

Business Glossary

80/20 Rule: A concept that suggests 80 percent of a firm's sales are obtained from 20 percent of its customers.

Abutting (Contiguous; Adjacent): Having one or more common boundary lines or district lines.

Account Management Policies: Specifies who salespeople should contact, what kinds of selling and customer service activities should be engaged in, and how these activities should be carried out.

Adaptive Selling: A need-satisfaction presentation format that involves adjusting the presentation to fit the selling situation, such as knowing when to offer solutions and when to ask for more information.

Advertising: Any paid form of non-personal communication about an organization, product, service, or idea by an identified sponsor.

Alley: A public right-of-way which is less than 30 feet (nine meters) wide and affords a secondary means of access to abutting property. Frontage on an alley shall not be construed as satisfying the requirements related to frontage on a public street.

Alteration: A change in shape, location, character, occupancy or use of a building or structure.

Apps: Small, downloadable software programs that can run on smartphones and tablet devices. Also called *mobile apps* or *applications*.

Arterial Road: A street that provides for through traffic movement between and around areas, with restricted access to abutting property and subject to necessary control of entrances and exits.

Attitude: A learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way.

Baby Boomers: Includes the generation of 76 million among the U.S. population born between 1946 and 1964.

Back Translation: The practice where a translated word or phrase is retranslated into the original language by a different interpreter to catch errors.

Behavioral Targeting: Uses information provided by cookies for directing online advertising from marketers to those online shoppers whose behavioral profiles suggest they would be interested in such advertising.

Beliefs: A consumer's subjective perception of how a product or brand performs on different attributes based on personal experience, advertising, and discussions with other people.

Blog: A contraction of "web log," is a web page that serves as a publicly accessible personal journal and online forum for an individual or organization.

Bots: Electronic shopping agents or robots that comb websites to compare prices and product or service features.

Brand Equity: The added value a brand name gives to a product beyond the functional benefits provided.

Brand Loyalty: A favorable attitude toward and consistent purchase of a single brand over time.

Brand Name: Any word, device (design, sound, shape, or color), or combination of these used to distinguish a seller's goods or services.

Brand Personality: A set of human characteristics associated with a brand name.

Branding: A marketing decision in which an organization uses a name, phrase, design, symbols, or combination of these to identify its products and distinguish them from those of competitors.

Break-Even Analysis: A technique that analyzes the relationship between total revenue and total cost to determine profitability at various levels of output.

Brokers: Independent firms or individuals whose principal function is to bring buyers and sellers together to make sales.

Building, Detached: A building which is not connected to any other building or structure.

Building Line: An imaginary line running parallel to a lot line, that is the same distance from the lot line as the closest portion of a building on the site.

Building, Principal: A building in which a principal use is conducted.

Building, Residential: A building which is arranged, designed, used or intended to be used for residential occupancy by one or more families or lodgers.

Building, Temporary: Any building not designed to be permanently affixed to any given location.

Business: The clear, broad, underlying industry or market sector of an organization's offering.

Business Marketing: The marketing of products and services to companies, governments, or not-for-profit organizations for use in the creation of products and services that they can produce and market to others.

Business Plan: A road map for the entire organization for a specified future period of time, such as one year or five years.

Business Portfolio Analysis: A technique that managers use to quantify performance measures and growth targets to analyze their firms' strategic business units (SBUs) as though they were a collection of separate investments.

Business Products: Products organizations buy that assist in providing other products for resale. Also called *B2B products* or *industrial products*.

Buy Classes: Consist of three types of organizational buying situations: straight rebuy, new buy, and modified rebuy.

Buying Center: The group of people in an organization who participate in the buying process and share common goals, risks, and knowledge important to a purchase decision.

Capacity Management: Integrating the service component of the marketing mix with efforts to influence consumer demand.

Category Management: An approach to managing the assortment of merchandise in which a manager is assigned the responsibility for selecting all products that consumers in a market segment might view as substitutes for each other, with the objective of maximizing sales and profits in the category.

Cause Marketing: Occurs when the charitable contributions of a firm are tied directly to the customer revenues produced through the promotion of one of its products.

Channel Conflict: Arises when one channel member believes another channel member is engaged in behavior that prevents it from achieving its goals.

Choiceboard: An interactive, Internet-enabled system that allows individual customers to design their own products and services by answering a few questions and choosing from a menu of product or service attributes (or components), prices, and delivery options.

Code of Ethics: A formal statement of ethical principles and rules of conduct.

Collaborative Filtering: A process that automatically groups people with similar buying intentions, preferences, and behaviors and predicts future purchases.

Collector Road: A street that provides for traffic movement between arterial roads and local streets, with direct access to abutting property.

Communication: The process of conveying a message to others that requires six elements: a source, a message, a channel of communication, a receiver, and the processes of encoding and decoding.

Competition: The alternative firms that could provide a product to satisfy a specific market's needs.

Constraints: In a decision, the restrictions placed on potential solutions to a problem.

Consultative Selling: A need-satisfaction presentation format that focuses on problem identification, where the salesperson serves as an expert on problem recognition and resolution.

Consumer Behavior: The actions a person takes in purchasing and using products and services, including the mental and social processes that come before and after these actions.

Consumer Bill of Rights (1962): A law that codified the ethics of exchange between buyers and sellers, including the rights to safety, to be informed, to choose, and to be heard.

Consumer Products: Products purchased by the ultimate consumer.

Consumerism: A grassroots movement started in the 1960s to increase the influence, power, and rights of consumers in dealing with institutions.

Consumer-Oriented Sales Promotion: Sales tools used to support a company's advertising and personal selling directed to ultimate consumers. Also called *consumer promotions*.

Cookies: Computer files that a marketer can download onto the computer and mobile phone of an online shopper who visits the marketer's website.

Cooperative Advertising: Advertising programs by which a manufacturer pays a percentage of the retailer's local advertising expense for advertising the manufacturer's products.

Core Values: The fundamental, passionate, and enduring principles of an organization that guide its conduct over time.

Cross-Channel Shopper: An online consumer who researches products online and then purchases them at a retail store.

Cross-Cultural Analysis: The study of similarities and differences among consumers in two or more nations or societies.

Cultural Symbols: Things that represent ideas and concepts.

Culture: The set of values, ideas, and attitudes that are learned and shared among the members of a group.

Currency Exchange Rate: The price of one country's currency expressed in terms of another country's currency.

Cross Elasticity of Demand: The change in the quantity demanded of one product or service impacting the change in demand for another product or service.

Customer Experience Management (CEM): The process of managing the entire customer experience within the company.

Customer Service: The ability of logistics management to satisfy users in terms of time, dependability, communication, and convenience.

Customer Value: The unique combination of benefits received by targeted buyers that include quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.

Customer Value Proposition: A cluster of benefits that an organization promises customers to satisfy their needs.

Customs: The normal and expected ways of doing things in a specific country.

Data: The facts and figures related to the problem that are divided into two main parts: secondary data and primary data.

Debt and Equity: The sum of liabilities and capital. This should always be equal to total assets.

Dedicate; Dedication: Transfer of the ownership of a right-of-way or other parcel of land or improvement to a public or private entity without compensation.

Demand Curve: A graph relating the quantity sold and price, which shows the maximum number of units that will be sold at a given price.

Demographics: Describing a population according to selected characteristics such as age, gender, ethnicity, income, and occupation.

Derived Demand: The demand for industrial products and services that is driven by, or derived from, demand for consumer products and services.

Direct Marketing: A promotion alternative that uses direct communication with consumers to generate a response in the form of an order, a request for further information, or a visit to a retail outlet.

Direct Orders: The result of direct marketing offers that contain all the information necessary for a prospective buyer to make a decision to purchase and complete the transaction.

Disintermediation: Channel conflict that arises when a channel member bypasses another member and sells or buys products direct.

Diversification Analysis: A technique that helps a firm search for growth opportunities from among current and new markets as well as current and new products.

Dividends: Money distributed to the owners of a business as profits.

Dual Distribution: An arrangement whereby a firm reaches different buyers by employing two or more different types of channels for the same basic product.

Dynamic Pricing: The practice of changing prices for products and services in real time in response to supply and demand conditions.

Easement: That portion or quantity of land set aside in which a liberty, privilege or advantage in land without profit is dedicated and is distinct from fee ownership of the land and is granted either to the public, a particular person or a combination of both.

Economy: Pertains to the income, expenditures, and resources that affect the cost of running a business and household.

Eight-Second Rule: A view that customers will abandon their efforts to enter and navigate a website if download time exceeds eight seconds.

E-Marketplaces: Online trading communities that bring together buyers and supplier organizations to make possible the real time exchange of information, money, products, and services. Also called *B2B exchanges* or *e-hubs*.

Environmental Forces: The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.

Environmental Scanning: The process of continually acquiring information on events occurring outside the organization to identify and interpret potential trends.

Ethics: The moral principles and values that govern the actions and decisions of an individual or group.

Exchange: The trade of things of value between a buyer and seller so that each is better off after the trade.

Exclusive Distribution: A level of distribution density whereby only one retailer in a specific geographical area carries the firm's products.

Exporting: A global market-entry strategy in which a company produces goods in one country and sells them in another country.

Facebook: A website where users may create a personal profile, add other users as friends, and exchange comments, photos, videos, and "likes" with them.

Family Life Cycle: The distinct phases that a family progresses through from formation to retirement, each phase bringing with it identifiable purchasing behaviors.

Foreign Corrupt Practices Act (1977): A law, amended by the *International Anti-Dumping and Fair Competition Act* (1998), that makes it a crime for U.S. corporations to bribe an official of a foreign government or political party to obtain or retain business in a foreign country.

Four I's of Service: The four unique elements to services: intangibility, inconsistency, inseparability, and inventory.

Generation X: Includes the 15 percent of the population born between 1965 and 1976. Also called *baby bust*.

Generation Y: Includes the 72 million Americans born between 1977 and 1994. Also called *millennials*, *echo-boom*, or *baby boomlet*.

Global Brand: A brand marketed under the same name in multiple countries with similar and centrally coordinated marketing programs.

Global Competition: Exists when firms originate, produce, and market their products and services worldwide.

Global Consumers: Consumer groups living in many countries or regions of the world who have similar needs or seek similar features and benefits from products or services.

Global Marketing Strategy: A strategy that a transnational firm uses that employs the practice of standardizing marketing activities when there are cultural similarities and adapting them when cultures differ.

Goals: Statements of an accomplishment of a task to be achieved, often by a specific time. Also called *objectives*.

Green Marketing: Marketing efforts to produce, promote, and reclaim environmentally sensitive products.

Hierarchy of Effects: The sequence of stages a prospective buyer goes through from initial awareness of a product to eventual action (either trial or adoption of the product). The stages include awareness, interest, evaluation, trial, and adoption.

Idle Production Capacity: Occurs when the service provider is available but there is no demand for the service.

Incompatible Use: A use or service which is incapable of direct association with certain other uses because it is contradictory, incongruous or discordant.

Infomercials: Program-length (30-minute) advertisements that take an educational approach to communication with potential customers.

Information Technology (IT): Involves operating computer networks that can store and process data.

Institutional Advertisements: Advertisements designed to build goodwill or an image for an organization rather than promote a specific product or service.

Integrated Marketing Communications (IMC): The concept of designing marketing communications programs that coordinate all promotional activities—advertising, personal selling, sales promotion, public relations, and direct marketing—to provide a consistent message across all audiences.

Intensive Distribution: A level of distribution density whereby a firm tries to place its products and services in as many outlets as possible.

Interactive Marketing: Two-way buyer-seller electronic communication in a computer-mediated environment in which the buyer controls the kind and amount of information received from the seller.

Involvement: The personal, social, and economic significance of the purchase to the consumer.

Joint Venture: A global market-entry strategy in which a foreign company and a local firm invest together to create a local business in order to share ownership, control, and profits of the new company.

Lead Generation: The result of a direct marketing offer designed to generate interest in a product or service and a request for additional information.

Learning: Those behaviors that result from (1) repeated experience and (2) reasoning.

LinkedIn: A business-oriented website that lets users post their professional profiles to connect to a network of businesspeople, who are also called *connections*.

Logistics: Those activities that focus on getting the right amount of the right products to the right place at the right time at the lowest possible cost.

Major Account Management: The practice of using team selling to focus on important customers so as to build mutually beneficial, long-term, cooperative relationships. Also called *key account management*.

Manufacturer's Agents: Agents who work for several producers and carry noncompetitive, complementary merchandise in an exclusive territory. Also called *manufacturer's representatives*.

Market: People with both the desire and the ability to buy a specific offering.

Market Orientation: An organization that focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value.

Market Segmentation: Involves aggregating prospective buyers into groups, or segments, that (1) have common needs and (2) will respond similarly to a marketing action.

Market Segments: The relatively homogeneous groups of prospective buyers that result from the market segmentation process.

Market Share: The ratio of sales revenue of the firm to the total sales revenue of all firms in the industry, including the firm itself.

Marketing: The activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large.

Marketing Channel: Consists of individuals and firms involved in the process of making a product or service available for use or consumption by consumers or industrial users.

Marketing Concept: The idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

Marketing Dashboard: The visual computer display of the essential information related to achieving a marketing objective.

Marketing Metric: A measure of the quantitative value or trend of a marketing activity or result.

Marketing Mix: The marketing manager's controllable factors— product, price, promotion, and place—that can be used to solve a marketing problem.

Marketing Plan: A road map for the marketing activities of an organization for a specified future time period, such as one year or five years.

Marketing Program: A plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

Marketing Research: The process of defining a marketing problem and opportunity, systematically collecting and analyzing information, and recommending actions.

Marketing Strategy: The means by which a marketing goal is to be achieved, usually characterized by a specified target market and a marketing program to reach it.

Marketing Tactics: Detailed day-to-day operational decisions essential to the overall success of marketing strategies.

Market-Product Grid: A framework to relate the market segments of potential buyers to products offered or potential marketing actions by an organization.

Marketspace: Information- and communication-based electronic exchange environment mostly occupied by sophisticated computer and telecommunication technologies and digitized offerings.

Measures of Success: Criteria or standards used in evaluating proposed solutions to the problem.

Merchant Wholesalers: Independently owned firms that take title to the merchandise they handle.

Microfinance: The practice of offering small, collateral-free loans to individuals who otherwise would not have access to the capital necessary to begin small businesses or other income-generating activities.

Mission: A statement of the organization's function in society that often identifies its customers, markets, products, and technologies. Often used interchangeably with *vision*.

Moral idealism: A personal moral philosophy that considers certain individual rights or duties as universal, regardless of the outcome.

Motivation: The energizing force that stimulates behavior to satisfy a need.

Multibranding: A branding strategy that involves giving each product a distinct name when each brand is intended for a different market segment.

Multichannel Marketing: The blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with consumers who shop and buy in traditional intermediaries and online.

Multichannel Retailers: Retailers that utilize and integrate a combination of traditional store formats and non store formats such as catalogs, television home shopping, and online retailing.

Multicultural Marketing: Combinations of the marketing mix that reflect the unique attitudes, ancestry, communication preferences, and lifestyles of different races and ethnic groups.

Multidomestic Marketing Strategy: A strategy that a multinational firms uses that have as many different product variations, brand names, and advertising programs as countries in which they do business.

Multiproduct Branding: A branding strategy in which a company uses one name for all its products in a product class.

New-product Process: The seven stages an organization goes through to identify business opportunities and convert them into salable products or services.

North American Industry Classification System (NAICS): Provides common industry definitions for Canada, Mexico, and the United States, which makes it easier to measure economic activity in the three member countries of the *North American Free Trade Agreement* (NAFTA).

Objectives: Statements of an accomplishment of a task to be achieved, often by a specific time. Also called *goals*.

Observational Data: Facts and figures obtained by watching, either mechanically or in person, how people actually behave.

Off-Peak Pricing: Charging different prices during different times of the day or days of the week to reflect variations in demand for the service.

Opinion Leaders: Individuals who are considered to be knowledgeable about or users of particular products or services and therefore can exert direct or indirect social influence over others.

Order Getter: Sells in a conventional sense and identifies prospective customers, provides customers with information, persuades customers to buy, closes sales, and follows up on customers' use of a product or service.

Order Taker: Processes routine orders or reorders for products that were already sold by the company.

Organizational Buyers: Those manufacturers, wholesalers, retailers, and government agencies that buy products and services for their own use or for resale.

Organizational Buying Behavior: The decision-making process that organizations use to establish the need for products and services and identify, evaluate, and choose among alternative brands and suppliers.

Organizational Culture: The set of values, ideas, attitudes, and norms of behavior that is learned and shared among the members of an organization.

Parcel: All contiguous land used or legally described as a single unit.

Parent Tract: A continuous tract of land in single ownership from which two or more derivative parcels or lots are created.

Perceived Risk: The anxiety felt because the consumer cannot anticipate the outcomes of a purchase but believes there may be negative consequences.

Perception: The process by which an individual selects, organizes, and interprets information to create a meaningful picture of the world.

Perceptual Map: A means of displaying in two dimensions the location of products or brands in the minds of consumers to enable a manager to see how consumers perceive competing products or brands, as well as the firm's own product or brand.

Permission Marketing: The solicitation of a consumer's consent (called "*opt-in*") to receive email and advertising based on personal data supplied by the consumer.

Personal Selling: The two-way flow of communication between a buyer and seller, often in a face-to-face encounter, designed to influence a person's or group's purchase decision.

Personal Selling Process: Sales activities occurring before, during, and after the sale itself, consisting of six stages: (1) prospecting, (2) preapproach, (3) approach, (4) presentation, (5) close, and (6) follow-up.

Personality: A person's consistent behaviors or responses to recurring situations.

Personalization: The consumer-initiated practice of generating content on a marketer's website that is custom tailored to an individual's specific needs and preferences.

Points of Difference: Those characteristics of a product that make it superior to competitive substitutes.

Posttests: Tests conducted after an advertisement has been shown to the target audience to determine whether it accomplished its intended purpose.

Pretests: Tests conducted before an advertisement is placed in any medium to determine whether it communicates the intended message or to select among alternative versions of the advertisement.

Price (P): The money or other considerations (including other products and services) exchanged for the ownership or use of a product or service.

Price Elasticity of Demand: The percentage change in quantity demanded relative to a percentage change in price.

Pricing Constraints: Factors that limit the range of prices a firm may set.

Pricing Objectives: Specifying the role of price in an organization's marketing and strategic plans.

Primary Data: Facts and figures that are newly collected for the project.

Product: A good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value.

Product Advertisements: Advertisements that focus on selling a product or service and which take three forms: (1) pioneering (or informational), (2) competitive (or persuasive), and (3) reminder.

Product Differentiation: A marketing strategy that involves a firm using different marketing mix activities to help consumers perceive the product as being different and better than competing products.

Product Item: A specific product that has a unique brand, size, or price.

Product Life Cycle: Describes the stages a new product goes through in the marketplace: introduction, growth, maturity, and decline.

Product Line: A group of product or service items that are closely related because they satisfy a class of needs, are used together, are sold to the same customer group, are distributed through the same outlets, or fall within a given price range.

Product Mix: Consists of all of the product lines offered by an organization.

Product Placement: A consumer sales promotion tool that uses a brand-name product in a movie, television show, video game, or a commercial for another product.

Product Positioning: The place a product occupies in consumers' minds on important attributes relative to competitive products.

Product Repositioning: Changing the place a product occupies in a consumer's mind relative to competitive products.

Profit: The money left after a business firm's total expenses are subtracted from its total revenues and is the reward for the risk it undertakes in marketing its offerings.

Profit Equation: Profit=Total revenue – Total cost; or Profit =(Unit price X Quantity sold) – (Fixed cost +Variable cost).

Promotional Mix: The combination of one or more communication tools used to: (1) inform prospective buyers about the benefits of the product, (2) persuade them to try it, and (3) remind them later about the benefits they enjoyed by using the product.

Property Line: The lines bounding a lot or parcel delineating the land in individual ownership.

Protectionism: The practice of shielding one or more industries within a country's economy from foreign competition through the use of tariffs or quotas.

Public Relations: A form of communication management that seeks to influence the feelings, opinions, or beliefs held by customers, prospective customers, stockholders, suppliers, employees, and other publics about a company and its products or services.

Publicity: A nonpersonal, indirectly paid presentation of an organization, product, or service.

Publicity Tools: Methods of obtaining nonpersonal presentation of an organization, product, or service without direct cost, such as news releases, news conferences, and public service announcements.

Pull Strategy: Directing the promotional mix at ultimate consumers to encourage them to ask the retailer for a product.

Purchase Decision Process: The five stages a buyer passes through in making choices about which products and services to buy: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) postpurchase behavior.

Push Strategy: Directing the promotional mix to channel members to gain their cooperation in ordering and stocking the product.

Questionnaire Data: Facts and figures obtained by asking people about their attitudes, awareness, intentions, and behaviors.

Quota: A restriction placed on the amount of a product allowed to enter or leave a country.

Reference Groups: People to whom an individual looks as a basis for self-appraisal or as a source of personal standards.

Regulation: Restrictions state and federal laws place on business with regard to the conduct of its activities.

Relationship Marketing: Links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit.

Relationship Selling: The practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.

Retail Life Cycle: The process of growth and decline that retail outlets, like products, experience. Consists of the early growth, accelerated development, maturity, and decline stages.

Retailing: All activities involved in selling, renting, and providing products and services to ultimate consumers for personal, family, or household use.

Retailing Mix: The activities related to managing the store and the merchandise in the store, which includes retail pricing, store location, retail communication, and merchandise.

Reverse Auction: In an e-marketplace, it is an online auction in which a buyer communicates a need for a product or service and would-be suppliers are invited to bid in competition with each other.

Reverse Logistics: A process of reclaiming recyclable and reusable materials, returns, and reworks from the point of consumption or use for repair, remanufacturing, redistribution, or disposal.

Sales Forecast: The total sales of a product that a firm expects to sell during a specified time period under specified environmental conditions and its own marketing efforts.

Sales Management: Planning the selling program and implementing and evaluating the personal selling effort of the firm.

Sales Plan: A statement describing what is to be achieved and where and how the selling effort of salespeople is to be deployed.

Sales Promotion: A short-term inducement of value offered to arouse interest in buying a product or service.

Sales Quota: Specific goals assigned to a salesperson, sales team, branch sales office, or sales district for a stated time period.

Salesforce Automation (SFA): The use of computer, information, communication, and Internet technologies to make the sales function more effective and efficient.

Scrambled Merchandising: Offering several unrelated product lines in a single store.

Secondary Data: Facts and figures that have already been recorded prior to the project at hand.

Selective Distribution: A level of distribution density whereby a firm selects a few retailers in a specific geographical area to carry its products.

Self-Regulation: An alternative to government regulation where an industry attempts to police itself.

Services: Intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.

Seven Ps of Services Marketing: An expanded marketing mix for services that includes the four Ps (product, price, promotion, and place or distribution) as well as people, physical environment, and process.

Shareholders: Individuals or companies that legally own one or more shares of stock in a company.

Shopper Marketing: The use of displays, coupons, product samples, and other brand communications to influence shopping behavior in a store.

Short-Term Assets: Cash, securities, bank accounts, accounts receivable, inventory, business equipment, assets that last less than five years or are depreciated over terms of less than five years. Also called Current Assets.

Short-Term Notes: These are the same as short-term loans. These are debts with terms of five years or less.

Short-Term Liabilities: These are debts with terms of five years or less. These are also called current liabilities, short-term loans, or short-term (current) debts. These may also include short-term debts that don't cause interest expenses. For example, they might be loans from founders or accrued taxes (taxes owed, already incurred, but not yet paid).

Stock: 1) Goods on hand, either finished goods or materials to be used to manufacture goods. Also called Inventory. 2) Stock can also refer to privately held or publicly traded shares or securities representing investment in, or partial ownership of, a business. Public trading of such stock occurs on the stock market.

Stock Market: The organized trading of stocks, bonds, or other securities, or the place where such trading occurs.

Situation Analysis: Taking stock of where the firm or product has been recently, where it is now, and where it is headed in terms of the organization's marketing plans and the external forces and trends affecting it.

Social Forces: The demographic characteristics and the culture of the population.

Social Media: Online media where users submit comments, photos, and videos—often accompanied by a feedback process to identify “popular” topics.

Social Responsibility: The idea that organizations are part of a larger society and are accountable to that society for their actions.

Societal Marketing Concept: The view that organizations should discover and satisfy the needs of consumers in a way that provides for society’s well-being.

Spam: Communications that take the form of electronic junk mail or unsolicited e-mail.

Strategic Marketing Process: The approach whereby an organization allocates its marketing mix resources to reach its target markets.

Strategy: An organization’s long-term course of action designed to deliver a unique customer experience while achieving its goals.

Subcultures: Subgroups within the larger, or national, culture with unique values, ideas, and attitudes.

Supply Chain: The various firms involved in performing the activities required to create and deliver a product or service to consumers or industrial users.

Surplus or Deficit: (Nonprofit) Also called Profit and Loss statement, in for-profit plans. An income statement is a financial statement that shows funding, cost of funding, gross surplus, operating expenses, and surplus or deficit. Gross surplus is funding less cost of funding, and surplus (or deficit) is gross surplus less operating expenses and taxes. The result is surplus if it is positive, deficit if it is negative.

SWOT Analysis: An acronym describing an organization’s appraisal of its internal Strengths and Weaknesses and its external Opportunities and Threats.

Target Market: One or more specific groups of potential consumers toward which an organization directs its marketing program.

Tariff: A government tax on goods or services entering a country that primarily serves to raise prices on imports.

Technology: Inventions or innovations from applied science or engineering research.

Telemarketing: Using the telephone to interact with and sell directly to consumers.

Total Cost (TC): The total expense incurred by a firm in producing and marketing a product. Total cost is the sum of fixed cost and variable cost. $TC = FC + VC$.

Total Logistics Cost: Expenses associated with transportation, materials handling and warehousing, inventory, stockouts (being out of inventory), order processing, and return products handling.

Total Revenue (TR): The total money received from the sale of a product; or the unit price (P) times the quantity (Q) sold. $TR = P \times Q$.

Trade-Oriented Sales Promotions: Sales tools used to support a company’s advertising and personal selling directed to wholesalers, distributors, or retailers. Also called *trade promotions*.

Traditional Auction: In an e-marketplace, it is an online auction in which a seller puts an item up for sale and would-be buyers are invited to bid in competition with each other.

Traffic Generation: The outcome of a direct marketing offer designed to motivate people to visit a business.

Twitter: A website that enables users to send and receive “tweets,” messages up to 140 characters long.

Ultimate Consumers: The people who use the products and services purchased for a household. Also called consumers, buyers, or customers.

Usage Rate: The quantity consumed or patronage (store visits) during a specific period. Also called *frequency marketing*.

User Generated Content (UGC): The various forms of online media content that are publicly available and created by end users.

Utilitarianism: A personal moral philosophy that focuses on “the greatest good for the greatest number” by assessing the costs and benefits of the consequences of ethical behavior.

Utility: The benefits or customer value received by users of the product.

Value: The ratio of perceived benefits to price; or $\text{Value} = \frac{\text{Perceived benefits}}{\text{Price}}$.

Values: A society’s personally or socially preferable modes of conduct or states of existence that tend to persist over time.

Vendor-Managed Inventory (VMI): An inventory-management system whereby the supplier determines the product amount and assortment a customer (such as a retailer) needs and automatically delivers the appropriate items.

Vertical Marketing Systems: Professionally managed and centrally coordinated marketing channels designed to achieve channel economies and maximum marketing impact.

Viral Marketing: An Internet-enabled promotional strategy that encourages individuals to forward marketer-initiated messages to others via email, social networking websites, and blogs.

Web Communities: Websites that allow people to congregate online and exchange views on topics of common interest.

Wheel of Retailing: A concept that describes how new forms of retail outlets enter the market.

Word of Mouth: The influencing of people during conversations.

World Trade Organization (WTO): An institution that sets rules governing trade between its members through panels of trade experts who decide on trade disputes between members and issue binding decisions.

YouTube: A video-sharing website in which users can upload, view, and comment on videos.