



Key Terms

Advertising - A paid form of communication from an identifiable source, delivered through a communication channel, and designed to persuade the receiver to take some action, now or in the future.

AIDA model - A common model of the series of mental stages through which consumers move as a result of marketing communications: awareness leads to interests, which lead to desire, which leads to action.

B2B (business-to-business) - The process of selling merchandise or services from one business to another.

Brand - The name, term, design, symbol, or any other features that identify one seller's good or service as distinct from those of other sellers.

Brand licensing - A contractual arrangement between firms, whereby one firm allows another to use its brand name, logo, symbols, or characters in exchange for a negotiated fee.

Break-even point - The point at which the number of units sold generates just enough revenue to equal the total costs; at this point, profits are zero.

Bricks-and-mortar retailer - A traditional, physical store.

C2C (consumer-to-consumer) - The process in which consumers sell to other consumers.

Cobranding - The practice of marketing two or more brands together, on the same package or promotion.

Concentrated (or niche) segmentation strategy - A marketing strategy of selecting a single, primary target market and focusing all energies on providing a product to fit that market's needs.

Customer excellence - Involves a focus on retaining loyal customers and excellent customer service

Differentiated segmentation strategy - A strategy through which a firm targets several market segments with a different offering for each.

Direct mail - A targeted, printed form of communication distributed to a prospective customer's mailbox.

Direct marketing - Marketing that communicates directly with target customers to generate a response or transaction.

Diversification strategy - A growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve.



Ethical climate - The set of values within a marketing firm, or in the marketing division of any firm, that guides decision making and behaviour.

Everyday low pricing (EDLP) - A strategy companies use to emphasize the continuity of their retail prices at a level somewhere between the regular, nonsale price and the deep-discount sale prices their competitors may offer.

Exporting- Producing goods in one country and selling them in another.

Fixed costs - Those costs that remain essentially at the same level, regardless of any changes in the volume of production.

Geodemographic segmentation - The grouping of consumers on the basis of a combination of geographic, demographic, and lifestyle characteristics.

Goods - Items that can be physically touched.

Gross domestic product (GDP) - The market value of the goods and services produced by a country in a year; the most widely used standardized measure of output.

Habitual decision making - A purchase decision process in which consumers engage with little conscious effort.

Implementation phase - Where marketing managers identify and evaluate different opportunities by engaging in a process known as segmentation, targeting, and positioning. They then develop and implement the marketing mix by using the four Ps.

Impulse buying - A buying decision made by customers on the spot when they see the merchandise.

Intangible - A characteristic of a service; it cannot be touched, tasted, or seen like a pure product can.

Interest rates - Represent the cost of borrowing money.

Joint venture - Formed when a firm entering a new market pools its resources with those of a local firm to form a new company in which ownership, control, and profits are shared.

Locational excellence - Involves a focus on a good physical location and Internet presence.

Loyalty program - Specifically designed to retain customers by offering premiums or other incentives to customers who make multiple purchases over time.

Macroenvironmental factors - Aspects of the external environment—culture, demographics, social trends, technological advances, economic situation, and political/legal environment (CDSTEP)—that affect companies.



Markdowns - Reductions retailers take on the initial selling price of the product or service.

Market development strategy - A growth strategy that employs the existing marketing offering to reach new market segments, whether domestic or international or segments not currently served by the firm.

Marketing - A set of business practices designed to plan for and present an organization's products or services in ways that build effective customer relationships.

Marketing mix (four Ps) - Product, price, place, and promotion—the controllable set of activities that a firm uses to respond to the wants of its target markets.

Monopoly - Occurs when only one firm provides the product or service in an particular industry.

Multichannel strategy - Selling in more than one channel (e.g., store, catalogue, kiosk, and Internet).

Operational excellence - Involves focus on efficient operations and excellent supply chain management.

Organizational culture - Reflects the set of values, traditions, and customs that guides a firm's employees' behaviour.

Personal selling - The two-way flow of communication between a buyer and a seller that is designed to influence the buyer's purchase decision.

Positioning - The mental picture that people have about a company and its products or services relative to competitors.

Postpurchase dissonance - An internal conflict that arises from an inconsistency between two beliefs, or between beliefs and behaviour; buyer's remorse.

Price - The overall sacrifice a consumer is willing to make—money, time, energy—to acquire a specific product or service.

Product excellence - Involves a focus on achieving high-quality products and effective branding and positioning.

Pull strategy - Designed to get consumers to pull the product into the supply chain by demanding retailers carry it.

Push strategy - Designed to increase demand by focusing on wholesalers, distributors, or salespeople, who push the product to consumers via distribution channels.

Relative market share - A measure of the product's strength in a particular market, defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry.



Reverse auction - The buyer provides specifications to a group of sellers, who then bid down the price until the buyer accepts a specific bid.

Sales promotions - Special incentives or excitement-building programs that encourage the purchase of a product or service, such as coupons, rebates, contests, free samples, and point-of-purchase displays.

Situation analysis - Is the second step in a marketing plan; uses a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses and the external environment in terms of its opportunities and threats.

Social marketing - The application of marketing principles to a social issue to bring about attitudinal and behavioural change among the general public or a specific population segment.

STP - The processes of segmentation, targeting, and positioning that firms use to identify and evaluate opportunities for increasing sales and profits.

Supply chain - The group of firms and set of techniques and approaches firms use to make and deliver a given set of goods and services.

Sustainable competitive advantage - Something the firm can persistently do better than its competitors that are not easily copied and thus can be maintained over a long period of time.

Target market - The customer segment or group to whom the firm is interested in selling its products and services.

Undifferentiated segmentation strategy (mass marketing) - A marketing strategy a firm can use if the product or service is perceived to provide the same benefits to everyone, with no need to develop separate strategies for different groups.

Value-based marketing - Focuses on providing customers with benefits that far exceed the cost (money, time, effort) of acquiring and using a product or service while providing a reasonable return to the firm.

Wholesalers - Those firms engaged in buying, taking title to, often storing, and physically handling goods in large quantities, and then reselling the goods (usually in smaller quantities) to retailers or industrial or business users.



Types of Excellences to Focus On

Customer excellence- Involves focus on keeping great customer relations 24/7 to keep customer retention high.

Locational excellence - Involves a focus on a good physical location and Internet presence.

Operational excellence - Involves focus on efficient operations and excellent supply chain management.

Product excellence - Involves a focus on achieving high-quality products and effective branding and positioning.

Types of Marketing

Brick and mortar marketing- This marketing takes place in a physical store usually done face to face with customers.

Direct marketing- Communicate directly with customers and prospects through mail, email, texts, fliers and other promotional material.

Niche marketing- Choose a primary target market and focus all marketing of the product on this target market.

Social media marketing- This marketing involves gaining web traffic or attention through social media sites such as Instagram, Twitter, Facebook and so on.

Telemarketing- Marketing of goods and services through the means of telephone calls to customers.

Viral marketing- A type of marketing where the product promotion relies on customers to market the product or service by telling their friends or writing reviews and so on.

Market Development Strategies

Concentrated (or niche) segmentation strategy - A marketing strategy of selecting a single, primary target market and focusing all energies on providing a product to fit that market's needs.

Differentiated segmentation strategy - A strategy through which a firm targets several market segments with a different offering for each.

Diversification strategy - A growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve.

Multichannel strategy - Selling in more than one channel (e.g., store, catalogue, kiosk, and Internet).



Undifferentiated segmentation strategy (mass marketing) - A marketing strategy a firm can use if the product or service is perceived to provide the same benefits to everyone, with no need to develop separate strategies for different groups.

Common Trends/Topics Marketing Cases Focus On

Social Media- How will you use social media marketing to create attraction and a want for our product and or service?

SWOT Analysis- Are there any threats from moving our operations into a new country and do the benefits counteract the negatives?

STP- How will you segment and position your company to attract the target age market of your consumers?

Distribution Channels- How many distribution channels will your company have to reach the greatest amount of consumers?

Marketing Mix- What promotion methods and pricing will you use to market your product amongst the competitors products?

Different Types of Distribution

Direct Channel - Brick and mortar (physical store)

Indirect Channel - Online store or intermediary

Dual distribution - Where manufacturers or wholesalers use more than one channel to reach their customers

Reverse Channel - Where customers sell to the intermediary or back to the company (resale)

International Marketing Trends

Global marketing- How will you position and brand your company to conform with the different cultures when opening operations in new countries?

Distribution Channels- What new channels will you develop to gain the most amount of consumers in a foreign country?

Product Growth Strategies- What strategies should your company implement to gain the most attraction and