



ISMM

The Institute of Sales & Marketing Management

List of useful related Sales & Marketing Terminology

This list is in no way an exhaustive list of sales and marketing terms, but it can be used at all levels by tutors and students to help understanding.

REFERENCES

Where definitions have been taken directly from another source they have been given a reference number that refers to the sources stated below:

- [1] Cooper S, *Selling Principles, Practice and Management*, Pearson Education (Print on Demand), London 1997
- [2] Allen P & Wooten G, *Selling* (5th ed.), Prentice Hall, Harlow, (no date)
- [3] Dibb, Simkin, Pride, Ferrell, *Marketing Concepts and Strategies* (4th ed), Houghton Mifflin, New York, 2001

2.

A

ABC

A sales acronym standing for **always be closing**

Above the Line

Advertising: whereby payment is made and commission is payable to an advertising agency. Commissionable media are: television, radio, cinema, posters, press and ambient

ACORN

A Classification Of Residential Neighbourhoods: a method of consumer market segmentation in which the population of the UK is classified in terms of their type and location of house

Active Listening

This is where the listener aims to understand, not just hear; they can achieve this through concentrating, asking linked questions, using empathy statements, summarising and use of appropriate body language such as nodding

Adoption process

A buying process for first-time purchases, particularly for consumer markets and comprising: Awareness, Interest, Evaluation, Trial, Adoption, Post-Adoption confirmation: similar to AIDA

Advertising

The activity of attracting public attention to a product or business by paid announcements in print, broadcast and electronic media.

Agent

Agents sell to the end customer on behalf of the Principle, who is the owner of the goods so they, in effect as a sales force. They often do not handle the goods, unless they are stocking agents, and they do not take title, or ownership, of the goods. They are paid commission on what is sold and so must be highly motivated

Agree and Counter (Method of Dealing With Objections)

If the objection is a fact that is correct, yet there can be a benefit to the fact, this is an excellent way of overcoming it; it is one of the most common methods for dealing with an objection. It shows that the salesperson is honest and empathetic yet turns the problem to a potential advantage. An example is if the prospect says the product is too expensive: the salesperson can point out it is more expensive than many competitors (agree) but the superior quality of materials means that it will last longer giving the prospect long-term peace of mind and long-term value

AIDA

Attention, Interest, Desire, Action: a model describing the stages that promotion can take a target audience through: is often used to set promotional objectives

Alternative Close

The alternative close is similar to the assumptive close but the sales person offers the buyer two options for example, asking whether the buyer would like the product in black or white prior to the buyer saying they intend to purchase the product. This technique needs to be used carefully.

Assumption/Assumptive Close

This is where the salesperson works on the assumption that it's a "done deal" and they just need to iron out the finer points. It should be used carefully as it making assumptions can annoy the buyer.

Ambient Media

Originally known as 'fringe media'. New types of advertising media that surround us in our daily lives, including: petrol pump advertising projected onto buildings, on car parking tickets, cricket pitches

Ansoff Matrix

A model showing the possible product-market strategies of an organisation; these are considered the main marketing strategies and comprise: market penetration, product development, market development and diversification. The 2 x 2 matrix axes are: new and existing products along one axis

and new and existing markets along the other

B

Barter

An exchange of products and/ or services for other products and/ or services; some firms use it to minimise cash purchases

BCG (Boston Consulting Group) Matrix

Also known as "The Boston Box". This 2 x 2 matrix is a model to help a firm analyse its product portfolio. The two axes are relative market share and annual market growth and the four quadrants are:

Dogs - low relative market share and low annual market growth

Stars - high annual market growth and high relative market share

Cash Cows - high relative market share and low annual market growth

Question marks (also known as problem children) - low relative market share and high annual market growth

Behavioural Segmentation

Classifying the market into groups of people according to the similarity in way they behave or interact with a product. This includes identifying those who require the same benefit from a product or service and those who use a product or service in the same way. It is increasingly recognised that this should be the starting point for market segmentation

Below the Line

All forms of promotion except advertising (i.e. those on which agencies are not paid commission). It includes: public relations, sales promotions, direct mail, point of sale

Benefit

The value of the product or service experienced by the consumer, which is distinct from features. Sales people should sell on benefits supported by features

Body Language

The main non verbal communication method and includes the way you stand or sit, facial expressions, gesticulations, how you hold your head and use your eyes

Brand

A name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers [3]

Brand Extension

A strategy whereby a firm uses an existing brand name for a new product to be marketed to the same market egg Persil washing tablets

Broker

A particular type of agent who tends to trade on behalf of the customer, rather than the principal and so will tend to have agreements with many principal organisations [1] egg an insurance broker

Business Plan

A plan that states the long-term direction of a company and includes audit, mission, objectives, strategies, forecasts, cash flows and controls

Business to Business (B2B)

Can refer to a market, product or industry whereby the context is of a firm selling to another organisation to either use the product or service or change into another product or service, rather than a consumer buying for personal consumption.

Business to Consumer (B2C)

Can refer to a market, product or industry whereby the context is of a firm selling to an individual for his own personal consumption, rather than to an organisation for their use or consumption

Business Buyer Behaviour

The buying process and factors that influence the process when businesses purchase goods or services.

Business DMP (Decision making process) usually more extensive than consumer buying and may involve: Establish need, Develop specification, Identify alternatives, Evaluate alternatives against specification, Request tender, Select, Establish administrative systems, Purchase, Post-purchase evaluation. Factors influencing business buyer behaviour include: The roles and relationships within the DMU or buying centre; the individuals' personal factors (such as situation, demographics etc), social factors (such as reference groups, role) and psychological factors (such as learning, attitude, personality); the firm's policies; also the marketing environment and supplying firms' marketing mixes.

Buyer

A role within the Decision Making Unit (DMU). The buyer often advises deciders and undertakes the administrative transaction and so may be a buyer in the Purchasing Department

Buyer Behaviour

The stages that buyers go through when buying goods or services. There are many factors that influence buyer behaviour (see Consumer Buyer Behaviour and Business Buyer Behaviour and Decision Making Process)

Buying Criteria

A written, or unwritten, checklist of the requirements of the purchaser when making a buying decision e.g. price, speed of delivery, quality and so on

Buying signal

A communication from a prospect indicating they are ready to make a purchase. Buying signals may be non-verbal, such as a nod, or verbal, such as an interested question e.g. when could it be delivered?

C

Call Centre

These are premises where many telephone lines are routed into numerous telephone operators who work at the call centre, usually using headsets and computers. They may operate on behalf of one organisation, or be contracted to many. An outbound, or sales, call centre is one that not only receives calls but also makes telemarketing calls

Canvas

Another word for prospecting where the sales person is seeking information to establish potential customers

Cash and Carry

A type of distributor, or wholesaler, who performs a variety of functions but does not give credit, nor transport goods to their customers

Channel of Distribution

Channelling goods from their origin to their ultimate destination and involves the use of intermediaries, or middlemen such as wholesalers and retailers. Factors that impact the selection of channels include: the customers, the product, competitors, size and resources, channel power

Channels

May refer to Distribution Channel or Communication Channel (see relevant section)

Closed Questions

These are a type of question used in marketing research. They are questions where all the possible answers are provided by the researcher, usually on a questionnaire, enabling the respondent to choose between the given answers. Examples are dichotomous questions (providing possible answers of yes or no) and multiple choice questions. Closed questions lead to quantitative data, which is easier to analyse than answers elicited from open questions; however, possible answers are restricted

Closed Gestures

These are a negative form of body language where a person appears to be protecting their body and so they have their legs crossed or arms folded; however, gesture clusters should be noted, rather than individual gestures

Closing Questions

These are questions that are designed to bring fact finding discussions to an end, so the prospects can be moved forward to take a purchase decision

Closing (The Sale)

This is a major stage of the sales cycle and one that even sales people are often not keen on! It is where the sales person asks for the business. There are several techniques for closing. Cooper [1] identifies four closes: the Alternative Close, Direct Close, Cautious Close and Assumptive Close, which is also known as the Assumption Close (see relevant sections); others that many texts and sales people recognise are: Summarise and then direct close, Concession Close, Objection close

Cold Calling

This is the process of telephoning or calling at the door of people or companies who have not previously expressed an interest in the product, service or firm

Commercial Buyers

Those who buy on behalf of a business. This involves more logic than emotion, although emotion still plays a part. Factors influencing commercial buyers are: who instigates the process, competition, quantity, value, quality, repeat business and price [1]. See also Business Buyer Behaviour

Commercial Market

This is also known as a business, or industrial, market and is one where companies buy goods or services for consumption in their business or to transform the goods into other products to be sold

Commission

Remuneration paid to a salesperson following the successful completion of a sale; is usually a percentage of sales revenue

Communication Channel

Elements within the Promotions Mix that an organisation uses to communicate with target audiences (See Promotions Mix)

Communications Research

Research aspects of promotions decisions. Cooper identifies 4 key areas [1]: effectiveness research, media selection, copy testing and sales force effectiveness

Comparative Advertising

A type of advertising that a firm uses to compare their products or services directly with competitors. Needs to be used with care and is illegal in some countries

Competition-Based Pricing

This is where a product is priced according to its perceived value against competing brands

Competitions

A form of Sales Promotions that is used to gain interest from a target audience, whereby they may win a prize

Competitive Advantage

A firm's USP (Unique Selling Proposition) that a firm has to put them in a better position than competitors

Competitive Parity

A pricing strategy whereby a firm charge a price similar to other brands or the market leader. The objective is to prevent a price war and the firm should have a differential advantage other than price

Competitors

May be direct or indirect. Direct competitors provide the same products or services in the same market; indirect competitors provide similar benefits, or substitute benefits in the same market.

Concentrated Strategy

One of three target marketing strategies. It is where the firm targets a niche market with one specific tailored marketing mix

Concession Close

This way of closing the sale is where the salesperson keeps one possible concession back as a way of encouraging the prospect to make the decision, for example if the prospect will place the order today, the sales person will give them an extra 1% discount

Confirmatory Questions

These questions confirm that the seller understands the buyer's needs and are usually closed

Consumer

An individual who uses a product or service (they may not be the buyer)

Consumer Buyer Behaviour

The buying process and factors that influence the process when consumers purchase for their own use. The basic process (DMP) comprises: Establish need, Identify alternatives, Evaluate alternatives, Select, Purchase, Post-purchase evaluation. Cooper [1] indicates the process for buying a car might be: Identify need, Finance, Evaluate alternatives, Trial, Negotiate, Purchase, Evaluate purchase. Factors influencing consumer buyer behaviour include: Personal factors (such as situation, demographics etc), social (such as reference groups, role) and psychological (such as learning, attitude, personality); also the marketing environment and firms' marketing mixes.

Corporate Hospitality

A PR technique of entertaining clients or people who are not direct employees but are Stakeholders and can have a beneficial effect on the organisation; they are typically potential customers, key account customers, intermediaries and the media

Corporate Identity

Physical reinforcement of the personality of a firm which is reflected by consistent use of brand names, symbols, logos, colours, typefaces; the identify aims to reinforce the Corporate Image'

Corporate Image

A firm's personality, which can only be defined by the public. Firms use corporate identity and PR to enhance their image.

Corporate Strategy

A firm's long-term business plan (see Business Strategy)

Cost-Based Pricing

This includes strategies where the major consideration is covering the firm's costs and is a favourite amongst accountants

Cross Selling

Selling different parts of a product range, that they have not previously bought, to an existing customer

Cultural Empathy

When a sales person (or firm) achieves a rapport, or understanding, of a customer's culture

Culture

The set of beliefs, values and attitudes that underpin society. Our culture involves all things around us; it is very complex and includes our language, religion, education, social behaviour, politics and social attitudes. It can have a huge impact on our buyer behaviour.

Organisations also have a culture, which is the organisation's philosophy of a company and is reflected in its mission and aims

Customer

A person or company who purchases goods or services. They are not necessarily the "consumer", i.e. the end user

Customer Lifetime Value (CLV)

The profitability of a customer during the lifetime of the relationship with the firm; this is distinct from their value during one transaction

Customer Loyalty

The extent to which a customer tends to repurchase from a specific firm, organisation or a particular brand.

Customer Orientation

A business that is marketing orientated, is by nature, customer orientated [1]

Customer Philosophy

Considering the needs of the customer in everything a firm does

Customer Relationship Management (CRM)

The planning, implementation and control of all interactions with customers, clients and sales prospects.

Customer Service

Means by which a firm provides customers with service that equals or exceeds their expectations

D

Data Processing

The process of obtaining, recording and maintaining information which is able to be retrieved and used: often involves new technology

Database Marketing

The use of a database for storing information about customers so that specific groups can be selected and targeted for marketing activity

Decider

A role within the Decision Making Unit (DMU). The Decider makes the final decision regarding the product or service to be bought; they are often technical experts and/or purse holders

Decision Making Process (DMP)

The process that a buyer goes through to purchase a good or service.

The basic consumer process comprises: Establish need, Identify alternatives, Evaluate alternatives, Select, Purchase, Post-purchase evaluation. Cooper [1] indicates the process for buying a car might be: Identify need, Finance, Evaluate alternatives, Trial, Negotiate, Purchase, Evaluate purchase.

Business DMP is more extensive and may involve: Establish need, Develop specification, Identify alternatives, Evaluate alternatives against specification, Request tender, Select, Establish administrative systems, Purchase, Post-purchase evaluation.

Decision Making Unit (DMU)

The group of people involved in a purchasing decision; includes: the initiator, gatekeeper, influencer, decider, financier, buyer, user (see relevant sections)

Demographic Segmentation

A method of segmenting markets by demography

Demography

Information profiling a population in terms of their age, gender, income, stage in the family life cycle, religion and social class; is frequently used for segmenting consumer markets.

A business's demography relates to its age, size and type of industry

Desk Research

Also known as Secondary Research. This involves collecting data from existing sources and so using that which already exists, as opposed to Field, or Primary, Research. Secondary sources include internal sources and external sources, such as the internet, government statistics, trade directories and so on. There are several potential problems associated with secondary research but it is often plentiful and free, or inexpensive

Differential Advantage

The benefits a firm has over its competitors. This may be a brand's USP or some advantage the firm has through its operations, such as a low cost base or technology that it uses

Differentiated Strategy

One of three target marketing strategies. It is where a firm targets many segments with a different marketing mix for each segment

Direct Close

This is the simplest closing method and just involves asking the prospect for the order

Direct Mail

A method of below-the-line promotion that communicates directly with a target audience through the mail.

Direct Marketing

Direct marketing may refer to direct distribution or direct promotions. Direct distribution involves a firm dealing directly with the end user, rather than through a middleman. Direct promotion involves a firm communicating directly with a target audience or enabling the audience to communicate directly with them and includes: direct mail, the internet, personal selling, telemarketing, direct response advertising and e-mail

Direct Response Advertising (DRA)

Is both advertising and direct marketing. It involves using advertising media (above-the-line) to communicate with audiences and includes mechanisms for the target audience to communicate directly with the firm, such as: a phone number, address, e-mail or enquiry form

Discrimination Pricing

A pricing strategy whereby a firm charges different prices for different market segments. Is also called Segmentation Pricing

Distribution

The Place element of the marketing mix. It involves the process of getting the goods from the supplier to the user and involves channel management and physical distribution management.

Distribution Channel

Channelling goods from their origin to their ultimate destination and involves the use of intermediaries, or middlemen such as wholesalers and retailers

Distribution Research

Researching to make distribution decisions. Cooper identifies 3 key areas [1]: warehouse research, transportation research, retail outlet research

Distribution Strategy

The extent of market exposure that a firm provides its products with and depends on the type and image of product, its value and size and dispersion of customers. The three strategies are: Intensive, Selective, Exclusive

Distributor

Also known as a wholesaler. Tend to buy in bulk, break bulk and sell and distribute to retailers, the trade or end users. Except for cash and carry wholesalers they give credit and transport to their customers. Many large retailers have undertaken Vertical Integration and developed their own wholesaling system

Disturbing

Helping a prospect establish the consequences of not buying; tends to be more effective in domestic selling

Diversification

A marketing strategy that a firm may pursue to develop new products in new markets

Domestic Buyers

Those who buy for their own consumption. This often involves more emotion than logic, although logic may still play a part. Factors influencing domestic buyers are: frequency, importance, social class [1]. See also Consumer Buyer Behaviour

Domestic Market

This is a consumer market or where customers buy for personal consumption

Downline Vertical Integration [1]

Also known as Downward Vertical Integration. Where an organisation expands downline, within the distribution channel An example of downline vertical integration is a manufacturer developing its own wholesale or retail function

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E

Early Payment Discount

Is a reduction in price to the buyer for paying before the due invoice date, often paid on delivery

E-commerce

Selling goods electronically, usually over the Internet

E-marketing

Marketing effort using electronic means such as e-mail and the internet; incorporates e-commerce and promotion

Electronic Data Interchange (EDI)

The computer-to-computer exchange of business data in standard formats. The information is organised according to a specified format set by both parties, allowing a "hands-off" computer transaction that requires no human intervention or re-keying on either end. All information contained in an EDI transaction set is, for the most part, the same as on a conventionally printed document.

Electronic Point of Sale (EPOS)

The use of electronic tills that enable product data to be read (usually from a bar code) so that information may be stored. This is used for stock replenishment and, when combined with information from loyalty cards, or similar, for contacting consumers with targeted offers

Empathy Statements

These statements are made by the sales person to show that they understand how a buyer feels

Endorsement

A declaration that a product or service is good: it may come from an opinion former, celebrity or satisfied customer and is powerful in bolstering customer confidence

Ethics

Moral judgements: these tend to be subjective regarding what is right and wrong

Ethical Selling and Marketing

Sales and Marketing that takes account of the moral aspects of decisions such as telling the truth, selling products that will not harm consumers. Ethics are becoming increasingly important in sales and marketing

Environment

A firm's environment comprises its macro- and micro- environment (see relevant sections and External Analysis). These are factors beyond the company's control

Exclusive Distribution

A distribution strategy involving limited market exposure and so a firm distributes via exclusive territory outlets i.e. one outlet in each geographic area

External Analysis

An evaluation of the external sales and marketing environment, including the macro- (or wider) environment such as political, legal, economic, social and technological factors and the micro (or closer) environment such as markets and competitors. These factors are usually outside the control of the firm

Extranet

An intranet that is accessible to authorised external users.

Eye Gestures

The two types of eye gesture identified by Cooper [1] are eye movements (upward and downward) and pupil dilation

S

Family Life Cycle

The stages an individual goes through during their life: single, married no children, married with young children and so on. It is often used as a method of demographic segmentation.

Fast Moving Consumer Goods

See FMCGs

Feature

A fact about a product: e.g. it is large or it is inexpensive. Sales people should sell on benefits but support them with features.

Field Research

Also known as Primary Research. This is research that is being undertaken for the first time, as opposed to Desk (secondary) Research. It is undertaken for a specific purpose; the three types of primary research are: surveys, observation and experimentation.

Field Selling (or Marketing)

Where a firm sends its sales representatives or agents to businesses in order to sell to them. It includes firms selling to retail outlets to build brands and supporting sales.

Financier

The member of the DMU who pays for the product or service.

FMCGs

Fast Moving Consumer Goods: these are products that have a low price, fast turnover and, usually, short life, such as packaged food, toiletries and tobacco products.

Focus Groups

A method of survey, in primary marketing research where groups of up to eight respondents participate in discussions on the topic being researched; a group moderator guides the discussion without biasing the comments.

Forecasting

May involve sales forecasting, market forecasting or technological forecasting (see relevant sections). Involves estimating or calculating future events and performances.

Foretell the Objection (Method of Dealing With Objections)

If there is an objection that comes up time and time again, the salesperson may raise it themselves and counter it. This means that they control its timing but, of course, it may be something the prospect hadn't thought about.

Four P's

See 'marketing mix'

Franchise

A type of distribution channel where a franchisee buys a licence (or right) to sell a product or service from its owner (the franchisor), for a stated timescale. The franchisee usually pays a fee and royalties and the franchisor allows use of a brand name, may provide marketing support and know-how.

Franchisee

The person who buys the franchise i.e. the right to use the franchise name.

Franchisor

The company, or person, who is the principal and sells the right to use the name etc. to the franchisee.

G

Gatekeeper

A role within the Decision Making Unit (DMU). The Gatekeeper is a person who enables or prevents information from getting to the rest of the DMU; they may be a receptionist or PA.

Geodemographics

A method of analysing and segmenting markets by a combination of geographic and demographic variables; examples of geodemographic segments include 'ACORN', MOSAIC, SAGACITY

Geographic Segmentation

A method of segmentation where the market is classified by where they live or are located

Gesture Clusters

These are a group of gestures that need to be considered collectively, rather than focusing on an individual gesture

Grey Market

A common way of defining an elderly population although the grey market is becoming more healthy, wealthy and "youthful"

Group Communication

This involves selling to a group of people and Cooper suggests that key tools for dealing with this situation are: planning and preparation, setting meeting objectives that are acceptable to the group, consider variations in the group's mode of communication, establish group body language, involve everyone, summarise and action

Guarantees

(Also known as Warranties). Legal commitment of a company to repair, replace or compensate for faulty goods and services

H

Hard Fact Questions

These questions probe specific facts such as the size of the organisation

Honesty Gestures

These indicate whether a person is telling the truth but need to be used with care. If the person is not being honest they will often put their hand to their face, scratch their nose or neck

House to House Distribution

Where a firm delivers product or marketing literature to the consumer's home

!

Ice-Break

This is the fourth stage in Cooper's Sales Cycle [1]. This is where the sales person should put both themselves and the prospect at ease and start to build a rapport. In a domestic sales situation this may take ten to fifteen minutes, a business sales situation should be shorter, normally no more than five minutes

Inbound enquiry

An enquiry about a firm's product or service that comes from a prospect or customer

Incentives

(Also known as Inducements). An enticement for a consumer to increase the attraction of buying a good or service. They are often in the forms of sales promotions such as free gifts and may also include permanent incentives such as money-back guarantees.

Industrial marketing

Also known as Business-to-Business (B2B) marketing where a firm markets goods or services to another organisation

Influencer

A role within the Decision Making Unit (DMU). Influencers may be people from inside or outside the purchasing firm but have influence over decision makers regarding the product/company that is bought. They are often experts in their field.

Initiator

A role within the Decision Making Unit (DMU). The Initiator is the person who starts the buying process and so may be

Integrated Organisational Effort

A firm where all departments and functions work together (usually to put the customer first)

Intensive Distribution

A distribution strategy involving a firm aiming for maximum market exposure. Usually involves retailers and/or vending machines and tends to be for goods such as fmcgs (see relevant section)

Intermediary

Middlemen within channels of distribution such as distributors, retailers and agents

Internal Analysis

Where a firm analyses its internal situation such as people, resources, products and marketing effort, to enable them to overcome weaknesses and take advantage of opportunities in the environment

Internal Customers

Internal customers are employees. All employees should be viewed as customers in several ways: each departments depends on the services of others; a marketing oriented firm needs to put customers first and that has to be "sold" to all staff and, in some firms, products and services, such as printing, are actually sold to other departments.

Internal Marketing

This involves marketing the marketing plan and customer focus to internal staff to gain their support

International Sales and Marketing

Sales and marketing of goods and services to overseas countries

Intranet

An internal network used to share information. It utilises internet technology and protocols and is protected by a firewall to prevent unauthorised users gaining access.

J

Just-in-Time (JIT)

Where a firm sets up a purchasing agreement with suppliers which involved stock being ordered and supplied at short notice [1]. This prevents the cost of the customer holding stock and timing of delivery and quality tend to be more important than price for a firm requiring J-I-T

K

Key Account Management

The identification of existing and potential high value customers and planning and controlling all activities in relation to retain and increase their business. A key account manager is often appointed

Kinaesthetic Communication

Kinaesthetics involves touching and feeling; those buyers favouring kinaesthetic communication to visual and audio tend to be driven by emotion and so it is often prevalent in domestic buying

L

Lead

A person or firm that has either shown an interest in a product or service or one that has been recommended by someone else as having a potential interest

Learning Log

A diary detailing all learning and sources throughout a period of study. It is often part of a Personal Development Plan

Log Book

Diary of actions to be undertaken, usually for a week, broken into half-hour sections

Logo

A visual symbol that identifies a company or brand. It usually comprises a name, logo and symbols and should be consistent in its use

Loss leader

Is a phrase used in retailing. It is a product that is sold at a low price (either at break-even or at a loss) in order to attract customers into the store. The aim is that, once the customers are in the store, they should be tempted to buy other items which are priced to make a profit. Essential goods are often used as loss leaders

M

Macro Environment

The wider environment, or external factors, that impact a firm's business, sales and marketing; they are usually beyond the firm's control. They are often known as PEST or SLEPT factors (see relevant sections)

Mailing Preference Service (MPS)

A database of addresses of consumers that have requested not to be sent unsolicited direct mail. It is illegal not to abide by this

Margin

The profit from a product or service stated as a percentage of the selling price. It is often confused with Mark-Up, which the profit from a product or service stated as a percentage of the cost of producing the product or service

Market-Based Pricing

This includes strategies where the major consideration is pricing a product based on what the market considers it to be worth and is prepared to pay in order to maximise sales

Market Development

A marketing strategy of taking an existing product to new markets

Market Entry

Where a firm launches a new product into a new or existing market.

Market Penetration

A marketing strategy of developing business by selling more of existing products in existing markets. This may be undertaken through cross-selling, increasing promotions or distribution, taking competitors' customers, expanding the market or increasing product usage

Market Research

Gathering, analysing data about the market to reduce risk and enable better marketing decisions to be made. It includes: estimates of market size and potential, identification of key market characteristics and segments, forecasting market trends and gathering information on existing and potential customers. It should not be confused with Marketing Research which involves researching broader subjects

Market Segmentation

The identification and classification of meaningful buyer groups in order to target selected segments and develop a relevant marketing mix. Market segmentation is the first stage of the Target Marketing Process.

Consumer markets may be segmented by: geographics, demographics, geodemographics, psychographics, buyer behaviour

Business markets may be segmented by: geographics, demographics, processes, their markets, buyer behaviour (See relevant sections)

Market Share

A firm's sales of a specific product or range of products to a market, stated as a percentage of total sales of all that type of product to that market segment

Marketing

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. (CIM)

Marketing Communications

Techniques that an organisation may use to communicate with specified target audiences. It includes advertising, PR, sales promotion and personal selling and is also known as the "Promotion" element of the marketing mix

Marketing Information

Information that is obtained and stored to enable a firm to make effective marketing decisions: it differs from data as it is processed data and, therefore, more meaningful

Marketing Information System

Often known as a MKIS and is a planned and controlled system for gathering, sorting, storing

Marketing Mix

The blend of controllable marketing variables that a firm uses in order to deal with the marketing environment. It is called a "mix" as all elements must work effectively together to reflect a product of firm's positioning.

The mix for products involves four controllable variables, known as 'the 4 Ps': product, place price and promotion; the mix for services, known as 'the 7 Ps', is the 4Ps plus people, process and 'physical evidence'

Marketing Orientation

A philosophy of business whereby the firm puts the customer at the centre of their business.

Characteristics of a marketing oriented firm are:

- 1 Customer philosophy
- 2 Strategic orientation
- 3 Use of market information
- 4 Integrated organisational effort
- 5 Operational efficiency

(See relevant sections)

Marketing Planning

The development of a plan to identify and pursue specific market segments by offering relevant products and services. The plan includes an analysis, objectives, strategies, tactics, implementation, controls

Marketing Research

Gathering, analysing data about any internal and external factors to reduce risk and enable better marketing decisions to be made. It includes: market research, product research, pricing research, distribution research, promotions research, sales research, environmental research (the macro and micro environment). It should not be confused with Market Research which involves research the market only and is just one aspect of marketing research

Market Skimming

A term used by Cooper [1] to refer to what most marketers consider to be a prestige pricing strategy (also known as premium pricing); this is where a high price is charged for an exclusive product, often in a niche market. (See Skimming for recognised definition)

Marketing Strategy

The strategic, or long-term, marketing plan

Mark-Up

The profit from a product or service stated as a percentage of the cost of producing the product or service. It is often confused with Margin, which is the profit from a product or service stated as a percentage of the selling price

Maslow's Hierarchy of Needs

This is a motivational model of a hierarchical structure that Abraham Maslow concluded through which we seek to satisfy needs. Maslow said that we operate at different levels according to the extent to which our needs are fulfilled and working from the bottom level, only when each level is fulfilled do we move up to the next. These can be used to help motivate customers and sales staff. Working from the bottom tier, the levels are:

Physiological needs i.e. basic sustenance which is food, shelter, clothing then

Safety needs i.e. security and comfort, then

Social needs i.e. love, friendship and status, then

Self-esteem needs i.e. recognition or status, a feeling of importance, followed by the highest of Maslow's hierarchy of needs which is: Self-actualisation i.e. the ultimate personal goals which vary from one individual to another

Mass Market

A very large segment or wide collection of smaller segments

Media Release

Material prepared with the aim of it being published in the press or other media. It is important that a media release is newsworthy and well written; they may include photographs and other suitable materials

Micro Environment

Part of the external environment that impacts a firm's business, sales and marketing. It is closer to the firm than the macro-environment and tends to be industry-specific; it includes: markets, competitors, suppliers and other stakeholders (see relevant section)

Mirroring

Cooper [1] considers this to be the most powerful aspect of body language for the sales person. It involves adopting similar body language, stances and gestures to the other person: mirroring leads to a state of rapport

Mission Statement

A firm's business philosophy and direction; it is used to help a firm to develop its long-term plan

Missionary Selling

Cooper [1] indicates that missionary selling is the same as third party endorsement but is usually recognised as being where a salesperson sells the company, rather than the product. Their customer is usually then contacted by a technical specialist regarding the sale of the specific product or service

Mystery Shopper

Is a person employed to act as though they are a customer but are employed to provide detailed feedback on the performance of a company and its staff.

N

NASA

An acronym meaning Need, Acceptance, Solution, Acceptance. Cooper [1] states that this summarises the process for need/problem identification

Need Identification

This is the fifth stage in Cooper's Sales Cycle [1]. It is linked with problem identification as the prospect may have a problem to be solved which has led to the need. Cooper states that this is the single most important aspect of any selling situation and it is universally recognised that if the sales person does not know the real need, or problem, they cannot offer the true benefits to help resolve the situation. Needs and problems are established through effective questioning and active listening. Cooper states that the process for need/problem identification can be summarised by the mnemonic NASA: Need, Acceptance, Solution, Acceptance

New Business Development

The acquisition of new customers

New Product Development (NPD)

The development of new products and involves research, development, product testing, test marketing and launch

Niche Market

A small or narrow market segment [1]

Non Verbal Communication

Comprises any communication which is not spoken. The main non verbal communication method is body language, which includes the way you stand or sit, facial expressions, gesticulations, how you hold your head and use your eyes

O

Objection

A challenge to or rejection by a prospect feature or benefit of a firm, product or service. It may occur at any time during the sales process and the sales person should be prepared to counter these. They need to be aware of whether the objection is genuine, or a smoke screen. Cooper's identification of techniques for handling objections is limited [1] but the following are recognised ways of which all salespeople should be aware (there are others also): agree and counter, deny, question the objection, use as a trial close, forestall the objection (see relevant sections). Each method has its advantages and disadvantages and may be applicable to different objections and circumstances

Objection Close

This method of closing the sale is appropriate when the buyer has made an objection and the salesperson states that if the objection can be overcome will the buyer place the order

Objectives

Specific, measurable, achievable, relevant and times aims. A firm will usually have overall business objectives (relating to profit), marketing objectives (relating to market share, revenue, products and markets) and sales objectives relating (to revenue broken down by product, geographic area and individual sales people). Can also be used for an individual to set targets against

OEM (Original Equipment Manufacturer)

This term actually has two meanings. Originally, an OEM was a company that supplied equipment to other companies to resell or incorporate into another product using the reseller's brand name. For example firms supplying a retailer like Comets and branding under the Comet own label. In recent years the term OEM refers to the company that acquires a product or component and reuses or incorporates it into a new product with its own brand name. This is the definition that Cooper uses [1]. Value-added reseller (VAR), has a similar meaning but relates to the repackaging of software.

One Level Distribution Channel

The Producer sells to the consumer (business or domestic) via one intermediary, e.g. a distributor or retailer

Open Gestures

These are a positive form of body language where a person does not appear to be protecting their body and so they do not have their legs crossed or arms folded; however, gesture clusters should be noted, rather than individual gestures

Open Questions

Are questions in marketing research which allow the respondent to answer in any way. They provide qualitative data as opposed to quantitative data that is elicited from Closed Questions. They start with words such as Who? What? Where? How? Why? When?

Operational efficiency

Not wasting money so savings can be spent directly on the customer (through low prices), or indirectly (through product quality or investment in technology)

Orientation

A firm's culture

Original Equipment Manufacturer (OEM)

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Outbound Call Centre

These are premises where many telephone lines are routed into numerous telephone operators who work at the call centre, usually using headsets and computers. They may operate on behalf of one organisation, or be contracted to many. Being outbound, they not only receive calls but their main function is to make telemarketing calls; they are also called Sales Call Centres

P

Packaging

Part of both the Product element of the Marketing Mix and Promotions element. Provides functional benefits of protection and communications function of brand identity, awareness at the point of sale and a reminder in the home; also, often has a legal function

Paraphrasing

Repeating what is said in your own words to ensure the message is understood

Payment By Results (PBR)

This is where a member of staff or provider of a service, such as an agent or advertising agency, is remunerated based on achievement of objectives: an example is where a sales person is paid on a commission only basis

PDP

Personal Development Plan. A plan developed by an individual that assesses their strengths, weaknesses, opportunities and threats and sets career and learning objectives and plans how to achieve these

Penetration Pricing

A pricing strategy whereby a firm charges a low price in order to increase sales. Demand must be elastic i.e. responsive to changes in price and the price should not harm the image of the brand

Personal Development Plan

Also known as a PDP. A plan developed by an individual that assesses their strengths, weaknesses, opportunities and threats and sets career and learning objectives and plans how to achieve these

Personal Selling

Personal communication between a seller and (prospective) purchaser. As well as a critical role in itself, it can be considered part of the Promotions function of the Marketing Mix.

Cooper defines selling as "a function which is concerned with identifying the specific needs, desires and problems of individual customers and providing satisfaction of these through benefit or solution in order to facilitate profitable business transactions" [1]

Personal Space

The area around an individual that they do not wish to be invaded: it tends to vary between personal and business situations

PEST

Political, Economic, Socio-cultural and Technological - a way of defining the macro environment and an alternative to SLEPT and PESTLE (see relevant sections)

PESTLE

An alternative way of defining the macroenvironment from PEST and SLEPT (see relevant sections). It stands for: Political, Economic, Socio-cultural, Technological, Legal and Environmental

Physical Distribution management

Also known as logistics. Is part of the Place element of the marketing mix and involves the physical movement of goods from seller to consumer; it includes: warehousing, transportation, stockholding and order processing

Physical Evidence

One of the 7Ps of the extended Marketing Mix for services. It comprises those factors that customers can see or experience when obtaining or using a service. They might include: the look of premises and the provision of tangibles, such as soaps and shampoos in a hotel

Pink Pound

Refers to the spending power of the gay community

Place

The Distribution element of the marketing mix. It involves the process of getting the goods from the supplier to the user and involves channel management and physical distribution management.

Positive Mental Attitude/ PMA

Positive Mental Attitude: a frame of mind which considers solutions rather than problems

Point of Sale (POS)

This is also known as POP, Point of Purchase. It usually relates to retail outlets and includes where goods are located, displays, stands and signs to draw attention to the goods

Portfolio

The range of products or services that a company offers to its customers

Positioning

The third stage of the target marketing process following segmentation and targeting. It is the creation of an image for a firm, product, service or brand in the minds of customers and compared with competitors. Firms and brands may be positioned by feature, benefit, user, country of origin and so on

Post-Sale

A major stage in the sales cycle and comprises those activities that are undertaken by a salesperson after an actual sales visit takes place, or sales telephone call is made: typically includes processing the order and follow-up. Post-sale follows pre-sale and the sale stages

Premium Pricing

Another name for Prestige Pricing. A pricing strategy whereby a firm charges a high price because of the (perceived) quality and image of the product and/or brand

Preparation

This is the third stage in Cooper's Sales Cycle [1]. He identifies four main factors: route planning, diary planning, research and frame of mind

Pre-Sale

A major stage in the sales cycle and comprises those activities that are undertaken by a salesperson before an actual sales visit takes place, or sales telephone call is made: typically includes prospecting, appointment making and preparation, including research. Pre-sale precedes the sale and post-sale stages

Presentation

The presentation stage of the sales cycle follows the sales person having identified the prospect's need or problem. It requires the salesperson to sell in the benefits of the product or service supported by its features. They should inform the prospect of the USP and gain the prospect's agreement

Prestige Pricing

A pricing strategy whereby a firm charges a high price because of the (perceived) quality and image of the product and/or brand. Also known as Premium Pricing

Pricing Research

Research in order to determine the optimum price

Pricing Strategies

Pricing strategies are the broad prices that a firm charges: these are: Skimming (or Skin-The-Cream), Penetration Pricing, Prestige Pricing, Competitive Parity, What The Market Will Bear and Discrimination Pricing (also known as Segmentation Pricing)

Primary Research

Also known as Field Research. This is research that is being undertaken for the first time, as opposed to Secondary Research. It is undertaken for a specific purpose; the three types of primary research are: surveys, observation and experimentation

Problem Identification

This is the fifth stage in Cooper's Sales Cycle [1]. It is linked with need identification as the prospect may have a problem to be solved which has led to the need. Cooper states that this is the single most important aspect of any selling situation and it is universally recognised that if the sales person does not know the real need, or problem, they cannot offer the true benefits to help resolve the situation. Needs and problems are established through effective questioning and active listening, defining buying criteria, prioritising criteria and summarising all needs and desires have been confirmed and understood. Cooper states that the process for need/problem identification can be summarised by the mnemonic NASA: Need, Acceptance, Solution, Acceptance

Processes segmentation

A method of business segmentation where the market is classified according to processes it uses, such as the level of technology

Product Life Cycle

A model indicating the stages a product goes through from pre-launch to withdrawal from the market: most commonly, there are four and five stage models.

The four stage model: introduction, growth, maturity and decline

The five stage model: development, introduction, growth, maturity, decline

Product Orientation

Orientation refers to a business's philosophy. Cooper identifies product orientation as a firm that is product based rather than customer based and states that such a firm may be product driven or sales driven [1].

Most marketers, however, consider a product oriented to be one where the firm puts product excellence and/or technology first. Some firms, such as pharmaceutical companies may have little choice as what they develop depends on technological breakthroughs

Product Placement

An element of the Promotions Mix where a product or service is used within a television or radio programme, or a film for example the use of a BMW Z8 in a James Bond film. In the UK there are strict guidelines as to how products appear on television and that they cannot be paid for

Production Orientation

A philosophy of business whereby the firm's focus is on product excellence or technology. May be necessary in a highly technological environment.

Product Research

Research aspects of product development. Cooper identifies 6 key areas [1]: generation of new product ideas, testing ideas, developing prototypes, testing prototypes, test marketing, Adjusting the marketing mix prior to launch

Professional Services

The services provided by firms and individuals that are qualified and/or accredited by professional bodies, such as accountants, solicitors, surveyors and chartered marketers.

Profile Promotional Strategy

This strategy is not so well known as Push and Pull strategies. It is where a firm's promotional plan aims to increase or improve the profile, image or reputation, of the organisation, rather than to sell products or services; PR is most commonly used; A profile strategy is often used in conjunction with pull and push promotional strategies

Pull promotion is a strategy whereby the producer targets the end user with their promotions with the intention of them demanding the product from the intermediary and so, in fact, pulling it through the channel of distribution. Promotional methods commonly used are consumer advertising and sales promotions. A firm will often undertake both (and profile)

Promotions Mix

All marketing communications tools that are used together, for individual campaigns, to achieve communications objectives in relation to specific target audiences. The mix varies according to objectives, target audiences and budget and may include: advertising, personal selling, sales literature,

public relations (which can include exhibitions and sponsorship), direct marketing (which includes direct mail, telemarketing, direct response advertising, e-mail, internet), sales promotion, packaging, point of sale and product placement

Psychographic Segmentation

A method of segmentation whereby the market is divided into groups of people who have the same lifestyle which encompasses values, attitudes and interests

Public Relations

The planning and implementation of communication activities to establish and maintain the reputation of a firm and its brands, within identified target audiences, often including the general public. PR is often undertaken at a corporate level and PR techniques include: media releases, conferences, corporate hospitality, charitable work and the use of badging (for example giving away free t-shirts with company logo)

Pull Promotional Strategy

Pull promotion is a strategy whereby the producer targets the end user with their promotions with the intention of them demanding the product from the intermediary and so, in fact, pulling it through the channel of distribution. Promotional methods commonly used are consumer advertising and sales promotions. A firm will often undertake both pull and push promotional strategies (and profile)

Push Promotional Strategy

Push promotion is a strategy whereby the producer targets the intermediary with their promotions and so on through the distribution chain e.g. a wholesaler targets a retailer. The aim is to push the product through the channel of distribution to the customers. Promotional methods commonly used are trade sales promotions, personal selling and, to a lesser extent, some trade advertising. A firm will often undertake both pull and push promotional strategies (and profile)

Q

Qualify

Where a sales person establishes purchasing potential of a prospect and also determines that the person they are talking to has the relevant decision-making authority

Qualitative Research

A form of marketing research whereby opinions and ideas are elicited. Rather than using closed question questionnaires, the researcher undertakes interviews, focus groups and similar techniques. The findings are more detailed and subjective than those from quantitative research and so, although often of greater value, they are more difficult to evaluate and present

Quantitative Research

A form of marketing research whereby facts are obtained that can be analysed in a statistical format; for example 60% of the population read a newspaper at least once a week. Quantitative data is obtained primarily through the use of closed questions in questionnaires such as opinion polls and customer satisfaction surveys

Quantity Discount

Is a reduction in price to the buyer for buying a specific quantity; often, the larger the quantity, the more the discount

Questioning Techniques

The use of effective questioning skills to establish a prospects needs. Cooper [1] indicates that these should include: listen more than talk, ask open questions, use confirmatory closed questions, ask soft and hard fact questions and use empathy statements (see relevant sections)

Question the Objection (Method of Dealing With Objections)

If a prospect raises a vague objection it can be difficult to deal with: the salesperson needs to find out the specific issue, which may actually be very small egg if they say a product is awful ask what specific aspect they dislike

R

Rapport

Developing empathy with the customer: Cooper [1] identifies three inputs to rapport: create an environment of ease, establish common ground, use similar communication signals

Recommended Retail Price (RRP)

The price at which a company recommends their retailers sell the item to the consumer. Since the 1960s it has been illegal, in most cases, to force retailers to sell at this price

R & D

Research and development: a function undertaken to develop new products

Reference Group

Those groups with which a customer identifies in some way and they can have a positive or negative influence on their buyer behaviour. Examples include those whose opinions are valued such as sports personalities, also families, friends and work colleagues

Referral

A prospect, or lead, provided to a salesperson as being someone who may be interested in what the salesperson is selling

Relationship Marketing

This is where a firm aims to establish and develop a relationship with the customer with a view to engaging in a long-term association which is less expensive than continuously relying on new customers. Cooper states that it involves providing the highest level of service possible and includes regular communication and visits, reacting positively to feedback and comprehensive customer care [1]

Retailer

An outlet, and part the distribution chain, that sells directly to consumers
Return on Investment (ROI)

Retrospective Discount

Is payment made back to the buyer at the end of an agreed period if the total purchases for that period reach an agreed amount. Is used when the buyer does not know, in advance, the quantity required for the period

Reverse Psychology

In sales this tends to be used on a reluctant or hesitant buyer, where the sales person gives them the benefits of not buying. It is a technique that must be used with care

S

Sale

A major stage in the sales cycle and comprises those activities that are undertaken by a salesperson during an actual sales visit or on the telephone: typically includes ice break and rapport, needs/problem identification, presentation, negotiation, handling objections, closing. It follows pre-sale activity and preceded post-sale activity

Sales Call Centre

These are premises where many telephone lines are routed into numerous telephone operators who work at the call centre, usually using headsets and computers. They may operate on behalf of one organisation, or be contracted to many. Being sales call centres, they not only receive calls but their main function is to make telemarketing calls; they are also called Outbound Call Centres

Sales Cycle

A complete process which can be applied in the selling environment. Different texts indicate a different number of stages although they all tend to follow the same pattern, even though some stages may occur at any time during the sales process. It is widely recognised that there are three main stages: pre-sale, sale and post-sale; they then tend to be further sub-divided. Cooper [1] identifies ten stages: prospecting, appointment making, preparation, ice-break, need/problem identification, presentation, negotiation and handling objections (many would separate these stage), closing the sale, processing the order, follow-up. They would tend to be shown in a circle as the sales follow-up should lead to potential prospects being generated

Sales Orientation

A philosophy of business whereby the firm's focus is on selling, rather than the customer. Although selling is a critical activity, even in a market, or customer, oriented firm, a sales oriented firm is not a good philosophy to have. It involves a firm trying to push customers to buy what they do not necessarily need or want.

Sales Promotion

One element of the Promotions Mix and involves a range of *temporary* inducements that includes: coupons, free gifts, competitions, BOGOF (buy one get one free), temporary interest free credit and so on. Trade sales promotions are an important form of push strategy and may include *temporary* interest free credit, sale or return, free promotional material, extra boxes free

Sales Revenue

The income made by a firm before any deductions have been made. Sales revenue from an individual order is calculated as Price times Volume

Secondary Research

Also known as Desk Research. This involves collecting data from existing sources and so using that which already exists, as opposed to Primary Research. Secondary sources include internal sources and external sources, such as the internet, government statistics, trade directories and so on. There are several potential problems associated with secondary research but it is often plentiful and free, or inexpensive

Selective Distribution

A distribution strategy involving a firm limiting the number of outlets it sells its products from possibly because of special storage or knowledge requirements, legal requirements or just because consumers would be willing to travel to buy the goods

Self Evaluation

When the salesperson evaluates their own performance regarding what they did well and what they could have done better

Selling

Personal communication between a seller and (prospective) purchaser. As well as a critical role in itself, it can be considered part of the Promotions function of the Marketing Mix.

Cooper defines selling as "a function which is concerned with identifying the specific needs, desires and

problems of individual customers and providing satisfaction of these through benefit or solution in order to facilitate profitable business transactions" [1]

Self-Motivation

The ability to enable a sales person to have the desire to do well; it is enhanced by having a positive mental attitude. Cooper [1] identifies four key factors to help develop self-motivation: belief in oneself, belief in the product or service, self-evaluation, having a driving force

Segmentation

Also known as Market Segmentation.

The identification and classification of meaningful buyer groups. Segmentation is the first stage of the Target Marketing process. Consumer markets may be segmented by: geographics, demographics, geodemographics, psychographics, buyer behaviour

Business markets may be segmented by: geographics, demographics, processes, their markets, buyer behaviour (See relevant sections)

Segmentation Pricing

A pricing strategy whereby a firm charges different prices for different market segments. Is also called Discrimination Pricing

Service Level Agreement

A legal part of a contract that states a guaranteed level of service; it often includes penalties for not achieving those levels of service

Service (Marketing)

A service is an intangible product that has five key characteristics that create problems for the marketer and sales person; these are: intangibility (it cannot be seen or touched); Inseparability (it is produced and consumed at the same time); Heterogeneity (it is inconsistent in quality as it relies on people delivering the service); Perishability (it cannot be stored); Lack of Ownership (it cannot be owned). These problems lead the marketer to extend the Marketing Mix for services to the 7Ps, rather than the 4Ps as for products

Seven Ps

The Marketing Mix for services. The blend of controllable marketing variables that a firm uses in order to deal with the marketing environment. It is called a "mix" as all elements must work effectively together to reflect a product of firm's positioning.

The mix for products involves four controllable variables, known as 'the 4 Ps': product, place price and promotion. The mix for services, known as 'the 7 Ps', is the 4Ps plus people, process and 'physical evidence'

Skimming/ Skim-The Cream Pricing

. A pricing strategy where the firm sets the price high in the early stages of the product life cycle to cover high development costs and achieve as much profit as possible before prices are driven down by competitors entering the market or new technologies overtaking. Is a common strategy in electronics markets where "innovators" are prepared to pay a high price for a new technology

SLEPT

An alternative mnemonic to PEST or PESTLE for macro environmental analysis; it stands for Socio-cultural, Legal, Economic, Political and Technological

SME

Small to Medium Enterprise. There are various definitions of what an SME is but the most common definition (from the EU) is that it is one that employs less than 250 people, has a turnover of less than EUR 40 million (approx. £30m) and must not be more than 25% owned by a larger company

Smoke Screen

An artificial objection [1] that a prospect states to either divert the salesperson from addressing the primary objection, to strengthen their negotiating position or to give them time to think before proceeding with the order

Social Class

Also known as Socio-Economic Group. A classification of people who have similar levels of wealth defined through the types of job they do. There are various ways of defining social class: marketers sometimes used this as a method of demographic segmentation and normally use those identified by the media where the classes are defined as A, B, C1, C2, D and E. An example is those in social class A are defined as "Upper middle class" and comprise senior managers such as MDs, barristers, surgeons and so on. This method of segmentation is increasingly having less credibility than others

Societal Marketing Concept

business philosophy which takes into account the interests of society as a whole as well as aiming to satisfy the needs of the customer

Socio-Economic Group

Also known as Social Class. A classification of people who have similar levels of wealth defined through the types of job they do. There are various ways of defining social class: marketers sometimes used this as a method of demographic segmentation and normally use those identified by the media where the classes are defined as A, B, C1, C2, D and E. An example is those in social class A are defined as "Upper middle class" and comprise senior managers such as MDs, barristers, surgeons and so on. This method of segmentation is increasingly having less credibility than others

Soft Fact Questions

These questions probe regarding opinion, feelings and thoughts

Spin

Where a firm aims to use or manipulate the media to their advantage; often through PR. Tends to have negative connotations

Sponsorship

A form of Promotion, often considered PR, where a firm provides support for an event, venture, person or charity in order to obtain positive publicity

Stakeholders

people and organisations that have some interest in a business and/or the business has an interest in them. Stakeholders may include: shareholders, employees, members of the local community, customers, suppliers, intermediaries, local or national government, local publics, regulatory bodies

Standard Industrial Classifications (SIC)

group businesses according to the type of industry they are in. The government produces industrial statistics by SIC code, or sector. It is sometimes used to segment business and is a demographic base as it reflects the type of industry

STEEPLE

An alternative mnemonic to PEST, PESTLE or SLEPT for macro environmental analysis; it stands for Socio-cultural, Technological, Economic, Environmental, Political, Legal and E-business.

Straight Denial (Method of Dealing With Objections)

This involves informing the prospect that they are mistaken. It can be used when the objection is inaccurate but should be used carefully, as the sales person may appear aggressive.

Strategic Orientation

Where a firm thinks and plans for the long-term and has a marketing person at senior management level to be the champion of the customer; this also enables resources to be allocated for the benefit of the customer

Summarisation

A part of need identification in the sales process when a sales person must check back with the prospect to confirm that all needs and desires have been covered and understood [1]

Summarise And Direct Close

This method of closing is where the salesperson summarises the key benefits before asking for the order.

Supply Chain

The chain or network from suppliers, manufacturers, distributors and other intermediaries involved in the production and delivery of a product to the final consumer

Suspect

An individual or firm that has the potential to be a prospect but with whom the sales person has not yet made contact

Survey

A method of collecting data where the researcher makes a systematic record of responses from all respondents who have answered the same questions

SWOT Analysis

A technique of analysis which studies Strengths, Weaknesses, Opportunities and Threats. This can be undertaken for a firm, as part of their sales and marketing plans, or an individual as part of their PDP (Personal Development Plan) and can be developed from a detailed audit

I

Target Marketing

The process of Segmentation, Targeting and Positioning; not to be confused with Market Targeting, which is the full name for Targeting, the second stage in the Target Marketing Process.

Segmentation, the first stage, involves the identification and classification of meaningful buyer groups. Segmentation is the first stage of the Target Marketing process. Consumer markets may be segmented by: geographics, demographics, geodemographics, psychographics, buyer behaviour
Business markets may be segmented by: geographics, demographics, processes, their markets, buyer behaviour (See relevant sections)

Targeting, or Market Targeting, the second stage involves evaluating and selecting the segments to target and deciding on a targeting strategy. The three potential targeting strategies are: a concentrated strategy (where the firm targets a niche market with one specific tailored marketing mix), an undifferentiated strategy (where the firm targets many segments but with one overall marketing mix) and a differentiated strategy (where the firm's targets many segments but with a different marketing mix for each segment)

Positioning

The third stage of the target marketing process following segmentation and targeting. It is the creation of an image for a firm, product, service or brand in the minds of customers and compared with competitors. Firms and brands may be positioned by feature, benefit, user, country of origin and so on

Targeting

The full name is Market Targeting. This is the second stage of the Target marketing process and involves evaluating and selecting the segments to target and deciding on a targeting strategy. The three potential targeting strategies are: a concentrated strategy (where the firm targets a niche market with one specific tailored marketing mix), an undifferentiated strategy (where the firm targets many segments but with one overall marketing mix) and a differentiated strategy (where the firm's targets many segments but with a different marketing mix for each segment)

Telemarketing

The marketing of a product or service directly to a customer by telephone: this may be involve sales, research or customer care

Teleselling

Selling goods or services directly to a customer through use of the telephone

Telephone Preference Service (TPS)

A database of both businesses and individual consumer who have requested not to receive unsolicited direct marketing calls; it is illegal not to comply with the wishes of individual consumers, although not businesses

Test Marketing

The testing of the Marketing Mix of a product in a sample area prior to a full launch

Third Party Endorsement

Where a person, who has nothing to gain by the transaction, recommends the firm, product or brand to potential customers. The most valuable are experts or those who have experience of the product or service

Total Quality Management (TQM)

Focuses on satisfaction of customer needs in combination with the achievement of objectives and covers: quality, availability, service, support, reliability, value for money and needs to consider: the customer, corporate planning, management, personnel, physical evidence [1]

Thoughtful Gestures

These show that the person is considering something and tend to be hand to head gestures, such as rubbing the head or scratching the chin; the sales person should not interrupt these

Trade Marketing

Marketing of goods and services to the retail and distributive trades

Trade Buyers

Those who buy on behalf of an intermediary in order to sell on. This involves more logic than emotion, although emotion still plays a part. Factors influencing trade buyers are: price, bulk purchase, quality, repeat business, payment terms, availability of just-in-time [1]. See also Business Buyer Behaviour

Trial Close (Method of Dealing With Objections)

If the salesperson feels that the timing is right and the buyer has just one objection left, they can try to turn it into a trial close. A trial close is where the salesperson tries to close the sale but, if it doesn't work, it doesn't prevent him from continuing with the selling process. The salesperson would possibly ask that if they could overcome the objection would the prospect place the order

Two Level Distribution Channel

The Producer sells to the consumer (business or domestic) via two intermediary, e.g. a distributor and then on to a retailer

U

Undifferentiated Strategy

One of three target marketing strategies. It is where the firm targets many segments but with one overall marketing mix

Unique Selling Point (USP)

Also known as Unique Selling Proposition (USP).

A feature or features that no other competitive product/service has [1]. Sales and marketing people should be aware of the USP of all their products as it is critical in a product's success

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Upline Vertical Integration [1]

Also known as Upward Vertical Integration. Where an organisation expands within the distribution channel An example of upline vertical integration is a retailer developing its own wholesaling or manufacturing function

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User

A role within the Decision Making Unit (DMU).

V

VAK

This stands for Visual, Audio and Kinaesthetic and these are the three modes of communication and so we see, hear and feel things during a communication. Those favouring visual communication respond to pictures, demonstrations and images; those favouring audio communication tend to respond to words and sounds and are often logical in approach; those favouring kinaesthetic communication tend to be driven by emotion and so it is often prevalent in domestic buying

Value Added Reseller (VAR)

Similar to an OEM but is usually used in reference to software companies. Unlike some OEMs, VARs always add something extra to the product or service

Vertical Integration

Where an organisation expands upward, also known as upline [1], or downward, also known as downline [1], within the distribution channel. An example of upline vertical integration is a retailer developing its own wholesaling or manufacturing function; an example of downline is a manufacturer developing its own wholesale or retail function

Viral Marketing

Spreading a brand message using word of mouth, or via e-mail, originating from the firm although this is not apparent. Examples of techniques include: jokes, film clips, games and website addresses: they are suitably interesting to be forwarded to others

Vision

The long-term aspirations of a firm

Weekly Log

Diary of actions to be undertaken for the forthcoming week, broken into half-hour sections

What The Market Will Bear

A pricing strategy whereby a firm charges what the market is able and/or prepared to pay: it may be a high or low price and is frequently used in business-to-business marketing

W

Wholesaler

Also known as a distributor. Tend to buy in bulk, break bulk and sell and distribute to retailers, the trade or end users. Except for cash and carry wholesalers they give credit and transport to their customers. Many large retailers have undertaken Vertical Integration and developed their own wholesaling system

WIIFM

Recognised sales acronym meaning **what's in it for me?** If a sales person is asked this it means that they have only sold in features and not benefits

Z

Zero-Level Distribution Channel

The Producer sells direct to the consumer (business or domestic) and so there are no intermediaries