

## Glossary

### Chapter 1

#### **advertising**

a form of non-personal communication, by an identified sponsor, transmitted through the use of paid-for media.

#### **American Marketing Association (AMA)**

A professional body for marketing professionals and marketing educators based in the United States, operating principally there and in Canada.

#### **Chartered Institute of Marketing (CIM)**

A professional body for marketing professionals based in the UK, with study centres and members around the world.

#### **circular economy**

an alternative to a traditional linear economy (make—use—dispose) in which we keep resources in use for as long as possible, extract the maximum value from them while in use, and then recover and regenerate products and materials at the end of each service life.

#### **collaborative consumption**

the trend towards the sharing, swapping, and renting of possessions.

#### **consumer**

the user of a product, service, or other form of offering.

#### **corporate social responsibility (CSR)**

typically, a programme of social and/or environmental activities undertaken by a company on behalf of one or more of its stakeholders to develop sustainable business operations, foster goodwill, and develop the company's corporate reputation.

#### **customer**

the person who purchases and pays for (or initially requests and specifies, in the case of a non-financial transaction) a product, service, or other form of offering from a company or organization.

#### **dyadic**

essentially meaning 'two-way'; a dyadic commercial relationship is an exchange between two people—typically, a buyer and a seller.

#### **elasticity**

an economic concept associated with the extent to which changes in one variable are related to changes in another, for example if a price increase in a good causes a decline in volume of sales of that good, we say the good is 'price elastic' and specify by how much; if it causes no change or very little change, we say it is 'price inelastic'.

#### **ethnography**

a subdiscipline derived from cultural anthropology as an approach to research, which emphasizes the collection of data through participant observation of members of a specific subcultural grouping and observation of participation of members of a specific subcultural

grouping.

**framing**

the dual action by which communicators present ideas and concepts, and members of an audience interpret those concepts by assimilating them into their pre-existing cognitive schema.

**haul girls**

women who go shopping for clothes or beauty products, then make a YouTube video showing viewers what they have bought, item by item.

**market orientation**

refers to the development of a whole-organization approach to the generation, collection, and dissemination of market intelligence across different departments, and the organization's responsiveness to that intelligence.

**marketing mix**

the list of items that a marketing manager should consider when devising plans for marketing products, including product decisions, place (distribution) decisions, pricing decisions, and promotion decisions; later extended to include physical evidence, process, and people decisions, to account for the lack of physical nature in service products.

**netnography**

the branch of ethnography that seeks to analyse Internet users' behaviour.

**non-staple**

in the grocery context, grocery products that are not a main or important food.

**observation**

a research method that requires a researcher to watch, and record, how consumers or employees behave, typically in relation to either purchasing or selling activities.

**place (distribution)**

essentially about how you can place the optimum amount of goods and/ or services before the maximum number of members of your target market, at times and locations that optimize the marketing outcome— that is, sales.

**positioning**

the way in which an audience of consumers or buyers perceives a product or service, particularly as a result of the marketing communications process aimed at a target audience.

**price**

the amount that the customer has to pay to receive a good or service.

**procurement**

the purchasing (buying) process in a firm or organization.

**product**

anything that is capable of satisfying customer needs.

**promotion**

the use of communications to persuade individuals, groups, or organizations to purchase products and services.

**relationship marketing**

the development and management of long-term relationships with customers, influencers, referrers, suppliers, recruiters, and employees.

**reverse logistics**

the process of returning goods in a physical distribution channel, which might be a flow from customer to manufacturer via a retailer (for example for repair or replacement).

**service-dominant logic**

asserts that organizations, markets, and society are concerned fundamentally with exchange of service, based on the application of knowledge and skills; rejects the notion of dualism between goods and services marketing by arguing that all offerings provide a service.

**servicescape**

the physical environment in which a service takes place, such as a stadium for a football game.

**social anthropology**

the scientific discipline of observing and recording the way in which humans behave in their different social groupings.

**supply chain management**

the management and coordination of supply-side activities (including planning, sourcing, making, and delivering) from production to consumption to enhance customer value.

**sustainable marketing**

marketing activities undertaken to meet the wants or needs of present customers without compromising the wants or needs of future customers, particularly in relation to negative environmental impacts on society.

**tweenagers**

pre-adolescent children, typically taken to be between the ages of 9 and 12, who are hence about to enter their teenage years.

**value**

the regard that something is held to be worth, typically, although not always, in financial terms.

## Chapter 2

**attitudes**

refers to the mental states of individuals that underlie the structuring of perceptions and guide behavioural response.

**buyclasses**

the different types of buying situation faced by organizations.

**buyers**

also known as 'purchasing managers', these people select suppliers and manage the process whereby the required products are procured.

**buying centre**

a group of people who make purchasing decisions on behalf of an organization.

**buyphases**

the series of sequential activities or stages through which organizations proceed when making purchasing decisions.

**classical conditioning**

a theory of learning propounded by Russian physiologist Ivan Pavlov, who carried out a series of experiments with his dogs. He realized that if he were to ring a bell before serving food, the dogs would automatically associate the sound of the bell (the conditioned stimulus) with the presentation of the food (the unconditioned stimulus), and begin salivating. Classical conditioning occurs when the unconditioned stimulus becomes associated with the conditioned stimulus.

**cognition**

a psychological term relating to the action of thinking about something. Our opinions are cognitive—that is, mental structures formed about something in our minds.

**cognitive dissonance**

a psychological theory proposed by Leon Festinger in 1957, which states that we are motivated to re-evaluate our beliefs, attitudes, opinions, or values if the position we hold on them at one point in time does not concur with the position held at an earlier period owing to some intervening event, circumstance, or action.

**deciders**

people who make organizational purchasing decisions; often very difficult to identify.

**decision-making unit**

a group of people who make purchasing decisions on behalf of an organization.

**evoked set**

a group of goods, brands, or services for a specific item brought to mind in a particular purchasing situation and from which a person makes a decision as to which product, brand, or service to buy.

**gatekeepers**

people who control the type and flow of information into an organization, and in particular to members of the decision-making unit.

**influencers**

people who help to set the technical specifications for a proposed purchase and assist the evaluation of alternative offerings by potential suppliers.

**initiators**

people who start the organizational buying decision process.

**intention**

in the consumer context, linked to whether or not we are motivated to purchase a good or service.

**involvement**

the greater the personal importance people attach to a given communication message, the more involvement they are said to have with that communication.

**media**

facilities used by companies to convey or deliver messages to target audiences; plural of medium.

**modified rebuy**

the organizational processes associated with the infrequent purchase of products and services.

**new task**

the organizational processes associated with buying a product or service for the first time.

**operant conditioning**

a learning theory developed by B. F. Skinner, which suggests that when a subject acts on a stimulus from the environment (antecedents), this is more likely to result in a particular behaviour (behaviour) if that behaviour is reinforced (consequence) through reward or punishment.

**opinions**

refers to observable verbal responses given by individuals to an issue or question; easily affected by current affairs and discussions with significant others.

**organizational buyer behaviour**

the characteristics, issues, and processes associated with the behaviour of producers, resellers, government units, and institutions when purchasing goods and services.

**overt search**

the point in the buying process at which a consumer seeks further information in relation to a product or buying situation, according to the Howard–Sheth model of buyer behaviour.

**perception**

a mental picture based on existing attitudes, beliefs, needs, stimulus factors, and factors specific to our situation, which governs our attitudes and behaviour towards objects, events, or people in the world about us.

**personality**

that aspect of our psyche which determines the way in which we respond to our environment in a relatively stable way over time.

**recall**

a measure of advertising effectiveness based on what an individual is able to remember about an advert.

**recognition**

refers to the process whereby new images and words are compared with existing images and words in memory and a match is found.

**social class**

a system of classification of consumers or citizens, based on the socio-economic status of the chief income earner in a household, typically into various subgroupings of middle class and working class.

**social grade**

a system of classification of people based on their socio-economic group, usually based on the household's chief income earner.

**social learning**

a theory, advocated by Albert Bandura, which suggests that we can learn from observing the experiences of others, and that, in contrast with operant conditioning, we can delay gratification and even administer our own rewards or punishment.

**straight rebuy**

the organizational processes associated with the routine reordering of good and services, often undertaken from an approved list of suppliers.

**strategic procurement**

an approach used to negotiate with suppliers on a cooperative basis, to help to build long-term relationships.

**users**

people or groups who use business products and services once they have been acquired, and who then evaluate the performance of the products or services.

**value**

the regard in which something is held, typically, although not always, expressed in financial terms.

## Chapter 3

**behavioural economics**

the study of the psychology of consumer decision-making, particularly seeking to explain irrational decisionmaking and behaviour.

**brand health**

the overall condition of a brand relative to the context in which it operates.

**causal research**

a technique used to investigate the relational link between two or more variables by manipulating the independent variable(s) to see the effect on the dependent variable(s) and comparing effects with a control group within which no such manipulation takes place.

**competitive intelligence**

the organized, professional, systematic collection of information, typically through informal mechanisms, used for the achievement of strategic and tactical organizational goals.

**computer-assisted personal interviewing (CAPI)**

an approach to personal interviewing using a handheld computer or laptop to display questions and record the respondents' answers.

**computer-assisted telephone interviewing (CATI)**

an approach to telephone interviewing using a laptop or desktop computer to display the questions to the interviewer, who reads them out and records the respondent's answers.

**computer-assisted web interviewing (CAWI)**

an approach to online interviewing whereby the respondent uses a laptop or desktop computer to access questions in a set location, with questions automatically set based on the respondent's answers.

**conceptual equivalence**

the degree to which interpretation of behaviour, or objects, is similar across countries.

**control group**

a sample group used in causal research, which is not subjected to manipulation of some sort

**cuts**

adverts initially produced in cartoon format, complete with dialogue, before they are produced, filmed, and edited.

**descriptive research**

a research technique used to test, and confirm, hypotheses developed from a management problem.

**desk research**

also known as 'desk research', a technique used to collect data that has previously been collected for a purpose other than the current research situation.

**exploratory research**

a research technique used to generate ideas to develop hypotheses based around a management problem.

**face validity**

the use of the researcher's or an expert's subjective judgment to determine whether an instrument is measuring what it is designed to measure.

**full-service agency**

an advertising agency that provides its clients with a full range of services, including strategy and planning, designing the advertisements, and buying the media.

**functional equivalence**

relates to whether or not a concept has the same function in different countries.

**management problem**

a statement that outlines a situation faced by an organization, requiring further investigation and subsequent organizational action.

**market mix modelling**

a research process that uses multiple-regression analysis based on customer survey data to ascertain the relative contributions of different promotional techniques on a customer-based dependent variable (such as awareness, intention to buy).

**marketing research**

the design, collection, analysis, and interpretation of data collected for the purpose of aiding marketing decision-making.

**pre-code**

the assignation, in surveys, of a unique code (for example male = 1, female = 2) to answers to questions, to speed up data processing and to aid data analysis.

**primary research**

a technique used to collect, for the first time, data which has been specifically collected and assembled for the current research problem.

**probability sampling**

a sampling method used where the probability of selection of the sample elements from the population is known. Typical examples include simple random, stratified random, and cluster sampling methods.

**qualitative research**

a type of exploratory research using small samples and unstructured data collection procedures, designed to identify hypotheses, possibly for later testing in quantitative research. The most popular examples include in-depth interviews, focus groups, and projective techniques.

**quantitative research**

research designed to provide responses to predetermined, standardized questions from a large number of respondents, involving the statistical analysis of the responses.

**reliability**

the degree to which the data elicited in a study are replicated in a repeat study.

**research brief**

a formal document prepared by the client organization and submitted to either an external market research provider (such as a market research agency or consultant) or an internal research provider (such as in-house research department) outlining a statement of the management problem and the perceived research needs of the organization.



**research proposal**

a formal document prepared by an agency, consultant, or in-house research manager and submitted to the client to outline what procedures will be used to collect the necessary information, including timescales and costs.

**sampling frame**

a list of population members from which a sample is generated (for example a telephone directory or membership list).

**secondary research**

also known as 'desk research', a technique used to collect data that has previously been collected for a purpose other than the current research situation.

**SPSS**

short for Statistical Package for the Social Sciences, a software package used for statistical analysis marketed by SPSS, a company owned by IBM.

**storyboards**

an outline of the story that an advertisement will follow prepared before its production, showing its key themes, characters, and messages.

**t-test**

a statistical test of difference used for small randomly selected samples with a size of fewer than 30.

**test market**

region within a country used to test the effects of the launch of a new product or service, typically using regional advertising to promote the service and pre- and postadvertising market research to measure promotional effectiveness.

**touchpoint**

an occasion on which a consumer engages with a brand, including those occasions not directly associated with advertising activities.

**translation equivalence**

the degree to which the meaning of one language is represented in another after translation.

**validity**

the ability of a measurement instrument to measure exactly the construct that it is attempting to measure.

**z-test**

a statistical test of difference used for large randomly selected samples with a size of 30 or more.

## Chapter 4

### **Boston box**

a popular portfolio matrix, developed by the Boston Consulting Group, commonly also referred to as the 'BCG matrix'

### **competitive advantage**

achieved when an organization has an edge over its competitors on factors that are important to customers.

### **cost leadership**

a strategy involving the production of goods and services for a broad market segment, at a cost lower than those of all other competitors.

### **differentiation**

a strategy through which an organization offers products and services to broad particular customer groups, who perceive the offering to be significantly different from, and superior to, its competitors.

### **divestment**

a strategic objective that involves selling a business or killing a product when that business or product continues to incur losses and generate negative cash flows.

### **environmental scanning**

a management process designed to identify external issues, situations, and threats that may impinge on an organization's future and its strategic decisionmaking.

### **focus strategy**

a strategy based on developing gaps in broad market segments or gaps in competitors' product ranges.

### **government**

the system of organization of a nation state.

### **gross domestic product (GDP)**

a measure of the output of a nation—that is, of the size of its economy; calculated as the market value of all finished goods and services produced in a country during a specified period, typically available annually or quarterly.

### **harvesting**

a strategic objective based on maximizing short-term profits and stimulating positive cash flow; often used in mature markets as firms or products enter a decline phase.

### **hold**

a strategic objective based on defending against attacks from aggressive competitors.

### **inflation**

rising prices.

**niche market**

a small part of a market segment that has specific and specialized characteristics that make it uneconomic for the leading competitors to enter.

**performance environment**

refers to the organizations that directly or indirectly influence an organization's ability to achieve its strategic and operational goals.

**PESTLE**

a framework that examines the external environment, named as an acronym of the Political, Economic, Socio-cultural, Technological, Legal, and Ecological factors on which it focuses.

**political environment**

that part of the macro environment concerned with impending and potential legislation and how it may affect a particular firm.

**portfolio analysis**

an assessment of a company's mix of products, services, investments, and other assets aiming to optimize the use of resources and to assess its suitability, level of risk, and expected financial return.

**price sensitivity**

the extent to which a company or consumer increases or lowers its purchase volumes in relation to changes in price. A company or customer is price *insensitive* when unit volumes drop proportionately less than increases in prices.

**public relations (PR)**

a non-personal form of communication used by companies to build trust, goodwill, interest, and ultimately relationships with a range of stakeholders.

**purchasing power parity (PPP)**

a way of establishing the relative value of currencies between countries, so that there is an equivalence of purchasing power.

**recession**

a fall in a country's GDP for two or more successive quarters in any one year.

**relative price**

denotes the price of company A's product/service as a proportion of the price of a comparable product/service of company B (typically the market leader) or its nearest competitor (where A is the market leader).

**reverse engineering**

the process of developing a product from the finished version (for example from a competitor's prototype) to its constituent parts rather than the usual approach from components parts to a finished product.

**society**

the customs, habits, and nature of a nation's social system.

**stakeholders**

people with an interest—that is, a ‘stake’—in the levels of profit an organization achieves, its environmental impact, and its ethical conduct in society.

**strategic marketing**

the organizational process that leads to decisions on how the company should compete in the marketplace (against its rivals) and how it should serve its customer base.

**sustainable competitive advantage**

when an organization is able to offer a superior product to those of competitors that is not easily imitated and which enjoys significant market share as a result.

**switching costs**

the psychological, economic, time, and effort-related costs associated with substituting one product or service for another, or changing a supplier from one to another.

**SWOT analysis**

a methodology used by organizations to understand their strategic position; involves analysis of an organization’s Strengths, Weaknesses, Opportunities, and Threats.

**values**

the standards of behaviour expected of an organization’s employees.

## Chapter 5

**benefits sought**

by understanding the benefits that customers derive from their purchases, it is possible to have an insight into the motivations behind product use.

**breakdown method**

an approach to segmentation based on the view that the market consists of customers who are essentially the same, so the task is to identify groups that share particular differences.

**build-up method**

an approach to segmentation based on the view that a market consists of customers that are all different, so the task is to find similarities.

**business markets**

markets characterized by organizations that consume products and services for use within the manufacture of other products or for use in their daily operations.

**business-to-business (B2B)**

activities undertaken by one company that are directed at another.

**choice criteria**

the principal dimensions on the basis of which we select a particular product or service, for example, or a hairdresser, price, location, range of services, level of expertise, friendliness, and so on.

**communication**

the sharing of meaning created through the transmission of information.

**concentrated, or niche, marketing strategy**

a marketing strategy that recognizes that there are segments in the market; implemented by focusing on only one or two, or a few, of those market segments.

**customer relationship marketing (CRM)**

a strategy whereby all marketing activities aim to retain customers, achieved by providing customers with relationship-enhancing products and/or services that are perceived to be of value to the individual customer and superior to those offered by a competitor.

**customized targeting strategy**

a marketing strategy that is developed for each customer as opposed to each market segment.

**decision-making unit (DMU)**

a structure on which segmentation can focus whereby organizations' attitudes, policies, and purchasing strategies can be clustered.

**demographics**

key variables concerning age, sex, occupation, level of education, religion, and social class, many of which determine a potential buyer's ability to purchase a product or service.

**differentiated targeting approach**

an approach that recognizes several market segments to target, each being attractive to the marketing organization, whereby a distinct marketing strategy is developed for each.

**firmographics**

criteria such as company size, geography, standard industrial classification (SIC) codes, and other company-oriented classification data used to inform an approach to segmentation of B2B markets.

**geo-demographics**

criteria informing an approach to segmentation that presumes that there is a relationship between the type of housing and location in which people live and their purchasing behaviours.

**lifestage analysis**

analysis based on the principle that people need different products and services at different stages in their lives (for example childhood, adulthood, young couples, retired, etc.).

**market segmentation**

the division of customer markets into groups of customers with distinctly similar needs.

**organizational size**

a criterion by means of which organizations can be grouped—for example multinational corporations (MNCs, international corporations, large companies, small and medium-sized enterprises (SMEs))—which enables the identification of common design, delivery, usage rates, or order size and other purchasing characteristics.

**perceptual mapping**

a diagram, typically twodimensional, of 'image space' derived from attitudinal market research data, which displays the differences in perceptions that customers, consumers, or the general public have of different products or services specifically, or brands in general.

**positioning**

the way in which an audience of consumers or buyers perceives a product or service, particularly as a result of the marketing communications process aimed at a target audience.

**product differentiation**

a strategy that involves companies seeking to produce offerings that are different from those of competing firms.

**product usage**

a criterion whereby segments derive from analysing markets on the basis of their usage of the product offering, brand, or product category, in terms of frequency, timing, and circumstances of use.

**psychographics**

criteria relating to consumers' activities, interests, and opinions that allows us to understand individual lifestyles and patterns of behaviour, which in turn affect their buying behaviour and decision-making processes, on which basis we can also identify similar product and/or media usage patterns.

**purchase situation**

an approach to segmentation that clusters organizational buyers in terms of the way in which a buying company structures its purchasing procedures, the type of buying situation, and whether buyers are at an early or late stage in the purchase decision process.

**standard industrial classification (SIC) codes**

codes used to identify and categorize all types of industry and business.

**STP process**

the method by which whole markets are subdivided by means of Segmentation, for subsequent Targeting and Positioning of products, services, and brands.

**undifferentiated approach**

an approach to segmentation in which there is no delineation between market segments, with the market viewed instead as a single mass market and only one marketing strategy applied to the whole.

**Chapter 6**

**brand**

multidimensional and emotional construct that people use to embrace an abstract object or a set of associations.

**brand associations**

the physical and non-physical product attributes and benefits aligned with attitudes that consumers use to create an image of a brand.

**brand equity**

a measure of the value and strength of a brand. It is an assessment of a brand's wealth, sometimes referred to as 'goodwill'.

**brand personalities**

the associations and images that enable consumers to construe a psychosocial meaning associated with a particular brand.

**brand personality scale**

a framework of dimensions used to measure brand personality, developed by Aaker (1997).

**brand positioning**

a strategic activity used to differentiate and distinguish a brand.

**brand scope**

the range of international markets in which a brand operates.

**convenience products**

non-durable goods or services, often bought with little pre-purchase thought or consideration.

**customer branding**

the name, term, or other feature devised by customers that enables them to identify otherwise undifferentiated or unbranded products.

**distributors**

organizations that buy goods and services, often from a limited range of manufacturers, and normally sell them to retailers or resellers.

**durable goods**

goods bought infrequently, which are used repeatedly and which involve a reasonably high level of consumer risk.

**early adopters**

a group of people in the process of diffusion who enjoy being at the leading edge of innovation and buy into new products at an early stage.

**early majority**

a group of people in the process of diffusion who require reassurance that a product works and has been proven in the market before they are prepared to buy it.

**extensive problem-solving**

occurs when consumers give a great deal of attention and care to a purchase decision, in circumstances in which there is no previous or similar product purchase experience.

**influentials**

People who have the ability to persuade others to think, believe, or behave in a certain way.

**innovators**

a group of people in the process of diffusion who like new ideas and who are most likely to take risks associated with new products.

**laggards**

a group of people in the process of diffusion who are suspicious of all new ideas and whose opinions are very hard to change.

**late majority**

a group of people in the process of diffusion who are sceptical of new ideas and adopt new products only because of social or economic factors.

**limited problem-solving**

occurs when consumers have some product and purchase familiarity.

**non-durable goods**

low-priced products that are bought frequently, used only once, and incur low levels of purchase risk.

**process of adoption**

the process through which individuals accept and use new products. The different stages in the adoption process are sequential and each is characterized by different factors.

**process of diffusion**

the rate at which a market adopts an innovation.

**product**

anything that is capable of satisfying customer needs.

**product life cycle**

the pathway that a product assumes over its lifetime, in which there are said to be five main stages: development, introduction, growth, maturity, and decline.

**proposition**

a product or service that represents a promise made to customers and stakeholders.

**routinized response behaviour**

a form of purchase behaviour that occurs when consumers have suitable product and purchase experience and they perceive low risk.

**shopping product**

a type of consumer product that is bought relatively infrequently and requires consumers to update their knowledge prior to purchase.

**speciality product**

a type of consumer product that is bought very infrequently, is very expensive, and represents very high risk.



**test marketing**

a stage in the new product development process, undertaken when a new product is tested with a sample of customers or is launched in a specified geographical area, to judge customers' reactions prior to a national launch.

**Chapter 7**

**advertising elasticity**

a measure of how responsive the demand for offerings is to changes in advertising expenditure (that is, how effective an advertising campaign is in generating new sales).

**components**

a part of something larger, for example an engine as part of a car, or the casing, ink, and packaging as parts of a pen.

**consumer durables**

manufactured consumer products that are relatively long-lasting (for example cars or computers) as opposed to nondurables (for example foodstuffs).

**perceived quality**

a relative subjective measure of quality. We talk of 'perceived' quality because there is no truly objective absolute measure of product or service quality.

**price**

the amount that the customer has to pay to receive a good or service.

**price bundling**

when a product or service is offered together with another typically complementary product or service, which is not available separately, to make the original product or service seem more attractive (for example a CD with a music magazine).

**price elasticity**

the percentage change in volume demanded as a proportion of the percentage change in price, usually expressed as a negative number. A score close to zero indicates that a product or service price change has little impact on quantity demanded, whereas a score of  $-1$  indicates that a product or service price change effects an equal percentage quantity change. A value above  $-1$  indicates a disproportionately higher change in quantity demanded as a result of a percentage price change.

**pricing cues**

proxy measures used by customers to estimate a product or service's reference price, such as quality, styling, packaging, sale signs, and odd-number endings.

**reference price** the price band against which customers judge the purchase price of goods and services.

**transfer pricing**

typically occurs in large organizations and represents the pricing approach used when one unit of a company sells to another unit within the same company.

**value**

the regard that something is held to be worth, typically, although not always, expressed in financial terms.

**white goods**

large electrical goods used in residences, typically, but not necessarily, white in colour, such as refrigerators or washing machines.

**white-labelled product**

an offering developed by one organization that other organizations rebrand and market as if it were their own.

## Chapter 8

**AIDA**

a hierarchy of effects, or sequential, model used to explain how advertising works, as an acronym of Awareness, Interest, Desire, and Action (to create a sale).

**ATR**

a framework developed by Ehrenberg (1974) to explain how advertising works, as an acronym of Awareness–Trial–Reinforcement.

**decoding**

that part of the communication process during which receivers unpack the various components of the message and begin to make sense of and give the message meaning.

**dialogue**

the development of knowledge that occurs when all parties to a communication event listen, adapt, and reason with one another about a specific topic.

**DRIP**

an acronym of the four primary tasks marketing communications can be expected to accomplish—that is, Differentiate, Reinforce, Inform, and Persuade.

**encoding**

a part of the communication process during which the sender selects a combination of appropriate words, pictures, symbols, and music to represent a message to be transmitted.

**feedback**

a part of the communication process referring to the responses offered by receivers.

**hierarchy of effects (HoE)**

a type of general sequential model used to explain how advertising works. Popular in the 1960s–1980s, these models provided a template that encouraged the development and use of communication objectives.

**interaction model**

the flow of communication messages that leads to mutual understanding about a specific topic.

**noise**

influences that distort information in the communication process, which, in turn, make it difficult for the receiver to decode and interpret a message correctly.

**opinion formers**

people who exert personal influence because of their profession, authority, education, or status associated with the object of the communication process. They are not part of the same peer group as the people whom they influence.

**opinion leaders**

people who are predisposed to receiving information and then reprocessing it to influence others. They belong to the same peer group as the people whom they influence; they are not distant or removed.

**personal selling**

the use of interpersonal communications with the aim of encouraging people to purchase particular products and services, for personal gain and reward.

**product class**

a broad category referring to various types of related product, for example cat food, shampoo, or cars.

**receiver**

an individual or organization who has seen, heard, smelt, or read a message.

**SMART**

an approach used to write effective objectives, as an acronym of Specific, Measurable, Achievable, Realistic, and Timed.

**strong theory**

a persuasion-based theory designed to explain how advertising works.

**two-step model**

a communication model that reflects a receiver's response to a message.

**weak theory**

a view that suggests advertising works only by reminding people of preferred brands.

**word-of-mouth**

a form of communication founded on interpersonal messages regarding products or services sought or consumed. Receivers regard word-of-mouth communicators as impartial and credible, because they are not attempting to sell products or services.

## **Chapter 9**

**advertising**

a form of non-personal communication, by an identified sponsor, that is transmitted through the use of paid-for media.

**audience fragmentation**

the disintegration of large media audiences into many smaller audiences caused by the development of alternative forms of entertainment that people can experience. This means that, to reach large numbers of people in a target market, companies need to use a variety of media, not only rely on a few mass-media channels.

**brand placement**

the planned and deliberate use of brands within films, television, and other entertainment vehicles, with a view to developing awareness and brand values.

**branded content**

use of entertainment material delivered through paid-for or owned media and which features a single company or product/ service brand.

**crisis communications**

a part of public relations that is used to protect and defend a brand (individual or organization) when its reputation is damaged or threatened.

**direct marketing**

a marketing communications tool that uses non-personal media to create and sustain a personal and intermediary-free communication with customers, potential customers, and other significant stakeholders. In most cases, this is a media-based activity.

**direct-response media**

media that carry advertising messages enabling audiences to respond immediately. Most commonly used in print, banner adverts, and on television (known as DRTV).

**exhibitions**

events at which groups of sellers meet collectively with the key purpose of attracting buyers.

**field marketing**

a marketing communications activity concerned with providing support for the sales force and merchandising personnel.

**integrated marketing communications (IMC)**

an approach associated with the coordinated development and delivery of a consistent marketing communication message(s) with a target audience.

**marketing communications mix**

a set of five tools, a variety of media, and messages that can be used in various combinations, and with different degrees of intensity, to communicate with specific audiences.

**media fragmentation**

the splintering of a few mainstream media channels into a multitude of media and channel formats.

**packaging**

protects contents, and communicates key rational and emotional information about a brand.

**personal selling**

the use of interpersonal communications aiming to encourage people to make a purchase, for personal gain and reward.

**public relations (PR)**

a non-personal form of communication used by companies to build trust, goodwill, interest, and ultimately relationships with a range of stakeholders.

**sales promotion**

a communication tool that adds value to a product or service, with the intention of encouraging people to buy now rather than at some point in the future.

**sponsorship**

a marketing communications activity whereby one party permits another an opportunity to exploit an association with a target audience in return for funds, services, or resources.

**user-generated content (UGC)**

content made publicly available over the Internet that reflects a certain amount of creative effort and is created by users, not professionals.

**viral marketing**

the unpaid peer-to-peer communication of often provocative content originating from an identified sponsor, aiming to use the Internet to persuade or influence an audience to pass along the content to others.

## Chapter 10

**direct channel structure**

marketing channel whereby the product is delivered directly from the producer to the final customer.

**distribution centres**

facilities designed to move goods, rather than only to store them.

**distribution channel**

an organized network of agencies and organizations that, together, perform all of the activities required to link producers and manufacturers with consumers, purchasers, and users to distribute product offerings.

**exclusive distribution**

distribution whereby intermediaries are given exclusive rights to market the good or service within a defined 'territory', and thus a limited number of intermediaries are used.

**fulfilment**

activities associated with locating and picking stock, packing, and shipping the selected items to the next channel member.

**horizontal conflict**

conflict that may arise between members of a channel on the same level of distribution.

**indirect channel structure**

marketing channel whereby the product moves from the producer, through an intermediary or series of intermediaries, such as a wholesaler, retailer, franchisee, agent, or broker, before being delivered to the final customer.

**information utility**

the provision of information about the product offering before and after sales. It can also provide organizations with information about those purchasing their offerings.

**intensive distribution**

distribution whereby an organization places its product or service in as many outlets or locations as possible to maximize the opportunity for customers to find it.

**marketing channel**

an organized network of agencies and organizations that, together, perform all of the activities required to link producers and manufacturers with consumers, purchasers, and users to distribute product offerings.

**multichannel structure**

marketing channel whereby multiple sales channels provide a variety of customer touchpoints.

**ownership utility**

the immediate availability of goods from the intermediaries' stocks, allowing ownership to pass to the purchaser.

**place utility**

the relocation of an offering to enable more convenient purchase and consumption.

**retailing**

also known as the 'retail trade', all of the activities directly related to the sale of goods and services to the end consumer for personal and non-business use.

**selective distribution**

distribution whereby some, but not all, available outlets for the good or service are used.

**stock management**

activity involving achieving a balance between the anticipated number of finished goods required by customers and a sufficient store of unfinished goods that can be assembled at a later date or when the stock of finished goods runs low.

**storage warehouses**

facilities that store goods for moderate-to-long periods.

**supply chain management (SCM)**

an activity formed when organizations link their individual value chains.

**time utility**

the gap bridged when manufacture, purchase, and consumption might occur at differing points in time.

**transportation**

the physical movement of products using, for example, road, rail, air, pipeline, and shipping.

**vertical conflict**

conflict between sequential members in a distribution network, such as producers, distributor, and retailers, over such matters as carrying a particular range or price increases.

**warehousing**

facilities used to store tangible goods for the periods between production, transportation, and purchase/consumption.

## Chapter 11

**co-created content (CCC)**

content or applications created by at least two parties, potentially the organization and the consumer.

**contextual advertising**

a form of targeted advertising, on websites, whereby adverts are selected and served by automated systems based on the content displayed to the user.

**digital marketing**

the process of marketing accomplished or facilitated through the application of electronic devices, appliances, tools, techniques, technologies, and/or systems.

**mobile marketing**

the set of practices that enables organizations to communicate and engage with their audiences in an interactive and relevant manner through any mobile device or network.

**paid inclusion**

can provide a guarantee that the website is included in a search engine's natural listings.

**pay per click (PPC)**

advertising that uses sponsored search engine listings to drive traffic to a website, whereby the advertiser bids for search terms and the search engine ranks results based on a competitive auction, as well as other factors.

**permission-based email marketing**

also known as 'opt-in email marketing', a method of advertising by email that the recipient has consented to receive.

**search directory**

a database of information maintained by human editors, which lists websites by category and subcategory, usually based on the whole website rather than one page or a set of keywords.

**search engine**

operates algorithmically, or using a mixture of algorithmic and human input, to collect, index, store, and retrieve information on the web, then make it available to users in a manageable and meaningful way in response to a search query.

**spam**

unsolicited email—that is, the junk mail of the twenty-first century—which clogs email servers and uses up much-needed Internet bandwidth.

**user-generated content (UGC)**

content made publicly available over the Internet that reflects creative effort by users, not professionals.

## **Chapter 12**

**collaborative exchanges**

a series of transactions between a buyer and seller in which the relationship is the main focus.

**commitment**

a desire that a relationship should continue.

**customer experience**

the individual feelings and emotions felt during interactions with an organization and its offerings.

**customer retention**

a stage in a buyer–seller relationship that is stable, and at which levels of trust and commitment are strongest.

**inseparability**

a characteristic of a service, referring to its instantaneous production and consumption.

**intangibility**

a characteristic of a service, referring to its lack of physical attributes, which means that it cannot be perceived by the senses—that is, tasted, seen, touched, smelt, or possessed.

**key mediating variables (KMV)**

the dimensions of commitment and trust used within the Morgan and Hunt (1994) model of relationship marketing.

**loyalty**

the extent to which a customer supports, possibly through repeat purchases, a particular brand.

**market (or discrete) exchanges**

a type of transaction between a buyer and seller in which the main focus is on the product and price.



**perceived risk**

the real and imagined uncertainties that customers consider when purchasing products and services.

**perceived value**

the 'net satisfaction' derived from consuming and using a product, not only the costs involved in obtaining it.

**perishability**

a characteristic of a service, referring to the fact that any spare or unused capacity cannot be stored for use at some point in the future.

**relationship marketing**

marketing activities associated with the management of successful relational (collaborative) exchanges.

**service delivery**

the means through which services are experienced by customers.

**service encounter**

an event that occurs when a customer interacts directly with a service.

**service process**

a series of sequential actions that leads to the delivery of a predetermined service.

**service quality**

the extent to which customer expectations of a service are met through an actual service encounter.

**servq ual**

a model which measures the difference between the expected service and the actual perceived service.

**trust**

a judgment about the reliability, integrity, and the degree of confidence that one party to a relationship has that another will fulfil its obligations and responsibilities.

**variability**

a characteristic of a service, referring to the amount of diversity allowed at each step of service provision.