Chapter 1: Glossary/Key terms

Customer-centric: A predominant focus on the customer.

Superior customer value: Value advantages as perceived by customers

Unmet need: A consumer need that is insufficiently addressed or not addressed at all by companies.

Value: The perceived benefits that consumers derive in consumption situations less the perceived costs (e.g. time, money or emotions) involved.

Value configuration: Process of integrating the disparate activities to add value to what a firm offers.

Value orientation: The principles or philosophy underlying how firms approach the task of value creation and delivery.

Chapter 2: Glossary/Key terms

Demarketing: A strategy for reducing or discouraging the demand for a product, especially during periods of scarcity or overflowing demand levels that cannot be met by a company.

Eco-certification: Vote of confidence given by a credible third party to attest that a product or company meets appropriate standards in relation to sustainability values.

Ecology: The interaction between living organisms (such as human beings) and the Environment.

Environmentally friendly products: Products that do not cause harm to the environment, such as biodegradable or recyclable packages.

Market volatility: Sometimes referred to as market dynamism – explains the rate of change (usually fast-paced) and unpredictability of elements of the marketing environment.

STEEP: Represents socio-cultural and demographic, technological, economic, ecological and political/legal aspects of the marketing environment. It is the same as PESTEL or PEST.

Sustainability marketing: 'The formulation and implementation of marketing strategies activities (such as production, distribution and promotion decisions) in ways that are sensitive and respectful of both the natural and social environments' (Nwankwo and Gbadamosi, 2011, p. 371).

Chapter 3: Glossary/Key terms

Attitudes: Attitudes refer to a person's feelings, convictions or beliefs about an object, idea or individual and might be seen as precursors of behaviour.

Buying roles: Buying roles include key roles played by consumers in purchasing decisions.

Cognitive dissonance: Dissatisfaction about the purchase decision.

Consumer: A consumer is the person who finally uses/consumes the product.

Consumer buying behaviour: The process involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.

Consumer decision-making process: The consumer decision-making process consists of five key stages that a consumer goes through when making a purchase decision.

Country of origin (COO) effects: Country of origin (COO) effects can be defined as the picture, perceptions, reputation and stereotype that businessmen and consumers associate with the products.

Culture: Culture refers to the sum total of learned beliefs, values and customs that influence the behaviour of all members of that society.

Customer: A customer is the person who buys the products.

Decider: The individual who makes the ultimate decision to purchase.

Expectancy-value model: The expectancy-value model suggests that attitudes are based on the beliefs or knowledge consumers have about an object or action and on consumers' evaluation of these particular beliefs.

Influencer: The person who is interested in the purchase. This individual may have prior experience of the product or service to be purchased.

Initiator: An individual who recognizes a need to purchase.

Modified rebuy situation: An organization may change the product specification in a modified rebuy situation.

New task buying: New task buying involves the purchase of products or services for the first time.

Organizational buying behaviour: Relates to the purchase of goods and services in order to provide goods and services to the final customer.

Perceived behaviour control (PBC): Perceived behaviour control (PBC) refers to an individual's perceived ease or difficulty in performing a particular behaviour.

Perceived risk: The consumer's uncertainty or anxiety about the outcome of a purchase decision.

Purchaser: The person who pays for the product or service.

Reference group: A reference group is a group of individuals that has a direct or indirect influence on a person's attitudes or behaviour.

Social cognitive theory: Social cognitive theory suggests that human behaviour is an interaction of environmental and cognitive factors.

Straight rebuy: Straight rebuy involves routine buying of items required by an organization.

Subjective norms: Subjective norms what other people who are important to an individual believe that the individual should do; also called normative beliefs (NB) about a particular behaviour.

Theory of planned behaviour (TPB): The theory of planned behaviour (TPB) suggests that the consumer's behaviour can be determined through their intention to perform the behaviour.

Users: Those who actually use a service.

Values: Values are the basic beliefs that direct or motivate behaviour and decision making.

Chapter 4: Glossary/Key terms

Descriptive marketing research design: Identifies characteristics of marketing issues such as answering questions about how many customers buy a particular brand of the company's products, what quantity they buy and their perception of the product characteristics.

Ethnography: Involves having prolonged engagement with the target group of people in a particular cultural setting for the purpose of studying them.

Experimentation: Manipulating independent variables to know the effect a change will have on the dependent variables.

Exploratory marketing research design: Usually adopted as the initial step in the conduct of a marketing research enquiry. It often identifies the real nature of the research problem being investigated and provides insight before the conduct of an extensive study.

Marketing information system: A set of procedures and methods for the regular, planned collection, analysis and presentation of information for use in making marketing decisions.

Snowballing: Contacting a member of the population to be studied and asking him or her to suggest additional respondents.

Chapter 5: Glossary/Key terms

Market segment: A group of customers whose needs are distinct from the needs of other groups in relation to a particular product.

Perceptual map: Graphs that help to show the relationship between competitors and the criteria that their consumers use when making purchase decisions.

Positioning: Creating and maintaining a place of value in the minds of customers.

Segmentation: The process of breaking down the market into groups of customers with similar needs so that a business can concentrate its effort on effectively serving the needs of a selected group or groups within the market.

Targeting: The process where a firm evaluates various market segments and then chooses which group(s) of customers to serve.

Value oriented: The tendency for a firm to create and deliver value (benefits) to its customers.

Chapter 6: Glossary/Key terms

Business-to-business products: Products acquired as part of the operations of an organization or to be used as parts for other products that are for sale.

Consumer products: Products acquired for the satisfaction of the needs of individuals, friends, families and acquaintances.

Durable goods: Products that can last for long periods of time and therefore can be used repeatedly.

Functional products: Products acquired for the satisfaction of basic needs.

Product line: A group of products that are closely related to each other.

Product mix: The total of all the different varieties of products offered by an organization.

Chapter 7: Glossary/Key terms

Business-to-business (B2B) online marketing: Businesses using online marketing

to reach new business customers, serve current customers more effectively and obtain buying efficiencies and better prices.

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

Captive product pricing: Setting a price for products that must be used along with a main product, such as blades for a razor and games for a videogame console.

Competition-based pricing: Setting prices based on competitors' strategies, prices, costs, and market offerings.

Discount: A straight reduction in price on purchases during a stated period of time or of larger quantities.

Economy pricing: No frills, low prices, for example supermarket 'economy' brands.

Fixed costs (overheads): Costs that do not vary with production or sales level.

Geographical pricing: Different prices for customers in different parts of the world.

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

Off-price retailer: A retailer that buys at less-than-regular wholesale prices and sells at less-than-retail. Examples are factory outlets, independents and warehouse clubs.

Online marketing: Efforts to market products and services and build customer relationships over the internet.

Optional product pricing: A favourite with BMW, which adds optional extras.

Penetration pricing: Offers a low price to gain good market share and then increases the retail price to meet demand.

Premium pricing: Uses a very high price, but in return it is hoped that the consumer receives an excellent product or service, for example Vertu phones.

Price skimming: During the introduction phase of a new product, prices will be high. They are then reduced as the product is adopted by consumers, and competitors launch their own similar products.

Pricing by behaviour: Many companies will price by customer behaviour, offering the heavy or regular user a loyalty bonus or price discount off product purchased, for example the Tesco loyalty card, now used by 6 million customers. Past users of products might also be targeted and offered price reduction for re-using the product, for example re-ordering *The Economist* magazine at a 50 per cent discount if contracting for three years.

Pricing by delivery method: Some organizations will price by the method of delivery, for example if you collect and install you pay one price, if we deliver and install you pay another. This could lead to the growth of a ‘cash and carry’ type of retailer where the customer could choose to collect at a lower price all sorts of products from computers and fridges to garden sheds and houses. The seller would offer delivery and installation but at a stipulated price.

Pricing by distance: The price charged will often vary according to the distance between the supplier and the customer, for example radius bands of 5, 10 and 50 miles from the outlet; the greater the distance, the higher the price. When selling abroad different prices may well be charged depending on where responsibility for the product is taken on. This might be at the factory gate, at the docks before shipment, at the docks after shipment, when delivered to the customer and with or without insurance. The customer is able to choose, or often negotiate, the best method for them.

Pricing by method of payment: Price can be used as an incentive to encourage payment by a method favoured by the producer. This might be discount for cash or for early or immediate payment. Similarly, extra might be charged for the use of credit card, cheque book or credit terms. Price, as a form of extended credit, is also used to encourage purchase. This might be interest-free credit or ‘buy now pay in six months.’

Pricing by sociodemograpy: Many organizations will offer lower prices for larger quantities purchased. This is used to encourage the purchase of more products or a range of products. Some organizations are making this facility increasingly available to the consumer, for example Sainsbury’s buy three and get one free or Bottoms Up offering an extra 5 per cent off ten bottles of wine. However, quantity discounts tend to be used predominantly in business-to-business and trade negotiations.

Pricing by time: Different prices can be charged for the product or service at different, underutilized, times of the day, night, week and month of the year. Thus railway companies charge lower prices out of the rush hour, in the evening, on weekends and at bank holidays.

Pricing variations: For example, off -peak pricing on summer holidays or discounts for booking early. At Christmas everything goes up but in the January sales it is all sold at half price!

Product-bundle pricing: Sellers combine several products at the same price. This is often used to move old stock such as books and CDs.

Product line pricing: For example, a consumer buys an individual packet of crisps for 50p, a pack of four for 99p and a family pack of 20 for £2.

Product line strategy: Marketing-oriented companies need to take account of where the price of a new product fits into its existing product line. Where multiple segments appear attractive, modified versions of the product should be designed and priced differently, not according to differences in costs, but in line with the respective values that each target market places on a product.

Profit: The surplus amount of money generated by sales once fixed and variable costs have been removed.

Promotional pricing: For example, buy one get one free (BOGOF) or buy two get the third free.

Psychological pricing: Consumers buy for emotional reasons rather than rational ones – for example, in the case of a product priced at 99p instead of £1 we can say ‘I got this for under a pound’.

Revenue: The amount of money generated by sales.

Value pricing: Used to promote pricing during difficult economic conditions, for example, McDonald’s and M&S offer value meals from their food stores.

Variable costs: Costs incurred in relation to selling or producing the product (e.g. raw materials, transportation, commissions, part-time staff).

Chapter 8: Glossary/Key terms

Exclusive distribution: Involves the distributor handling only the one manufacturer’s products.

Intensive distribution: Involves maximizing the coverage to ensure products are distributed as widely as possible.

Product flow: The flow of products from manufacturer to end-user.

Selective distribution: Involves choosing a limited number of outlets, reflecting either the perceived value of the goods or a restricted geographic area.

Value-added reseller (VAR): A company or other organization that adds features or services to an existing product, then resells it (usually to end-users).

Chapter 9: Glossary/Key terms

Advertising: A paid-for form of communication, usually by the advert sponsor, delivering impersonal messages.

Advertising appeal: How a message is crafted to appeal to either the heart (emotional) or the mind (rational).

AIDA: A communications model, used to help design communications objectives. It stands for attention (awareness), interest, desire, action.

Ambient advertising: Unusual or unexpected hosts for adverts, such as petrol pump nozzles.

B2B: Business-to-business, or organizational marketing.

Communications process: The way in which the consumer receives and acts on messages from the brand sponsor or owner, delivered via one or more media. It is illustrated by use of a model/diagram.

Digital communications: The use of the internet to facilitate communication with target audiences, using email, the web and social media (e.g. Facebook, Twitter, Google+).

Direct mail: A form of direct marketing that makes personal approaches to customers. It involves sending letters or emails direct to the customer's home or business.

Direct marketing: A two-way form of communication between an organization and its customers. When managed effectively, it can add value and lead to a valuable relationship with the customer.

Events and experiences: Staging an event or creating a customer experience is becoming an increasingly valuable means by which organizations can enable customers to engage with the brand.

Execution style: How the appeal is conveyed to the target audience.

Integrated marketing communications: Facilitated by creating a plan to merge the various ways of communicating with the target audience to form a cohesive and synergistic series of messages.

Marketing communications mix: The range of communications approaches a marketing manager can select from to deliver the brand message in the most appropriate and cost-effective manner to the target audience. Also known as communication tools, or the promotions mix. Includes advertising, public relations, sales promotion, sponsorship, personal selling, digital communications, direct marketing, events and experiences.

Marketing communications strategy: Involves formulation of a plan based on well researched data to ensure that the right message is delivered to the right people at the right time.

Mass media communication: Use of media channels that enable the message to be delivered to a large number of consumers, e.g. TV, newspapers, magazines, posters.

Media: The channels through which marketers relay messages to target audiences.

Message: What the sponsor wishes to communicate to the target audience based on the positioning strategy.

Personal selling: Face-to-face communication between sellers and buyers, most often used in business-to-business selling situations, but also in retail.

Platform: The big idea that an advertising campaign is based on and revolves around. It can become the brand's strapline.

Promotion: The mix element instrumental in establishing product positioning in the eyes of the consumer to establish competitive advantage. Also known as **marketing communication**.

Public relations: A strategic approach to managing various methods for communicating with an organization's stakeholders.

Pull strategy: Communicating directly with the end-user of the product to encourage them to visit a store and ask for the product, i.e. make a purchase.

Push strategy: Promoting products between levels in the distribution chain to encourage channel intermediaries to stock the product.

Sales promotion: An enticement to consumers or trade buyers to purchase products or services.

SoLoMo: A combination of social, local/location and mobile technologies that uses

GPS data and online behavioural information to target consumers with specific adverts.

Sponsorship: Paying for the right to be associated with an organization or event.

Stakeholders: The various groups the public relations department should be aware of which have an interest in the organization and therefore may require communicating with in some way.

Target audience: The section/group of consumers within the target market selected to receive a message from the brand owner or sponsor.

Chapter 10: Glossary/Key terms

Relationship marketing: The identification, specification, initiation, maintenance and (where appropriate) dissolution of long-term relationships with key customers and other parties, through mutual exchange, fulfilment of promises and adherence to relationship norms, in order to satisfy the objectives and enhance the experience of the parties concerned.

Service quality: The difference between customers' expectations of service performance prior to the service encounter and their perceptions of the service received.

Service value: A trade-off between consumers' evaluation of the benefits and the cost involved in availing themselves of the service.

Chapter 11: Glossary/Key terms

Break-even point: The point where marginal revenue equals marginal cost. Upwards movements after this point indicate profits for a company.

Core competences: Unique skills and abilities that set a company apart from the competition.

Cost leadership: The ability to produce at lowest delivered cost in comparison with competitors.

Market share: Percentage of sales in a given market held by a company in relation to others competing in the same market.

Marketing plan: A document that assembles and summarizes marketplace conditions, and the strategies and specific actions to use to achieve stated objectives.

Marketing planning: The process of researching and analysing the market and situations and then developing marketing objectives, strategies and plans that are appropriate for the organization's resources, competences, mission and objectives, followed by implementation, evaluation and adjustments as needed to achieve the objectives (Wood, 2003, p. 3).

Mission: A statement of the main purpose of an organization, its focus and how it strives to position itself with stakeholders.

Niche market: A small segment of the market which may have a different set of needs.

Segmentation: A method of categorizing customers within a market according to similar needs, marketing habits or attitudes and which can be attended to using marketing techniques.

Chapter 12: Glossary/Key terms

CRM (customer relationship management): Strategies and tools that a company uses to drive relationship programmes intended to bring the company closer to its customers.

Differentiation: The process of establishing distinctions between competing firms and products.

Economies of scale: Cost advantages that a firm may gain through increased production.

Exchange rate: The price of a nation's currency in terms of how it can be exchanged with another country's currency.

Factors of production: Land, labour and capital.

Global village: The notion that the world is so interconnected that national boundaries are not severely deterrent to international business trans actions and consumption.

Globalization of market: The breaking down of national market frontiers and emergence of a huge world market.

International business: Business conducted across national boundaries.

Standardization strategy: This happens when a firm engages different markets with the same products, without much attention to the need to adapt the product for specific markets.

Strategy: A course of action followed by a company to achieve its goals and objectives.

Supply chain: Total sequence of suppliers and activities that contribute to the creation and delivery of products.

Value chain: Different components and activities through which value could be created in the production and marketing of products.

Chapter 13: Glossary/Key terms

Avatar: An image or username that represents a person online within forums and social networks.

Blog: A word that was created from 'weblog'. Blogs are usually maintained by an individual or a business, with regular entries of commentary, descriptions of events or other material such as graphics or video. Entries are commonly displayed in reverse-chronological order. 'Blog' can also be used as a verb, meaning to *maintain or add content to a blog.*

Blogger: A free blogging platform owned by Google that allows individuals and companies to host and publish a blog, typically on a subdomain – example: your blogname.blogspot.com; a person who blogs.

Bookmarking: Online bookmarking follows the same idea as placing a bookmark in a physical publication – you are simply marking something you found important or enjoyed, or noting where you left off to continue reading later. The only difference online is that it is happening through websites, using one of the various bookmarking services available such as Delicious.

Connections: The LinkedIn equivalent of a Facebook 'friend' is a 'connection'. Because LinkedIn is a social networking site, the people you are *connecting* with are not necessarily people you are friends with, but rather have met in brief, heard speak or know through another connection.

Facebook: A social utility that connects people with friends and others who work,study or live around them. Facebook is the largest social network in the world with more than 800 million users.

Flickr: A social network based around online picture sharing. The service allows users to store photos online and then share them with others through profiles, groups, sets and other methods.

Forum: Also known as a message board, a forum is an online discussion site. It originated as the modern equivalent of a traditional bulletin board, and a technological evolution of the dial-up bulletin board system.

Google+: Google's new social network. It differs in that it promotes social sharing that is more similar to how people share in real life by providing features such as the ability to limit who you are talking to, creating one-to-one conversation.

hi5: A social network focused on the youth market. It is a social entertainment destination, with a focus on delivering a fun and entertainment-driven social experience online to users around the world.

Inbound marketing: A style of marketing that essentially focused on permission based marketing techniques that businesses can use to get found by potential customers. They convert those prospects into leads and customers, and analyse the process along the way. Inbound marketing leverages tactics such as search engine optimization, blogging, SM, lead generation, email marketing, lead nurturing and analytics. It is in direct contrast to outbound marketing, which utilizes traditional interruptive marketing tactics such as direct mail, trade shows, print and TV advertising, and cold calling.

Instant messaging: A form of real-time, direct text-based communication between two or more people. More advanced instant messaging soft ware allow clients enhanced modes of communication, such as live voice or video calling.

LinkedIn: A business-oriented SNS. Founded in December 2002 and launched in May 2003, it is mainly used for professional networking. As of June 2010, LinkedIn had more than 70 million registered users, spanning more than 200 countries and territories worldwide.

LinkedIn Today: LinkedIn's own version of a social news service. Every industry on LinkedIn (marketing, journalism, technology, etc.) has its own LinkedIn Today. Stories are selected based on which ones are posted and shared the most by users

of LinkedIn.

MySpace: An SNS owned by News Corporation, MySpace became the most popular SNS in the US in June 2006 and was overtaken internationally by its main competitor, Facebook, in April 2008.

News feed: Literally, a feed full of news. On Facebook, the news feed is the homepage of users' accounts where they can see all the latest updates from their friends. The news feed on Twitter is called Timeline (not to be confused with Facebook's new look, also called Timeline).

Podcast: A non-streamed webcast that is a series of digital media fi les, either audio or video, released episodically and oft en downloaded through an RSS feed.

Retweet: When someone on Twitter sees your message and decides to share it with his/her followers. A retweet button allows them to resend the message quickly with attribution to the original tweeter.

Social media: Media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques.

Social media monitoring: A process of checking and responding to mentions related to a business that occur in SM.

Trending: The most popular term searched by users of a search engine within a period.