

GLOSSARY

A

activity-based cost (ABC) accounting procedures that can quantify the true profitability of different activities by identifying their actual costs.

advertising any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

advertorials print ads that offer editorial content that reflects favorably on the brand and are resemble newspaper or magazine content.

anchoring and adjustment heuristic when consumers arrive at an initial judgment and then make adjustments of their first impressions based on additional information.

arm's-length price the price charged by other competitors for the same or a similar product.

aspirational groups groups a person hopes or would like to join.

associative network memory model a conceptual representation that views memory as consisting of a set of nodes and interconnecting links where nodes represent stored information or concepts and links represent the strength of association between this information or concepts.

attitude a person's enduring favorable or unfavorable evaluation, emotional feeling, and action tendencies toward some object or idea.

augmented product a product that includes features that go beyond consumer expectations and differentiate the product from competitors.

available market the set of consumers who have interest, income, and access to a particular offer.

availability heuristic when consumers base their predictions on the quickness and ease with which a particular example of an outcome comes to mind.

average cost the cost per unit at a given level of production; it is equal to total costs divided by production.

B

backward invention reintroducing earlier product forms that can be well adapted to a foreign country's needs.

banner ads (Internet) small, rectangular boxes containing text and perhaps a picture to support a brand.

basic product what specifically the actual product is.

belief a descriptive thought that a person holds about something.

brand a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

brand associations all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node.

brand audit a consumer-focused exercise that involves a series of procedures to assess the health of the brand, uncover its

sources of brand equity, and suggest ways to improve and leverage its equity.

brand awareness consumers' ability to identify the brand under different conditions, as reflected by their brand recognition or recall performance.

brand contact any information-bearing experience a customer or prospect has with the brand, the product category, or the market that relates to the marketer's product or service.

brand development index (BDI) the index of brand sales to category sales.

brand dilution consumers no longer associate a brand with a specific product or highly similar products or start thinking less favorably about the brand.

brand elements those trademarkable devices that serve to identify and differentiate the brand such as a brand name, logo, or character.

brand equity the added value endowed to products and services.

brand extension a company's use of an established brand to introduce a new product.

brand image the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory.

brand knowledge all the thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brand.

brand line all products, original as well as line and category extensions, sold under a particular brand name.

brand mix the set of all brand lines that a particular seller makes available to buyers.

brand personality the specific mix of human traits that may be attributed to a particular brand.

brand portfolio the set of all brands and brand lines a particular firm offers for sale to buyers in a particular category.

brand promise the marketer's vision of what the brand must be and do for consumers.

brand valuation an estimate of the total financial value of the brand.

brand value chain a structured approach to assessing the sources and outcomes of brand equity and the manner in which marketing activities create brand value.

branded entertainment using sports, music, arts, or other entertainment activities to build brand equity.

branded variants specific brand lines uniquely supplied to different retailers or distribution channels.

branding endowing products and services with the power of a brand.

branding strategy the number and nature of common and distinctive brand elements applied to the different products sold by the firm.

breakeven analysis a means by which management estimates how many units of the product the company would have to sell to break even with the given price and cost structure.

brick-and-click existing companies that have added an online site for information and/or e-commerce.

business database complete information about business customers' past purchases; past volumes, prices, and profits.

business market all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others.

C

capital items long-lasting goods that facilitate developing or managing the finished product.

captive products products that are necessary to the use of other products, such as razor blades or film.

category extension Using the parent brand to brand a new product outside the product category currently served by the parent brand.

category membership the products or sets of products with which a brand competes and which function as close substitutes.

cause-related marketing marketing that links a firm's contributions to a designated cause to customers' engaging directly or indirectly in revenue-producing transactions with the firm.

channel advantage a company successfully switches its customers to lower-cost channels, while assuming no loss of sales or deterioration in service quality.

channel conflict one channel member's actions prevent the channel from achieving its goal.

channel coordination channel members are brought together to advance the goals of the channel, as opposed to their own potentially incompatible goals.

channel power the ability to alter channel members' behavior so that they take actions they would not have taken otherwise.

communication adaptation changing marketing communications programs for each local market.

communication-effect research determining whether an ad is communicating effectively.

company demand the company's estimated share of market demand at alternative levels of company marketing effort in a given time period.

company sales forecast the expected level of company sales based on a chosen marketing plan and an assumed marketing environment.

competitive advantage a company's ability to perform in one or more ways that competitors cannot or will not match.

conformance quality the degree to which all the produced units are identical and meet the promised specifications.

conjoint analysis a method for deriving the utility values that consumers attach to varying levels of a product's attributes.

conjunctive heuristic the consumer sets a minimum acceptable cutoff level for each attribute and chooses the first alternative that meets the minimum standard for all attributes.

consumer involvement the level of engagement and active processing undertaken by the consumer in responding to a marketing stimulus.

consumerist movement an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers.

consumption system the way the user performs the tasks of getting and using products and related services.

containerization putting the goods in boxes or trailers that are easy to transfer between two transportation modes.

content-target advertising links ads not to keywords but to the contents of Web pages.

contractual sales force manufacturers' reps, sales agents, and brokers, who are paid a commission based on sales.

convenience goods goods the consumer purchases frequently, immediately, and with a minimum of effort.

conventional marketing channel an independent producer, wholesaler(s), and retailer(s).

core benefit the service or benefit the customer is really buying.

core competency attribute that (1) is a source of competitive advantage in that it makes a significant contribution to perceived customer benefits, (2) has applications in a wide variety of markets, (3) is difficult for competitors to imitate.

core values the belief systems that underlie consumer attitudes and behavior, and that determine people's choices and desires over the long term.

corporate culture the shared experiences, stories, beliefs, and norms that characterize an organization.

corporate retailing corporately owned retailing outlets that achieve economies of scale, greater purchasing power, wider brand recognition, and better-trained employees.

cues stimuli that determine when, where, and how a person responds.

culture the fundamental determinant of a person's wants and behavior.

customer-based brand equity the differential effect that brand knowledge has on a consumer response to the marketing of that brand.

customer churn high customer defection.

customer consulting data, information systems, and advice services that the seller offers to buyers.

customer database an organized collection of comprehensive information about individual customers or prospects that is current, accessible, and actionable for marketing purposes.

customer lifetime value (CLV) the net present value of the stream of future profits expected over the customer's lifetime purchases.

customer mailing list a set of names, addresses, and telephone numbers.

customer perceived value (CPV) the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives.

customer-performance scorecard how well the company is doing year after year on particular customer-based measures.

customer profitability analysis (CPA) a means of assessing and ranking customer profitability through accounting techniques such as Activity-Based Costing (ABC).

customer training training the customer's employees to use the vendor's equipment properly and efficiently.

customer value analysis report of the company's strengths and weaknesses relative to various competitors.

customer value hierarchy five product levels that must be addressed by marketers in planning a market offering.

customerization combination of operationally driven mass customization with customized marketing in a way that empowers consumers to design the product and service offering of their choice.

D

data warehouse a collection of current data captured, organized, and stored in a company's contact center.

database marketing the process of building, maintaining, and using customer databases and other databases for the purpose of contacting, transacting, and building customer relationships.

datamining the extracting of useful information about individuals, trends, and segments from the mass of data.

delivery how well the product or service is delivered to the customer.

demand chain planning the process of designing the supply chain based on adopting a target market perspective and working backward.

direct marketing the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

direct-order marketing marketing in which direct marketers seek a measurable response, typically a customer order.

direct product profitability (DDP) a way of measuring a product's handling costs from the time it reaches the warehouse until a customer buys it in the retail store.

direct (company) sales force full-or part-time paid employees who work exclusively for the company.

discrimination the process of recognizing differences in sets of similar stimuli and adjusting responses accordingly.

dissociative groups those groups whose values or behavior an individual rejects.

distribution programming building a planned, professionally managed, vertical marketing system that meets the needs of both manufacturer and distributors.

drive a strong internal stimulus impelling action.

dual adaptation adapting both the product and the communications to the local market.

dumping situation in which a company charges either less than its costs or less than it charges in its home market, in order to enter or win a market.

durability a measure of a product's expected operating life under natural or stressful conditions.

E

e-business the use of electronic means and platforms to conduct a company's business.

e-commerce a company or site offers to transact or facilitate the selling of products and services online.

e-marketing company efforts to inform buyers, communicate, promote, and sell its products and services over the Internet.

e-purchasing purchase of goods, services, and information from various online suppliers.

elimination-by-aspects heuristic situation in which the consumer compares brands on an attribute selected probabilistically, and brands are eliminated if they do not meet minimum acceptable cutoff levels.

environmental threat a challenge posed by an unfavorable trend or development that would lead to lower sales or profit.

everyday low pricing (EDLP) in retailing, a constant low price with few or no price promotions and special sales.

exchange the process of obtaining a desired product from someone by offering something in return.

exclusive distribution severely limiting the number of intermediaries, in order to maintain control over the service level and outputs offered by resellers.

expectancy-value model consumers evaluate products and services by combining their brand beliefs—positive and negative—according to their weighted importance.

expected product a set of attributes and conditions buyers normally expect when they purchase this product.

experience curve (learning curve) a decline in the average cost with accumulated production experience.

F

fad a craze that is unpredictable, short-lived, and without social, economic and political significance.

family brand situation in which the parent brand is already associated with multiple products through brand extensions.

family of orientation parents and siblings.

family of procreation spouse and children.

features things that enhance the basic function of a product.

fixed costs (overhead) costs that do not vary with production or sales revenue.

flexible market offering (1) a naked solution containing the product and service elements that all segment members value, and (2) discretionary options that some segment members value.

focus group a gathering of six to ten people who are carefully selected based on certain demographic, psychographic, or other considerations and brought together to discuss various topics of interest.

forecasting the art of anticipating what buyers are likely to do under a given set of conditions.

form the size, shape, or physical structure of a product.

forward invention creating a new product to meet a need in another country.

frequency programs (FPs) designed to provide rewards to customers who buy frequently and in substantial amounts.

G

global firm a firm that operates in more than one country and captures R&D, production, logistical, marketing, and financial advantages in its costs and reputation that are not available to purely domestic competitors.

global industry an industry in which the strategic positions of competitors in major geographic or national markets are fundamentally affected by their overall global positions.

goal formulation the process of developing specific goals for the planning period.

going-rate pricing price based largely on competitors' prices.

gray market branded products diverted from normal or authorized distributions channels in the country of product origin or across international borders.

H

heuristics rules of thumb or mental shortcuts in the decision process.

high-low pricing charging higher prices on an everyday basis but then running frequent promotions and special sales.

holistic marketing a concept based on the development, design, and implementation of marketing programs, processes, and activities that recognizes their breadth and interdependencies.

horizontal marketing system two or more unrelated companies put together resources or programs to exploit an emerging market opportunity.

hybrid channels use of multiple channels of distribution to reach customers in a defined market.

I

image the set of beliefs, ideas, and impressions a person holds regarding an object.

industry a group of firms that offer a product or class of products that are close substitutes for one another.

ingredient branding a special case of co-branding that involves creating brand equity for materials, components, or parts that are necessarily contained within other branded products.

innovation any good, service, or idea that is perceived by someone as new.

innovation diffusion process the spread of a new idea from its source of invention or creation to its ultimate users or adopters.

installation the work done to make a product operational in its planned location.

institutional market schools, hospitals, nursing homes, prisons, and other institutions that must provide goods and services to people in their care.

integrated logistics systems (ILS) materials management, material flow systems, and physical distribution, abetted by information technology (IT).

integrated marketing mixing and matching marketing activities to maximize their individual and collective efforts.

integrated marketing communications (IMC) a concept of marketing communications planning that recognizes the added value of a comprehensive plan.

intensive distribution the manufacturer placing the goods or services in as many outlets as possible.

internal branding activities and processes that help to inform and inspire employees.

interstitials advertisements, often with video or animation, that pop up between changes on a Web site.

J

joint venture a company in which multiple investors share ownership and control.

L

learning changes in an individual's behavior arising from experience.

lexicographic heuristic consumer choosing the best brand on the basis of its perceived most important attribute.

licensed product one whose brand name has been licensed to other manufacturers who actually make the product.

life-cycle cost the product's purchase cost plus the discounted cost of maintenance and repair less the discounted salvage value.

lifestyle a person's pattern of living in the world as expressed in activities, interests, and opinions.

line extension the parent brand is used to brand a new product that targets a new market segment within a product category currently served by the parent brand.

line stretching a company lengthens its product line beyond its current range.

long-term memory (LTM) a permanent repository of information.

loyalty a commitment to re-buy or re-patronize a preferred product or service.

M

maintenance and repair the service program for helping customers keep purchased products in good working order.

market-buildup method identifying all the potential buyers in each market and estimating their potential purchases.

market demand the total volume of a product that would be bought by a defined customer group in a defined geographical area in a defined time period in a defined marketing environment under a defined marketing program.

market forecast the market demand corresponding to the level of industry marketing expenditure.

market logistics planning the infrastructure to meet demand, then implementing and controlling the physical flows or materials and final goods from points of origin to points of use, to meet customer requirements at a profit.

market opportunity analysis (MOA) system used to determine the attractiveness and probability of success.

market partitioning the process of investigating the hierarchy of attributes consumers examine in choosing a brand if they use phased decision strategies.

market penetration index a comparison of the current level of market demand to the potential demand level.

market-penetration pricing pricing strategy where prices start low to drive higher sales volume from price-sensitive customers and produce productivity gains.

market potential the upper limit to market demand whereby increased marketing expenditures would not be expected to stimulate further demand.

market-skimming pricing pricing strategy where prices start high and are slowly lowered over time to maximize profits from less price-sensitive customers.

marketer someone who seeks a response (attention, a purchase, a vote, a donation) from another party, called the prospect.

marketing process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.

marketing audit a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities.

marketing channel system the particular set of marketing channels employed by a firm.

marketing channels sets of interdependent organizations involved in the process of making a product or service available for use or consumption.

marketing communications the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about products and brands that they sell.

marketing communications mix advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, and personal selling.

marketing decision support system (MDSS) a coordinated collection of data, systems, tools, and techniques with supporting software and hardware by which an organization gathers and interprets relevant information from business and the environment and turns it into a basis for marketing action.

marketing implementation the process that turns marketing plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives.

marketing information system (MIS) people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute information to marketing decision makers.

marketing intelligence system a set of procedures and sources managers use to obtain everyday information about developments in the marketing environment.

marketing management the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

marketing metrics the set of measures that helps firms to quantify, compare, and interpret their marketing performance.

marketing network the company and its supporting stakeholders, with whom it has built mutually profitable business relationships.

marketing opportunity an area of buyer need and interest in which there is a high probability that a company can profitably satisfy that need.

marketing plan written document that summarizes what the marketer has learned about the marketplace, indicates how the firm plans to reach its marketing objectives, and helps direct and coordinate the marketing effort.

marketing public relations (MPR) publicity and other activities that build corporate or product image to facilitate marketing goals.

marketing research the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.

markup pricing an item by adding a standard increase to the product's cost.

materials and parts goods that enter the manufacturer's product completely.

media selection finding the most cost-effective media to deliver the desired number and type of exposures to the target audience.

megamarketing the strategic coordination of economic, psychological, political, and public relations skills, to gain the cooperation of a number of parties in order to enter or operate in a given market.

megatrends large social, economic, political, and technological changes that are slow to form, and once in place, have an influence for seven to ten years or longer.

membership groups groups having a direct influence on a person.

memory encoding how and where information gets into memory.

memory retrieval how and from where information gets out of memory.

mental accounting the manner by which consumers code, categorize, and evaluate financial outcomes of choices.

microsales analysis examination of specific products and territories that fail to produce expected sales.

microsite a limited area on the Web managed and paid for by an external advertiser/company.

mission statements statements that organizations develop to share with managers, employees, and (in many cases) customers.

mixed bundling the seller offers goods both individually and in bundles.

multichannel marketing a single firm uses two or more marketing channels to reach one or more customer segments.

multitasking doing two or more things at the same time.

N

net price analysis analysis that encompasses company list price, average discount, promotional spending, and co-op advertising to arrive at net price.

noncompensatory models in consumer choice, when consumers do not simultaneously consider all positive and negative attribute considerations in making a decision.

O

Online alliances and affiliate programs when one Internet company works with another one and they advertise each other.

opinion leader the person in informal, product-related communications who offers advice or information about a specific product or product category.

ordering ease how easy it is for the customer to place an order with the company.

organization a company's structures, policies, and corporate culture.

organizational buying the decision-making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers.

overall market share the company's sales expressed as a percentage of total market sales.

P

parent brand an existing brand that gives birth to a brand extension.

partner relationship management (PRM) activities the firm undertakes to build mutually satisfying long-term relations with key partners such as suppliers, distributors, ad agencies, and marketing research suppliers.

penetrated market the set of consumers who are buying a company's product.

perceived value the value promised by the company's value proposition and perceived by the customer.

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

performance quality the level at which the product's primary characteristics operate.

personal communications channels two or more persons communicating directly face-to-face, person-to-audience, over the telephone, or through e-mail.

personal influence the effect one person has on another's attitude or purchase probability.

personality a set of distinguishing human psychological traits that lead to relatively consistent responses to environmental stimuli.

place advertising (also out-of-home advertising) ads that appear outside of home and where consumers work and play.

point-of-purchase (P-O-P) the location where a purchase is made, typically thought of in terms of a retail setting.

potential market the set of consumers who profess a sufficient level of interest in a market offer.

potential product all the possible augmentations and transformations the product or offering might undergo in the future.

price discrimination a company sells a product or service at two or more prices that do not reflect a proportional difference in costs.

price escalation an increase in the price of a product due to added costs of selling it in different countries.

primary groups groups with which a person interacts continuously and informally, such as family, friends, neighbors, and co-workers.

principle of congruity psychological mechanism that states that consumers like to see seemingly related objects as being as similar as possible in their favorability.

private label brand brands that retailers and wholesalers develop and market.

product adaptation altering the product to meet local conditions or preferences.

product assortment the set of all products and items a particular seller offers for sale.

product invention creating something new via product development or other means.

product mix see product assortment.

product penetration percentage the percentage of ownership or use of a product or service in a population.

product system a group of diverse but related items that function in a compatible manner.

profitable customer a person, household, or company that over time yields a revenue stream that exceeds by an acceptable amount the company's cost stream of attracting, selling, and servicing that customer.

prospect theory consumers frame decision alternatives in terms of gains and losses according to a value function.

public any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives.

public relations (PR) a variety of programs designed to promote or protect a company's image or its individual products.

publicity the task of securing editorial space—as opposed to paid space—in print and broadcast media to promote something.

pull strategy the manufacturer using advertising and promotion to persuade consumers to ask intermediaries for the product, thus inducing the intermediaries to order it.

purchase probability scale a scale to measure the probability of a buyer making a particular purchase.

pure bundling a firm only offers its products as a bundle.

pure-click companies that have launched a Web site without any previous existence as a firm.

push strategy the manufacturer using its sales force and trade promotion money to induce intermediaries to carry, promote, and sell the product to end users.

R

reference groups all the groups that have a direct or indirect influence on a person's attitudes or behavior.

reference prices pricing information a consumer retains in memory which is used to interpret and evaluate a new price.

relational equity the cumulative value of the firm's network of relationships with its customers, partners, suppliers, employees, and investors.

relationship marketing building mutually satisfying long-term relationships with key parties, in order to earn and retain their business.

relative market share market share in relation to a company's largest competitor.

reliability a measure of the probability that a product will not malfunction or fail within a specified time period.

repairability a measure of the ease of fixing a product when it malfunctions or fails.

representativeness heuristic consumers basing their predictions on how representative or similar an outcome is to other examples.

risk analysis a method by which possible rates of returns and their probabilities are calculated by obtaining estimates for uncertain variables affecting profitability.

role the activities a person is expected to perform.

S

sales analysis measuring and evaluating actual sales in relation to goals.

sales budget a conservative estimate of the expected volume of sales, used for making current purchasing, production, and cash flow decisions.

sales promotion a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

sales quota the sales goal set for a product line, company division, or sales representative.

sales-variance analysis a measure of the relative contribution of different factors to a gap in sales performance.

satisfaction a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations.

scenario analysis developing plausible representations of a firm's possible future that make different assumptions about forces driving the market and include different uncertainties.

search-related ads ads in which search terms are used as a proxy for the consumer's consumption interests and relevant links to product or service offerings are listed along side the search results.

secondary groups groups which tend to be more formal and require less interaction than primary groups, such as religious, professional, and trade-union groups.

selective attention the mental process of screening out certain stimuli while noticing others.

selective distortion the tendency to interpret product information in a way that fit consumer perceptions.

selective distribution the use of more than a few but less than all of the intermediaries who are willing to carry a particular product.

selective retention good points about a product that consumers like are remembered and good points about competing products are forgotten.

served market all the buyers who are able and willing to buy a company's product.

served market share a company's sales expressed as a percentage of the total sales to its served market.

service any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

share penetration index a comparison of a company's current market share to its potential market share.

shopping goods goods that the consumer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price, and style.

short-term memory (STM) a temporary repository of information.

social classes homogeneous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interests, and behavior.

social marketing marketing done by a nonprofit or government organization to further a cause, such as "say no to drugs."

specialty goods goods that have unique characteristics or brand identification for which a sufficient number of buyers are willing to make a special purchasing effort.

sponsorship financial support of an event or activity in return for recognition and acknowledgment as the sponsor.

stakeholder-performance scorecard a measure to track the satisfaction of various constituencies who have a critical interest in and impact on the company's performance.

status one's position within his or her own hierarchy or culture.

straight extension introducing a product in a foreign market without any change in the product.

strategic brand management the design and implementation of marketing activities and programs to build, measure, and manage brands to maximize their value.

strategic business units (SBUs) a single business or collection of related businesses that can be planned separately from the rest of the company, with its own set of competitors and a manager who is responsible for strategic planning and profit performance.

strategic group firms pursuing the same strategy directed to the same target market.

strategic marketing plan laying out the target markets and the value proposition that will be offered, based on analysis of the best market opportunities.

strategy a company's game plan for achieving its goals.

style a product's look and feel to the buyer.

sub-brand a new brand combined with an existing brand.

subculture subdivisions of a culture that provide more specific identification and socialization, such as nationalities, religions, racial groups, and geographical regions.

subliminal perception receiving and processing subconscious messages that affect behavior.

supersegment a set of segments sharing some exploitable similarity.

supplies and business services short-term goods and services that facilitate developing or managing the finished product.

supply chain management (SCM) procuring the right inputs (raw materials, components, and capital equipment); converting them efficiently into finished products; and dispatching them to the final destinations.

T

tactical marketing plan marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service.

target costing deducting the desired profit margin from the price at which a product will sell, given its appeal and competitors' prices.

target market the part of the qualified available market the company decides to pursue.

target-return pricing determining the price that would yield the firm's target rate of return on investment (ROI).

telemarketing the use of telephone and call centers to attract prospects, sell to existing customers, and provide service by taking orders and answering questions.

total costs the sum of the fixed and variable costs for any given level of production.

total customer cost the bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs.

total customer value the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering.

total quality management (TQM) an organizationwide approach to continuously improving the quality of all the organization's processes, products, and services.

tracking studies collecting information from consumers on a routine basis over time.

transaction a trade of values between two or more parties: A gives X to B and receives Y in return.

transfer in the case of gifts, subsidies, and charitable contributions: A gives X to B but does not receive anything tangible in return.

transfer price the price a company charges another unit in the company for goods it ships to foreign subsidiaries.

trend a direction or sequence of events that has some momentum and durability.

two-part pricing a fixed fee plus a variable usage fee.

tying agreements agreement in which producers of strong brands sell their products to dealers only if dealers purchase related products or services, such as other products in the brand line.

U

unsought goods those the consumer does not know about or does not normally think of buying, like smoke detectors.

V

value-delivery network a company's supply chain and how it partners with specific suppliers and distributors to make products and bring them to markets.

value-delivery system all the expectancies the customer will have on the way to obtaining and using the offering.

value network a system of partnerships and alliances that a firm creates to source, augment, and deliver its offerings.

value pricing winning loyal customers by charging a fairly low price for a high-quality offering.

value proposition the whole cluster of benefits the company promises to deliver.

variable costs costs that vary directly with the level of production.

venture team a cross-functional group charged with developing a specific product or business.

vertical integration situation in which manufacturers try to control or own their suppliers, distributors, or other intermediaries

vertical marketing system (VMS) producer, wholesaler(s), and retailer(s) acting as a unified system.

viral marketing using the Internet to create word of mouth effects to support marketing efforts and goals.

Y

yield pricing situation in which companies offer (1) discounted but limited early purchases, (2) higher-priced late purchases, and (3) the lowest rates on unsold inventory just before it expires.

Z

zero-level channel (direct-marketing channel) a manufacturer selling directly to the final customer.