

GLOSSARY

A

Advertising any paid form of communication sent through a mass medium by an organization that delivers a message to many people at the same time (p. 135)

B

Basic product the physical product in its simplest form (p. 64)

Brand a name, symbol, word, or design that identifies a product, service, or company (p. 65)

Bricks and mortar a business that completes most of its business activities in traditional ways (p. 21)

Business information the type of information the business needs to collect in order to understand its strengths and weaknesses (p. 39)

Business markets the companies and organizations that purchase products for the operations of a business or the completion of a business activity (p. 50)

Buying behavior the decision processes and actions of consumers as they buy and use services and products (p. 48)

Buying motives the reasons consumers buy (p. 46)

C

Capital equipment the land buildings and major pieces of equipment that are usually the most expensive products purchased by a business (p. 52)

Channels of distribution the routes that products follow in moving from the producer to the consumer including all related activities and participating organizations (p. 89)

Component parts elements of products that a business makes that are processed partially or totally by another company (p. 52)

Consumer credit credit extended by a retail business to a consumer (p. 117)

Customer information information on prospective customers that is used to select the best target markets (p. 39)

D

Decline stage occurs when a new product is introduced that is much better or easier to use and customers switch from the old product to the new product (p. 74)

Direct distribution when producers sell directly to the consumer (p. 89)

Direct marketing the producer sells and distributes its products to consumers (p. 89)

Distribution determining the best methods and procedure to be used so customers are able to locate, obtain, and use the products and services of an organization (p. 6)

Distribution makes the product available where and when the customer wants it (p. 35)

Dot.com a business that completes most of its business activities through the Internet (p. 21)

E

E-commerce the exchange of goods, services, information, or other business through electronic means (p. 20)

Economic utility the amount of satisfaction a consumer receives from the consumption of a particular product or service (p. 12)

Emotional motives reasons to purchase based on feelings (p. 46)

Enhanced product adds features and options to the basic product (p. 64)

Evaluation of alternatives consumers use information they gather to evaluate their buying choices (p. 48)

Exchange two people of an organization involved in a transaction (p. 5)

Experiments tightly controlled situations in which all important factors are the same except the one being studied (p. 43)

Exporting selling products and services to markets in other countries (p. 100)

Extended product includes additional features that are not part of the physical product but increases its usability (p. 64)

External information provides an understanding of factors outside of the organization (p. 41)

F

Features added to improve the basic product (p. 64)

Financing includes budgeting for marketing activities, obtaining the necessary financing, and providing financial assistance to customers to assist them with purchasing the organization's products and services (p. 117)

Form utility results from actual changes in the product (p. 12)

Franchising allows a service to be provided in a variety of locations while maintaining a consistent image and level of quality (p. 80)

G

Growth stage point in the product life cycle when several brands of a new product are available (p. 74)

H

Hierarchy of needs identifies five areas that guide behavior—physiological, security, social, esteem, and self-actualization (p. 46)

I

Image a unique, memorable quality of a brand (p. 65)

Importing purchasing products and services that are produced in other countries (p. 100)

Indirect distribution when distribution involves other businesses in addition to the producer (p. 89)

Inform first role of promotion (p. 133)

Information search the consumer gathers information about alternative solutions (p. 48)

Internal information information that flows through a business that is valuable for marketing (p. 40)

J

Joint venture an agreement between independent companies to participate in common business activities (p. 100)

L

Law of demand the relationship between price and purchase decisions (p. 11)

Law of supply the relationship between price and product decisions (p. 11)

Loyalty motives based on satisfying relationships (p. 47)

M

Maintenance contract a support service that will pay for repair work if the product fails to operate properly (p. 65)

Markdown reduction in price (p. 114)

Market a broad group of prospective customers that a company wants to serve (p. 33)

Marketing develops and maintains satisfying exchange relationships between business and consumers (p. 5)

Marketing concept using the needs of customers as the primary focus during the planning, production, and promotion of a product or service (p. 17)

Marketing information management obtaining, managing, and using market information to improve business decision making and the performance of marketing activities (p. 6)

Marketing information system allows the information from many sources to be collected, stored and analyzed when needed to improve new product decisions (p. 68)

Marketing mix the blending of four marketing elements—products, distributions, price, and promotion (p. 34)

Marketing research a procedure designed to identify solutions to a specific marketing problem through the use of scientific problem-solving (p. 42)

Marketing strategy a company's plan that identifies how it will use marketing to achieve its goals (p. 33)

Markup the amount added to the cost of the goods to cover all other expenses plus a profit (p. 113)

Mass communication involves communication with a large number of people at the same time with limited or no interaction (p. 134)

Maturity stage the product has many competing brands with similar features (p. 74)

Mixed merchandise store offers products from several different categories (p. 97)

Multinational business companies that have operations in many other countries and that regularly engage in international business (p. 101)

N

Need anything you require to live (p. 45)

Non-price competition emphasizes factors other than price as the important reason for customers to buy (p. 122)

Non-profit organization organizations that have specific goals of clients that they are organized to serve and providing that service is the reason they exist. While they need an adequate budget to operate, profit is not the primary motive for their existence (p. 51)

Non-store retailing sells directly to the consumer's home rather than requiring the consumer to travel to a store (p. 97)

O

Observation collects information by recording people's actions without interacting or communicating with the participant (p. 43)

Operating equipment smaller less expensive equipment used in the operation of the business or in the production and sale of products and services (p. 52)

Organizational advertising promotes the company and its image rather than any specific product (p. 135)

P

Packaging provides protection and security for the product during distribution (p. 65)

Personal communication involves a very small number of people in a direct two-way information exchange (p. 134)

Personal selling direct, individualized communications with one or a very few customers with the goal of assessing and meeting their needs with appropriate products and services (p. 141)

Persuasion encourages a customer to take a specific action such as visit a store, request additional information, or purchase a product (p. 133)

Place utility making products and services available where the consumer wants them (p. 12)

Possession utility makes products and services more affordable (p. 13)

Post-purchase evaluation the consumer uses the purchase and decides if it met the need or solved the problem (p. 48)

Price the cost of the product or service paid by the customer (p. 111)

Price competition rivalry among businesses where the primary difference is the price offered (p. 122)

Pricing establishing and communicating the value of products and services to prospective customers (p. 111)

Problem recognition the consumer recognizes a need (p. 48)

Product anything offered to a market by the business to satisfy needs (p. 63)

Product advertising designed to sell a specific product or service (p. 135)

Product life cycles the stages of sales and profit performance through which all brands of a product progress as a result of competition (p. 73)

Product/service planning assisting in the design and development of products and services that will meet the needs or prospective customers (p. 67)

Promotion the methods used and information communicated to consumers (p. 132)

Prototype a sample of the product (p. 71)

Publicity information communicated through a mass medium that is not paid for or controlled by the company (p. 148)

Purchase decision if a suitable choice is available and affordable the consumer will make a selection and complete the purchase (p. 48)

Purchase volume the number of business customers that make up a market for a particular type of product (p. 53)

R

Rational motives reasons to buy based on facts or logic (p. 46)

Raw materials unprocessed products used as basic materials for the products to be produced (p. 52)

Retailers the final business organization in an indirect channel of distribution for consumer products (p. 96)

S

Sales promotion the use of activities or materials that offer customers a direct incentive to buy a product or service (p. 147)

Selling communicating directly with prospective customers to assess and satisfy their needs (p. 6)

Selling price price consumers are charged for a product or service (p. 113)

Service businesses activities provided directly to the customer by a business. Services cover a broad range of activities including insurance, transportation, accounting, cleaning, repair and many others (p. 51)

Services activities that do not result in the ownership of anything tangible (p. 79)

Single- or limited-line store offers products from one category of merchandising or closely related items (p. 96)

Superstore very large stores that offer consumers wide choices of products (p. 97)

Supplies products and materials consumed in the operation of a business (p. 52)

Survey a planned set of questions to which individuals or groups of people respond (p. 43)

T

Target market a smaller group or segment of a market in which customers have similar characteristics and needs (p. 33)

Test market a small representative part of the total market (p. 69)

Time utility results from making the product or service available when the customer wants it (p. 12)

Trade credit financing offered by one business to another business (p. 117)

W

Want an unfulfilled desire (p. 45)

Wholesalers companies that assist with distribution activities between businesses (p. 95)