aspect of buyer behaviour. These can be traditional (on-going and collecting general data for strategy decisions) or access (ad-hoc, and usually to collect data for a specific decision).
- parameter theory** developed in the 1930s by the Copenhagen School and the forerunner of the modern concept of relationship marketing.
- patent rights** an exclusive right granted to an inventor for a period of 17 years to produce and sell the product, process or material described in the patent.
- penetration pricing** launching a new product at a low price (or even at a loss) to gain customers from existing products.
- people factor** the impact of the personal relationship between buyer and seller which determine’s the quality of a firm’s performance within the marketplace.
- perceived risk** the customer’s fear of trying a new product.
- perception** is the interpretation of sensations received, or ‘stimuli’.
- perceptual mapping** the creation of a plot or ‘map’ representing how consumers perceive comparative products along certain dimensions or attributes derived by non-metric multidimensional scaling.
- perfect substitutes** when consumers perceive all the competitive offerings as being identical.
- performance driven specifications** these focus on the function of the product or service required in other words the ‘fitness for purpose’ criteria.
- performance factors** those features and attributes taken into account when selecting products and services for purchase/consumption.
- performance monitoring research** compares actual performance with planned results to help guide management strategy.
- peripheral evidence** see **evidence**.
- perishability** how long a product may be stored before it becomes unsuitable for use. Also one of the factors used to distinguish services from physical goods. Unlike physical products services cannot be stored for later sale so that a failure to sell at the time of creation results in a complete loss of the service e.g. seats at the theatre, in transport, or hotel rooms.
- permanent income hypothesis** this holds that expenditures are based on average income expectations over time. The hypothesis recognises that consumption patterns are relatively stable over time, which suggests that consumers average out their expenditures, i.e. under inflation they anticipate that they will make good current dissaving, due to price increases, out of future wage increases.
- persona** the human qualities of a brand, categorised by Aaker (1996) as sincerity, excitement, competence, sophistication and ruggedness.
- personal channels** situations in which a direct face-to-face communication takes place.
- personal selling** oral presentation in a conversation with one or more prospective buyers for the purpose of making a sale.
- personal video recorder (PVR)** a video recording device such as TiVo or SkyPlus which gives the user a great deal of control over what they record and how they replay it.
- personality** a personal and unique way of responding to the environment; those characteristics that account for differences among people and that are predictive of their behaviour.
- personnel** in services, personnel can be contact (those who the customers interact with) or ‘support’ (people who provide part of the overall service without direct interaction with the consumer).
- persuader** the role of a salesman, using ‘persuasion’ to effect a sale.

- persuasion** when a potential user moves from a state of neutral awareness about a product to the development of an attitude towards that object.
- persuasive advertising** advertising designed to elicit an attitude towards something.
- PEST (political, economic, sociological, technological)** an analysis based on the four major categories of the macro-environment.
- philosophy** a particular school of thought. In business terms, the marketing philosophy is that the firm needs to combine the resources at its disposal in the manner which will enable it to achieve its long term profit goals, whilst remembering that consumption is a 'democratic process'.
- physical distribution** see **logistics**.
- physical evidence** see **evidence**.
- physiological needs** basic needs essential to survival, for example, thirst or hunger.
- pilot marketing** tests the feasibility of the proposed marketing plan for a product.
- place** one of the 4Ps, 'place' takes into account all those activities involved in making products available to customers.
- planned market position** where the firm envisages the product or service in the market.
- planning** the method by which we seek to exercise some degree of control over the future.
- p-mail** postal contact (Shimp 2003) as opposed to e-mail.
- point of sale (POS)** materials or goods displayed next to the sales point to act as a reminder to the customer (can also be called point-of-service). Point-of-purchase are promotional materials placed in the shop near to the shelves stocking the product, for example advertising special offers.
- polarisation** when items move towards two opposing extremes, for example, in terms of retailing, small convenience stores are the 'polar opposite' of superstores.
- population** not only the numbers of people in a group, but also attributes such as age, sex and geographical distribution, and family size.
- portable media players** handheld devices allowing access different to digital media.
- portfolio** a collection of related items as in the 'product portfolio'.
- positioning** establishing a unique place in the competitive market for a product so that a sub-group of consumers perceive the product to be different in an important way from its competitors.
- positive circles** (Normann 1985) in which the good performance of the 'contact personnel' gives a positive reflection on the whole service business.
- post hoc** after the fact, for example collecting data then defining the method of analysis depending on the data gathered.
- post industrial information era** an age characterised by customisation, decentralisation, self-help, communication, networks and information overload.
- post purchase evaluation (PPE)** the final stage in the composite model of buying behaviour in which the consumer compares actual performance/satisfaction with that expected.
- poster** the medium used in outdoor advertising.
- postponement** delaying a decision.
- potential demand** where a consumer possesses purchasing power but is not currently buying.
- praxiology** 'the study of human action' (Crosier 1983).
- pre-conditions for take off** necessary stages for a society to develop economically. In Western Europe these were the evolution of modern science and the widening of the market.
- predetermined margin** an amount added to the costs of producing a product which gives a set level of profit.
- preparatory set** perceptual phenomenon by which people tend to perceive objects in terms of their expectations.
- present orientation** see **orientation**.
- Press** print media including national and regional newspapers, consumer magazines, business and professional magazines, and directories.
- prestige pricing** when the high price of a product implies prestige compared to lower priced competitors.
- price elasticity of demand** elasticity is the ratio of the relative change in the dependent variable (demand) to the relative change in an independent variable (price, consumer income). Thus, demand is said to be elastic when the relative change in the independent factor is greater than the relative change in the quantity demanded, and inelastic when it is less than the relative change in the quantity demanded.
- price positioning** the use of price to influence the buyer's perception of a product vis-à-vis competing products.
- pricing at the market** when a price reduction would not be justified by increased sales due to a perceived market price for a product.
- pricing objectives** the outcomes anticipated from the adoption of a given price strategy.
- pricing/pricing strategies** there are many approaches to setting a price for a product or

- service, including differential/flexible pricing; discrete pricing; discount pricing; diversionary pricing; guarantee pricing; high price maintenance pricing; loss leader pricing; offset pricing and price lining (adopting specific prices for specific categories of product).
- primacy effect** when information which is presented first is more effective, for example, in two-sided arguments controversial material is most effective when presented first.
- primary commodities** materials in their natural state.
- primary data** new data collected for the purpose of research.
- primary sector** this is concerned with the production of raw materials and includes industries such as agriculture, forestry and fishing.
- primary sources** raw data and documents in their original state.
- private brands** own brands of retailers which are sold in competition with manufacturer brands, often at a lower price, for example, Tesco Value products.
- probability** probability reflects the likelihood of an event expressed on a scale which runs from certain to impossible, to which, by convention, have been assigned the values 1.0 and 0.0 respectively. Intermediate points are assigned values which reflect the frequency with which they are expected to occur and the critical issue is the basis upon which the expectation is founded.
- probability sampling** when a sample is selected objectively, in that there is a known or calculable probability of being selected for every member of the population under research.
- problem recognition** the first step in the decision-making process.
- problem solving** can be 'extensive' often used in a new situation using the largest amount of information we can obtain, or 'limited', often used when we have experience of a particular subject and only need to assimilate a small amount of new information to make a decision.
- process** in services, this is the way in which a service is delivered to the customer.
- product** a combination of objective (tangible) and subjective (intangible) properties designed to provide need-satisfying experiences to consumers.
- product brands** brands which are given to each product family within a company portfolio, for example, Tide and Daz.
- product category** this is assigned depending on the core benefit of the product, for example, crisps are assigned to the snack food section of the supermarket.
- product development** where the company seeks increased sales by developing the existing product.
- product differentiated marketing** when a producer offers two or more different products based on their perception of differences in buying behaviour.
- product life-cycle (PLC)** the conventional PLC is seen as comprising four basic stages when sales are plotted against elapsed time from introduction. First, there is a period of very slow growth when the new product or idea is introduced to prospective users. This phase is terminated by a transition to a period of very rapid growth which eventually levels off into a period of maturity followed by a decline culminating in termination of the life cycle. The PLC should be seen as a generalised model of the stage through which all successful products will ultimately pass. It is not a predictive or forecasting tool.
- product manager concept** when it is the role of the product manager to coordinate all activities associated with the marketing of a given product, including planning, information seeking and evaluation, coordination and control.
- product mix** the nature of the different products of a firm.
- product oriented organisation** an organisation in which the primary focus is on technology and what it can make rather than customers and their needs.
- product policy** the strategy chosen for a particular product, for example, modifying the product offering in the light of changes in consumer demand.
- product portfolio** the collection of products offered for sale by an organisation.
- product portfolio analysis** a technique developed by the Boston Consulting Group for analysing individual products at different stages in their life cycle.
- product scope** the range of uses of a product.
- product testing** an objective appraisal of the product's performance, free of subjective associations created by other elements of the marketing mix, for example, price or brand image. See also **test marketing**.
- product-attribute-fixation** a focus on the attributes, features and functions of the product rather than the values and benefits looked for by customers.
- production orientation** an emphasis on increasing supply and reducing costs.
- production/consumption interface** the point at

which the producer and the consumer interact.

- profession** a practice which is regulated by its practitioners. This regulation consists of restricting admission to persons who have demonstrated mastery of a defined body of knowledge.
- professional services** services which require the provider to be qualified and often governed by a professional association which sets down standards of service and regulates the providers.
- Profit Impact of Market Strategy (PIMS)** a major study undertaken by the Marketing Science Institute to analyse the profit performance of businesses under varying conditions.
- profitability** an excess of income or revenues over expenditure; maximising profitability is seen as the primary objective of commercial organisations.
- profit-and-loss account** a financial statement of income and expenditure.
- promotion** promotion includes all activities involved in bringing the product to the attention of the intended customer and persuading them to buy it.
- promotional mix** see the **marketing communications mix**.
- promotional objectives** the objectives which determine a firm's promotional strategy, for example, increasing sales or improving brand recognition may require a different promotional mix.
- propaganda** publicly communicating an opinion for or against a specific topic.
- prospecting** identifying a potential market for a product.
- proved name registration (PNR)** a method to measure aided recall of advertising.
- psychographic analysis** a method of segmentation combining personality and demographic profiles.
- psychological influences** non-physiological drives learned through the process of socialisation which impacts on consumer behaviour.
- psychological pricing** using a price which has a psychological significance for the buyer, for example, 9.99 as opposed to 10.00.
- public regulation** government rules about the provision of services or product, for example, public transport pricing.
- public relations (PR)** strategy/ies to successfully manage the relationship between a firm and the public.
- publicity** unpaid promotion of a firm or product, as opposed to 'advertising' which is paid for.
- pull incentives** incentives offered to ultimate consumers to create a demand for a product and

'pull' it through the channels of distribution.

- purchasing function** the person or persons within an organisation who are responsible for buying goods and services required by the organisation. With specialisation and the growth of outsourcing purchasing or procurement has come to be seen as a strategic function.
- pure monopoly** when a firm is the sole supplier of a particular product or service, so much so that the firm and industry are synonymous.
- Q-sort technique** a methodology for collecting and processing data whereby the subjects sort statements into different categories.
- qualitative data** data that reflects attitudes and opinions collected by unstructured or semi-structured methods to gain insight into buyer behaviour. The insights gained may then be tested/validated by means of quantitative research using a representative sample of the population of interest.
- quality** in services, quality can be either technical (the service itself) or functional (the way the service is delivered) (Gronroos 1982).
- quality assurance** a guarantee of quality.
- quality indicator** any cue or stimulus used by the prospective buyer to assess quality. Price is frequently used as such an indicator.
- quality of life** personal satisfaction with one's 'standard of living'.
- quantitative** a method of analysis which provides data, normally numerical, for statistical analysis.
- quantitative data** data which can be statistically analysed.
- QUEST (quick environmental scanning technique)** is a 'future research process' (Nanus 1982) to allow a comprehensive first approximation of environmental trends and events critical to strategic decisions.
- questionnaires** a form of survey using questions which can be either open-ended, or have a choice of pre-set answers.
- quota sampling** when a respondent 'type' is specified on the basis of characteristics of the population at large.
- radio frequency identification (RFID)** uses passive electronic chips that are read by radio frequencies to track products through channels of distribution.
- ratio analysis** a methodology for analysing financial information to monitor performance against objectives and over time; e.g. current assets related to current liabilities.

- ratio scales** the most powerful of scales which permit absolute comparison of the objects e.g. 6 metres is twice as high as 3 metres and six times as high as 1 metre.
- rationalisation** generally any action designed to improve efficiency. Specifically, it is a form of ego-defence in which unattainable goals are discarded as undesirable while attainable goals are seen as being more desirable.
- raw materials** those industrial materials which in part or in whole become a portion of the physical product but which have undergone no more processing than is required for convenience, protection, economy in storage, transportation or handling. Materials in their natural state can also be termed primary commodities.
- recall** what people can remember of a message. It can be 'aided' (prompted by a stimulus) or 'unaided' (no prompting).
- receiver** in communication terms, someone who receives and understands information transferred by a 'sender'.
- recentralised decentralisation** when functions which have been devolved to different groups within an organisation are brought back under close control of a core group.
- recession** a period of depressed demand due to external economic factors.
- reference groups** comprise associations of people who are interdependent, so that their behaviour can affect each other, who share an ideology comprising beliefs, values and norms that regulates their mutual conduct.
- regional shopping centres** large, purpose built collection of retail outlets sharing a common site with access to major transportation links, and offering extensive parking facilities which attracts customers from an extensive geographical catchment area.
- rejection** one of three possible outcomes of the buying decision process; the others are adoption or purchase, and deferral - the postponement of a decision for the time being.
- relationship marketing** the dominant paradigm of marketing from the early 1990s when it took over from the managerial school. It has its basis in Europe in the 1930s but became dominant after a seminal article in the Journal of Marketing by Fred Webster Jr in 1992. Relationship marketing emphasises that both buyers and sellers benefit more if they enter into a continuing relationship within which the seller makes a special effort to determine the buyers needs and meet them, while the buyer rewards the seller with their continuing patronage. This approach is felt to reflect the true meaning of the marketing concept by contrast with approaches which emphasise the transaction as the basis of exchange relationships.
- relative advantage** the degree to which a product is perceived as better than an existing product - the higher the relative advantage, the higher the likelihood of adoption.
- relative income hypothesis** holds that expenditures/saving patterns depend upon the relative position of the spending unit on the income scale, and not on the absolute income earned. This hypothesis recognises the 'keeping up with the Joneses' phenomenon.
- resource theory** a view that sees strategy as the matching of an organisation's resources, or 'strengths', with market opportunities.
- respondent consistency** a tendency to avoid making contradictory statements when responding to questioning.
- respondent self-selection** a view that persons who agree to be interviewed have a particular interest in a subject and so may give biased answers.
- retail co-operatives** voluntary association of retailers who agree to collaborate with one another for purposes of sourcing goods (economies of scale), promotional purposes etc.
- retail parks** see **regional shopping centres**.
- retail price** the final price asked of the consumer.
- retail revolution** the scale of innovation and changes in retail structure during the later part of the twentieth century, following the restrictions from the World Wars which lasted until 1952, and which had stagnated the normal evolution of the retail trade.
- retailing** all those activities necessary to sell goods into final consumption.
- return path** in DiTV terms this is a means for an end user to interact with the broadcaster normally via a telephone line connected to their digibox, using their remote control.
- Rorschach ink blot test** a test where respondents are asked to look at pictures of 'ink blots' and describe the associations that come to mind.
- RSP (recommended selling price)** also known as recommended retail price (RRP) this is the price the manufacturer assigns to a product for sale to the end consumer.
- safety needs** physical and lifestyle security often achieved through group membership.
- sales orientation** a company selling what it can produce.
- sales promotion** promoting a firm or product

through methods other than advertising, such as by displays or demonstrations.

sample a subset of a population.

sampling the process of selecting a subgroup of a population of interest for the collection of information that may then be generalised to the whole population. Samples may be probability or non-probability based and vary significantly in terms of cost and reliability.

scale economies savings in costs accruing from operating on a larger scale. While these are important in manufacturing, technological innovation has reduced their importance and scale in marketing has become more important.

scales these can be nominal scales (where the number assigned only serves to identify the objects under consideration), ordinal scales (these scales seek to impose more structure on objects by rank ordering them in terms of some property which they possess such as height or weight), Interval scales (founded on the assumption of equal intervals between numbers, i.e. the space between 5 and 10 is the same as the space between 45 and 50 and in both cases this distance is five times as great as that between 1 and 2 or 11 and 12 etc.), and ratio scales (these are the most powerful and possess all the properties of nominal, ordinal and interval scales, while in addition they have an absolute zero point, so they permit absolute comparisons of the objects e.g. 6 metres is twice as high as 3 metres and six times as high as 1 metre).

scientific management the development of management as a discipline, dating from the early twentieth century.

screening the evaluation of an object, e.g. ideas and concepts in new product development, to assess their suitability.

search domain the definition of the firm's environment.

secondary sector firms which change the nature and form of raw materials through some form of manufacturing process to the point where they are suitable for consumption either by industrial users or ultimate consumers.

secondary sources existing research and data usually consulted as the first stage in a research project.

segmentation the act of disaggregating market demand into a number of discrete sub-markets for the purpose of developing specific marketing mixes for some or all of them.

selective distribution see 'intensity of distribution'.

selective exposure the avoidance of stimuli that may not be congruent with the intended receiver's self-perception, values or beliefs.

selective perception when individuals screen out stimuli which they do not understand or do not wish to recognise. This can be conscious or sub-conscious.

self-actualisation the highest level of Maslow's 'hierarchy of needs', representing the personal need to 'do one's own thing'.

self-analysis that part of the marketing audit designed to identify the organisation's strengths and weaknesses.

self-liquidating premiums a sales promotion, the costs of which are covered by payments from those tasking up the offer.

self-service outlets outlets where the customer selects the merchandise themselves.

self-sufficiency the second of three stages of economic development.

selling, general and administrative expenses (SGA) usually covered, along with profit, by the 'margin'.

semantic differential technique a five to nine point scale between two polar opposites, for example, strong/weak, good/bad.

semi-structured interview see 'interview'.

sendaway a sales promotion in which the person taking up the offer has to apply, or 'sendaway', for it.

sender in communication terms, the part which initiates a transfer of information to a 'receiver'.

sensation sensation occurs when a sense organ receives a stimulus.

sensory memory (SM) this is equivalent to conscious recognition of a stimulus.

sentence completion tests a projective technique in which the respondent completes a sentence on the premise that by imputting the thought to a third person they are more likely to reveal their true beliefs which they might suppress if asked a direct question.

service perishability see 'perishability'.

service-based approach the use of a marketing mix where service elements are emphasised more than objective attributes and features.

services any activity or benefit performed by individuals and/or organisations where the object of marketing is an intangible, aimed at satisfying the needs and wants of customers and/or industrial users without any acquisition of physical goods arising from the exchange transaction.

share of voice see 'metric of awareness'.

- shareholder value** the value of the equity in an organisation if it were to be sold. This is reflected in the share price but, given the value of intangible value of assets like brands, it can only be determined accurately by a sale of the business.
- shopping goods** consumer goods which the customer in the process of selection and purchase characteristically compares on bases such as suitability, quality, price and style.
- short-term memory** the first stage of the memory process, able to hold around 7 pieces of information simultaneously (Miller 1956).
- single level marketing (SLM)** an operation which employs direct selling methods see **multi level marketing** as a contrast.
- skimming** also known as 'skimming the market', this is charging the highest price customers are prepared to pay so restricting sales to those for whom it has the greatest salience and the necessary purchasing power. This is often followed by the introduction of an 'economy' version of the product at a lower price for wider consumption.
- snowballing** when something increases in size in an out of control manner.
- social class** the stratification of a society into a number of sub-divisions based upon common characteristics such as income, education, occupation, and social status or prestige.
- social marketing** an alternative interpretation of marketing as a purely business orientated activity which proposes that its philosophical base and justification rests in meeting the needs of society.
- socially responsible marketing** marketing practices that are seen to be socially responsible, e.g. not promoting alcohol to teenagers.
- socioeconomic grouping** the social class to which an individual belongs.
- soft data** qualitative data that has not been quantified.
- soft technologies** see **technology**.
- source** the origination of a stimulus.
- source credibility** the audience's perception of the expertness and trustworthiness of the source.
- source effect** when the audience's reaction to a message is shaped by their perception of the source.
- spam/junk** in internet terms spam is unsolicited contact, normally by email, and junk is the telephone equivalent.
- span of control** the manpower of a specific level of an organisation.
- specialisation** the third and final stage of a society's economic development.
- specialty chain stores** multiple retailers offering a narrow selection of product lines but in great depth, e.g. Office Works.
- specialty goods** consumer goods on which a significant group of buyers characteristically insist and for which they are willing to make a special purchasing effort.
- speculation** predicting a course of action which will create maximum profit.
- standard of living** the level of subsistence or material wealth of a society.
- standards of appraisal** the predefined standards by which performance can be measured.
- Statistical Package for the Social Sciences (SPSS)** a software package containing several multivariate analysis techniques.
- stimulus** any kind or form of change that acts on a sense organ - vision, bearing, taste, smell, touch which includes pressure, pain, cold and warmth, balance, muscle coordination or kinaesthetic sense, and the visceral senses. The stimulus may be chemical, mechanical or physical in nature.
- stimulus factors** are neutral in the sense that they are intrinsic to the stimulus and so will be received in exactly the same way by all receivers with normal sensory capabilities. When received by the brain they are organised into patterns following tendencies of similarity, proximity, continuity and context.
- stimulus-response theory** one of the earliest explanations for how advertising works, based upon the idea that advertising is perceived as the stimulus, and purchasing behaviour is the intended and desired response.
- stock-turn** the number of times stock 'turns over' (is sold) in a given period.
- straight rebuy** a purchase made without any re-evaluation of the price or properties of the good or service.
- strategic/key issues** issues which may have a significant impact upon the organisation's performance.
- strategic alternatives** possible strategies for the firm to pursue.
- strategic business unit (SBU)** a self contained unit within a corporation able to operate as a business in its own right.
- strategic marketing planning (SMP)** SMP is concerned with establishing the goal or purpose of an organisation and the means chosen for achieving that goal.
- strategic variable** the variable which takes precedence in a product strategy.
- strategy** the objectives, purposes or goals to be pursued by an organisation and the plans for their

- achievement.
- structured questionnaires** questionnaires in which the possible answers have been predetermined.
- subjective factors** perceived as opposed to actual differences between products.
- subsidise** to give help by providing financial support.
- substitutability** when one function can replace another without changing the outcome.
- suburbanisation** a move towards the suburbs and away from city centres, characterised in retailing by the rise of retail parks in suburban locations.
- successive focusing** a series of steps performed by managers starting with undirected viewing narrowing down through using more formal information sources to reach a decision.
- sunk cost** a fixed initial expenditure.
- super-corporation** from Galbraith (1974); when one firm has such control over supplies of essential goods and services that it may exercise undue influence over the operation of the state.
- superimpose** the attempt of one party to exercise their will over others.
- supplies** those industrial goods which do not become a part of the physical product or which are continually exhausted in facilitating the operation of an enterprise.
- supply** technically, a projection of the volume of goods or services which would be made available at any given price. In ordinary usage, the total volume offered for sale in a market.
- supply chain** all those individuals and organisations involved in the creation and distribution of goods and services to make them available for consumption.
- survey** the evaluation, analysis and description of a population based upon a sample drawn from it. There are three main kinds, factual (designed to collect quantitative data), opinion (designed to collect qualitative opinions from subjects) and interpretive (when respondents are asked to explain why they hold particular beliefs or behave in a certain way).
- survival** the most basic stage of economic development.
- switching** changing from purchasing one brand to another.
- SWOT analysis (strengths, weaknesses, opportunities and threats)** a popular shorthand for the environmental analysis and marketing audit which comprises an essential part of formal strategic marketing planning. Specifically, strengths and weaknesses relate to the present and expected future status of the company and are determined through the marketing audit while opportunities and threats exist in the present and future environment in which the organisation is to operate.
- symbol grocers** members of a voluntary chain who agree to adopt a house style and carry 'own brands' from the wholesaler and in return can benefit from joint promotional strategies and capital for store improvements. Spar is an example of this practice.
- symbol groups** other associations of retailers who trade under a shared identity.
- symbolic code** representation of a message in terms of words, music, gestures etc.
- symbolism** the representation of a product or related concepts in symbolic form.
- synthetic discipline** a synthetic discipline is one that seeks to 'synthesise' (incorporate) knowledge and ideas derived from other disciplines into an integrated and systematic way of thinking.
- systems selling** adding value to a product with a broader set of benefits, for example after sales service.
- tabloids** a kind of daily newspaper.
- tactics** specific, short-term actions taken to implement a chosen strategy.
- take off** the take off of the market comes through achieving rapid growth in a limited group of sectors. It is defined as occurring when society is able to sustain an annual rate of net investment of around 10%.
- target marketing** where the seller defines the needs of groups of potential buyers and designs products specifically to meet these needs.
- targeting** using a series of questions to select a market segment on which to concentrate.
- task force** a group of individuals put together to perform a specific function.
- task specialisation** as individuals are freed by society's economic development to specialise in their specific fields of interest they become more skilled, and individual productivity is increased.
- task uncertainty** the risk perceived in taking a course of action due to lack of information about the possible outcome.
- technical complexity** the degree to which an object is perceived as difficult to use or understand due to its technical properties.
- technical quality** see **quality**.
- technological innovation** a major source of economic growth and a condition of overall competitiveness.
- technology** in services, after Levitt (1976) can be

- categorised as 'hard' (when machinery provides a service for example a dishwasher), 'soft' (when pre-planned systems provide a service for example, package holidays) or 'hybrid' (a combination of hard equipment and soft systems).
- telemarketing** selling using the telephone as the channel of communication.
- television** one of the 'big five' advertising media.
- television sponsorship** where a firm or product sponsors a specific programme or series of programmes and at the beginning and end of each episode and commercial break this link is highlighted. This is becoming increasingly common in the UK market.
- territory design** organising sales territories to maximise opportunities and potential and minimise costs, for example, travel and time.
- tertiary sector** all organisations which provide services such as retailing, banking etc.
- test marketing** test marketing consists of launching the product on a limited scale in a representative market, thus avoiding the costs of a full-scale launch while permitting the collection of market data which may subsequently be used for predictive purposes, and includes factors such as price, packaging and brand image as well as the product itself.
- testing of mix variables** this is when only one attribute of the marketing mix, for example packaging, is tested as opposed to test marketing which looks at the collective impact of all variables simultaneously.
- thematic apperception tests (TAT)** a projective technique used in motivation research.
- theories of competition** the essence of competition is rivalry between business units to get customer patronage, thereby increasing sales and consequently security, growth and profits.
- theory for marketing services** this approach argues that the marketing of services is more complex than the marketing of goods due to the difference in the end product and the simultaneous production and consumption process.
- theory of comparative advantage** originated by Ricardo in the early 19thC, the essential concept is that by specialisation and through trade, countries improve their overall standard of living.
- three era's conceptualisation** production, sales and marketing identified by Robert Keith in the US in the 1950s, the process of a company through a production orientation and a sales orientation to a marketing orientation.
- Thurstone scales** an attempt to construct an interval scale by selecting a set of statements about a subject which range from very unfavourable to very favourable expressions of attitude about the subject. Each statement has an associated score.
- time to market** the time to develop a product and get it on to the market.
- total cost curve** see **costs**.
- total quality management** adding value to a product or service by increasing the intrinsic quality.
- total revenue** total amount of income generated by a product before costs are deducted.
- Trade Descriptions Act** a UK Government Act regulating the accuracy of quantitative statements about a product.
- Trademark** a special kind of brand, or symbol, which can be registered and gives the owner rights of protection against copying or counterfeiting.
- traditional panels** see '**panels**'.
- traditional societies** societies characterised by a lack of technology in which approximately 75% of all activity is focussed on food production.
- transactions** an exchange between a buyer and seller.
- transfer of ownership** when an intermediary acts between the producer and the consumer to effect a sale.
- transportation advertising** advertising on the transportation system, for example adverts on the London Underground or at bus shelters.
- trialability** the extent to which an individual is able to try out an innovation before coming to a decision.
- umbrella brands** brands which encompass several products from the same manufacturer, for example, Nestlé, Nike.
- unaided recall** see '**recall**'.
- undifferentiated strategy** an undifferentiated strategy exists when the supplier offers the same or undifferentiated product to all persons or organisations believed to have a demand for a product of that type. When the emphasis is on price as the only differentiating factor, this is known as a cost-leadership strategy.
- unidimensional scaling** see **multidimensional scaling**.
- unique selling point (USP)** a concept developed by Rosser Reeves that proposed that effective advertising required the identification of a differentiating factor that was unique to it.
- uniqueness** the differentiating factor that enable potential buyers to distinguish between products

that are close substitutes for one another.

Increasingly this is the Brand as opposed to some physical aspect of the product.

unit variable cost the costs incurred in producing an additional unit of output.

Universal Product Code System (UPC) a system of product identification using numbers to identify an object for sale. See **barcode**.

unstructured questionnaires or interviews which do not follow a set pattern, as opposed to 'directed' methods.

VALS™ (Values and Lifestyles) a specific process of segmentation developed by SRI Consulting Business Intelligence, which uses dimensions of motivation and resources and categorises consumers into one of eight segments.

value analysis the systematic evaluation of the individual elements of a manufactured product to determine the optimum combination to satisfy the users needs at minimum cost.

value chain a concept that recognises that there is a continuous link or chain right the way through from the extraction of raw materials to the provision of post-purchase service. Value is added at each stage and a major strategic consideration is where and how value is added as this is a source of competitive advantage.

value chain analysis analysis to identify where value is added.

value proposition this endows the brand with its unique qualities and benefits that will accrue to the buyer and encourage a relationship with it.

values generalised beliefs about behaviour derived from personal experience and mediated by environment.

variety chain stores multiple retailers offering a wide range of merchandise, e.g. Marks and Spencer.

vertical integration when a firm takes over a different level in the distributive channel, for example, a firm which has become dominant in the extraction or production of a basic raw material may integrate forward into the processing of that raw material into a finished product. Conversely, a manufacturing concern may decide to integrate backwards into primary production in order to achieve control over essential factor inputs. Similarly, firms engaged in primary or secondary industries may perceive advantages through integrating forward into the tertiary sector and achieving control of the distributive function.

vertical marketing system (VMS) a marketing

channel which is vertically integrated, either administered (led by one 'channel leader'), contractual (officially organised by a prearranged contract) or corporate (when one firm expands through integration to take on other parts of the system).

viral marketing a process whereby marketing communications are aimed at opinion leaders and then these opinion leaders will spread the message through electronic means.

virtual marketplace a market that has no physical location but exists in cyberspace.

VOIP (Voice Over Internet Protocol) allows voice transmissions over the internet as well as data.

voluntary chains these are groups of independent retailers who agree to use one wholesaler and place minimum regular orders through an agreed system with that wholesaler. In return, the retailer gains from economies on storage and transportation.

warm market in network marketing, the immediate circle of contacts of a distributor.

weak signal management an aspect of environmental analysis that seeks to identify early indications of potential changes so that the organisation can prepare contingency plans for dealing with such changes if they materialise.

web survey a kind of survey method where respondents visit a website and fill out a questionnaire online.

website a collection of 'pages' of information, which can be graphical (including video), textual and aural, and which are available on the Internet to be visited.

wheel of retailing a hypothesis developed by McNair (1958) where new retailers enter the market as low margin, low price operators, then gradually develop into more elaborate companies finally maturing as high cost, high price established businesses.

wholesaler an intermediary in the supply chain that buys in bulk for resale to others.

widening of the market a wider market brings not only increased trading opportunities but also international influence in terms of finance and incentives.

wi-max a development which allows broadband to expand its interconnectivity to a range of 30 miles.

word association tests a projective technique used in motivation research in which the respondent is asked to write down the first thing that comes into their minds when presented with a particular word.

word of mouse word of mouth in the electronic environment, for example, a satisfied customer posting a review of a product on a website.

word of mouth the recommendation of a product to a potential customer by an existing customer. 'Negative' word of mouth is when an existing customer actively discourages a potential customer from purchasing a product.

world wide web information stored on the internet

zapping the practice of switching through several channels using a remote control during advertising breaks in programming.

zipping fast forwarding through a pre-recorded broadcast to avoid the commercials.