مرکز آموزش علمی کاربردی علوم و فنون علامه طبری

زبان تخصصی بیمه اموال

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MARINE CARGO INSURANCE

In Marine Insurance Policy, one party (the Insurer) undertakes that if during transport of goods from one place to another, the goods are lost or damaged due to the risks mentioned in the insurance policy, to compensate for the damages and due expenses in consideration for receiving the premium from the other party (the Insured).

Types of Marine Cargo Insurance Policies:

Marine cargo policies render transport insurance cover for internal, imported, exported and transit goods that are transported by land, air, sea or a combination of these.

Different Types of Coverage in Goods Transport Insurance

1 - The condition of complete loss of goods. (Total Loss)

In this type of insurance, total loss of goods, all at once, due to fire or complete sinking is covered.

2 – CLAUSE C:

This insurance is subject to the risks as follows:

- Fire or Explosion
- Vessel or craft being stranded, grounded, sunk or capsized.
- Land transit vehicle being overturned or deviated from the line.

■ Collision or contact of vessel, craft, conveyance with any external object other than water.

■ Discharge of cargo at the port of distress.

■ Jettison in order to lightering.

3 – CLAUSE B:

In this insurance the insurer is bound to compensate for all risks of Clause C in addition to damages due to risks as follows:

■ Earthquake, volcano or lightning

■ Entry of sea, lake or river water into the vessel, cargo hatch, container, lift van or place of storage.

■ Total loss of any package or goods lost overboard or dropped whilst loading to or discharging from vessel.

■ Goods washed overboard.

■ Meanwhile, in Clause B cover, in addition to risks included in Clause B, risks like non delivery, theft, pilferage, corrosion, erosion, stain, breakage, scratching, hook damage, shortage, leakage (seepage) are also covered.

Franchise (Insured's share of sustained damage)

With the exclusion of damage sustained due to non-delivery and damage due to the risks mentioned in Clause B, 3% of the value of each damaged package shall be liable to franchise.

4 – CLAUSE A:

This type of Insurance is most complete type of Transport insurance and is mostly used for susceptible and damageable goods, which includes all risks but the excluded ones.

Exclusions (Damages which have not been covered)

1- Ionizer rays and radioactivity pollution caused by nuclear fuel and wastes.

2- Rejecting goods entry by the policyholder or prevention of goods entry by the importer country.

3- Deliberate negligence of insured that leads to damage or loss of the insured goods.

4- Ordinary deterioration of the insured goods and similar risks such as ordinary weight shortage, corrosion and erosion.

5- Loss, damage or expenses due to insufficiency and inappropriate packaging or preparation of the insured goods.

6- Loss, damage or expenses due to inherent defect or nature of the insured goods.

7- Loss, damage or expenses due to application of any type of war weapons, working with nuclear energy, spill or similar interactions of radioactive substance or power.

8- Unseaworthiness of vessel, craft or unfitness of vessel, launch, vehicle containers or lift van for safe carriage of the subject matter of insurance. It should be noted that war risks, strike, chaos and terrorism are among exclusions of the insurance policy and in case an agreement is reached between the insurer and insured, these risks may be covered.

Marine Hull and Machinery Insurance

In Marine Hull and Machinery insurance the insurance company is liable for indemnifying damages to Hull & Machinery of the vessels according to the type of cover.

In some types of coverage, ¾ (three-fourth) of the responsibility due to collision and also General Average are covered. Therefore in Vessel Insurance, the damages due to the following risks are covered:

A- Damages sustained by vessel due to the following risks:

■ Fire and explosion Storm Running aground or colliding against rocks.

■ Collision of insured vessel with another vessel.

■ Collision of the insured object with land motor vehicles, equipment, repair basin and coastal installations.

■ Collision of airplane with similar vehicles or objects that fall from them to the insured vessel.

■ Earthquake, volcano or lightning.

■ Accident due to loading, discharging or transport of goods (fish, cargo in fishing vessels).

■ Bursting of steam boiler, shaft break.

■ General average and salvage expenses.

■ Damage sustained by hunting tools and devices (regarding hunting vessels).

B- Collision Liability:

In case the insured vessel collides with another vessel or object whether floating or fixed, and the policyholder is liable to compensate the damage according to the conditions of insurance policy in order to save the vessel or properties for:

■ Loss of or damage to any other vessel or property.

■ Delay to or loss of use of any such other vessel or property.

■ General average or salvage expenses that are incurred through a collision of a vessel with other vessel in order to save vessel or its properties.

Marine Insurance – Long-term trust with Iran insurance industry

Marine transportation has a longer history than other methods of transportation and has the largest share regarding volume and amount of transported goods, so that according to the latest available statistics, 90% of the goods in international commerce are transported through the sea. This shows the vital importance of Marine insurance including Transport insurance, Hull insurance and Vessels Machinery insurance, among other insurance fields. Regarding long-term experience in the filed of insurance, having specialized cadre and experience in this particular field, Insurance companies has always presented modern plans and comprehensive and complete insurance policies.

Different Types of Vessel Insurance:

A- Vessels Hull and Machinery coverage.

B- Vessels Liability coverage.

C- Vessels Manufacturers' Liability coverage.

A- Vessels Hull and Machinery insurance

Vessels Hull and Machinery insurance is presently based on the clauses designed by London insurers institutes. The said clauses are quiet standard and used in all accredited insurance institutes of the world.

These clauses are very varied and each clause indicates a special coverage. The following are the most important of them:

1- Clause No. 280 (Time) All Risk.

2- Clause No. 284 (Time) General Damage, Liability for Collision, Public Loss and Saving Charge.

3- Clause No. 289 (Time) General Damage plus Saving Charges.

4- Clause No. 346 All Risk for Hunting Vessels.

5- Clause No. 281 (War Risk).

Clause No. 280
This clause is one of the most complete insurance coverage under which the insurance companies undertake the maximum obligations and cover all damages (total and partial). The most important risks covered by this clause are:

1- Perils of the Sea

2- Fire and Explosion

3- Jettison

4- Contact with land conveyance, dock or harbor equipment or installation

5- Accidents in loading, discharging or shifting cargo or fuel

6- Bursting of boilers, breakage of shafts

7- Negligence of master, officers, crew or pilots

8- ¾ Collision Liability– this means that in case a vessel collides with another vessel and if the first vessel is found guilty, it will be liable for ¾ of damages sustained by the other vessel in addition to losses incurred to her.

9- General Average

10- Salvage expenses

Clause No. 284

This clause covers total loss damages. If a vessel sinks or is destroyed by one of the perils under coverage, claims shall be payable but partial damages are not covered under this clause. The most important damages under coverage of this clause are the same as damages under coverage of clause No. 280. But the damages sustained by the ship should be under the title (Total Loss).

Clause No. 289

This clause covers total loss of vessel and partial damages have no coverage. The most important risks under coverage are like clause 280. It only excludes the items mentioned in paragraph 8 and 9 of the said clause.

Clause No. 346

This clause is one of the most complete available clauses, which covers all partial and total loss for fishing vessels. The most important risk under coverage like clause 280 and the damages related to liability of vessel in collision are covered completely.

Clause No. 281

This clause is related to the risks due to war, which could be issued in the form of additional risks.

B- Vessels Liability Coverage

In addition to the risks that threaten the hull and machinery of vessels, due to the nature of their activity, the owners of the vessels are responsible to preserve the safety of staff, their tools and carried shipments. The vessel owners are also responsible for probable damages sustained by other vessels, jetty and the platforms settled in the sea or pollution of waters in case of any accident.

Therefore, regarding the fact that the said clauses do not cover owner's liability and those which have such coverage are quiet limited and cover liability of vessels at the time of accident and vessels' collision with other vessels. Consequently club known as P & I Clubs have been established in order to prevent owners' loss and establish confidence in Marin Journeys which perform activities on a widespread scale throughout the world and cover the damages that are due to the owner's liability.

C- Vessels Manufacturers Liability Coverage

In addition to the above coverage that is only applied to present coverage to vessels' owners, there are other covers to provide vessels' manufacturers with liability and are used for repair basins or vessels manufacturing installations or shipping yards.

AVIATION INSURANCE

Iran Insurance Co. has always been active as protector of civil air industry by providing adequate air insurance coverage. This company uses technical experience, logical policies and capabilities and specializations of its experts to provide the insurance needs of the policyholders by dividing air risks among the international insurance and reinsurance markets and in this way it manages to provide financial security assurance foe its policyholders.
We divided Aviation insurance into four major sections which are used for different types of aircrafts as noted below:

- Property insurance
- Liability insurance
- Passenger Accident insurance
- Loss of License of Pilots, co-Pilots and Flight Engineers

I. PROPERTY INSURANCE

A. Aviation Hull Insurance

Insurer's obligation includes indemnifying the damages and losses sustained by the aircraft due to risks under insurance coverage. In this section the expenses related to aircraft emergency landing, expenses of relief and aircraft saving, expenses of cleaning the airport runway, expenses of transportation and repair and replacement of damaged parts, according to the conditions of the policy.

B. Aviation Hull Deductible Insurance Policy

Whereas in some cases the franchise considered for Hull insurance policy is high, the policyholder may pay relevant insurance premium to cover the franchise based on the conditions of the Hull insurance policy.

C. Hull War Insurance

Whereas according to conditions of the insurance policy, damages due to war, terrorist acts and the likes have been excluded, the policyholder shall pay the relevant insurance premium to cover a part of a coverage that has been excluded in the Hull insurance policy.

D. Total Loss Insurance Policy

This means indemnifying damage according to conditions of the policy when the whole aircraft is destroyed.

E. AIRPORT EQUIPMENT INSURANCE POLICY

Insurance coverage of hull and air equipment and machinery against accident and indemnifying the damages, according to the agreed value and according to the conditions of insurance policy.

F. INSURANCE POLICY OF EQUIPMENT AND SPARE PARTS OF AVIATION COMPANIES

This insurance policy covers aircraft engines, spare parts (including spare parts packages and shipped spare engines), and ground machinery used in relation with aircraft, equipment in the workshops and necessary machinery for land transportation, computer equipment, simulator systems, electrical/mechanical equipment for fire protection, commercial items and foodstuff.

II. LIABILITY INSURANCE

2-1- Liability of Air Transport Supervisor – Coverage Includes:

2-1-1- Legal Liability Insurance of Aviation Company against Passenger

Based on this insurance coverage, the insurer covers legal responsibility of bodily injury due to accident (leading to death or otherwise) incurred on passengers from the time they get on the aircraft until they get off it. This includes partial injury, permanent body injury and medical expenses.

2-1-2-Legal Liability Insurance of Passenger Luggage

In this coverage, the insurer covers the damages incurred on the passengers luggage based on international conventions.

2-1-3- Legal Liability Insurance Against Third Parties, Including Physical and Financial Liability

If as a result of collision of aircraft or falling of objects from the aircraft, any damage is incurred on third parties, and the policyholder is legally recognized liable, and pays indemnities to compensate the damages (including the expenses that competent authorities oblige the policyholder to pay) for bodily injuries or due to death, accident and the damages incurred on assets, the insurer shall repay such amounts to the policyholder according to the conditions of the insurance policy.

2-1-4- Legal Liability Insurance of the Goods Shipped by Aircraft

In this coverage, the insurer covers the damages incurred on the goods that are shipped by airplane according to the issued bill of lading, based on the international conventions.

2-1-5- War Liability Insurance

Based on this coverage, the insurer covers the legal responsibility of policyholder for physical and financial damages due to war and war operations, incurred on third parties.

2-1-6- General Liability Insurance

This includes paying indemnity to policyholder for all amounts that the policyholder is held liable to pay as indemnity for physical damages or loss of assets due to act and work of policyholder as transport supervisor up to the maximum liability in the insurance policy.

2-1-7- Production Liability Insurance

This includes compensating all body injuries, damages or financial damages that are incurred due to using, consuming or managing any type of goods or products manufactured, repaired, supplied or distributed by policyholder or his employees, which are no longer in the possession or under the control of the policyholder.

2-2- Land Services Liability Insurance, Compensating for Physical and Bodily Injuries

2-2-1- Air traffic control hanger.

2-2-2- Passenger and cargo transport.

2-2-3- Fuel and food supply.

2-2-4- Aviation equipment and maintenance

2-2-5- Aircraft spare parts.

2-2-6- firefighting and airport relief

In this type of insurance policies the insurer undertakes to compensate for all mounts that the policyholder is legally liable to pay them as indemnity to other persons based on limit of obligations and conditions of the insurance policy.

III. PASSENGER ACCIDENTS INSURANCE

If the policyholder applies for a less expensive insurance policy than passenger liability insurance coverage – which has extensive types in paying indemnities – he/she may purchase passenger accidents coverage. Based on this coverage the insurer undertakes indemnifying all bodily injuries incurred on passengers due to accident, which may result in death or permanent body injury as long as the passenger is in the aircraft until the time when he leaves the aircraft, according to the table of agreement with the policyholder.

IV. INSURANCE FOR LOSS OF LICENSE OF PILOTS, CO-PILOTS AND FLIGHT ENGINEERS

This insurance policy provides indemnities for financial damages incurred on pilots, copilots and flight engineers in case they lose their flight certificates for a provisional period or permanently due to illness or accident and consequently lose the future advantages of their certificates.

استاد ایمان فتح اله نجارباشی	درس زبان تخصصی	
ردیف	لاتین کلمات	ترجمه کلمات
۱	insurance	بیمه
۲	assurance	اطمینان (کلمه فرانسوی است و در بیمه عمر کاربرد دارد)
۳	insurance policy	بیمه نامه
۴	insurer	بیمه گر
۵	insured	بیمه شده
۶	undertake	متعهد شدن
۷	indemnify	جبران کردن
۸	loss	زیان
۹	damage	خسارت
۱۰	premium	حق بیمه
۱۱	interest	موضوع بیمه
۱۲	article	ماده قانون
۱۳	liability	مسئولیت
۱۴	responsibility	مسئولیت محدود
۱۵	insurance lavv	قانون بیمه
۱۶	contract	قرارداد
۱۷	accident frequency	تواتر ، تعداد حادثه ، تعداد ریسک
۱۸	accident severity	شدت حادثه

۱۹	accident insurance = accident policy	بیمه حوادث
۲۰	accident death clause	شرط فوت در اثر حادثه
۲۱	accident death benefit	غرامت فوت
۲۲	adjuster = loss adjuster = claim adjuster	ارزیاب خسارت
۲۳	agency	نمایندگی
۲۴	agent	نماینده
۲۵	agency fee = agency commission	کارمزد نمایندگی
۲۶	aggravation of risk	تشدید خطر
۲۷	policyholder	بیمه گزار
۲۸	all risk insurance	بیمه تمام خطر
۲۹	endorsement = amendment	الحاقیه
۳۰	assessment of loss	برآورد خسارت ، ارزیابی خطر
۳۱	assurance of the life	بیمه عمر به شرط حیات
۳۲	average clause	شرط اعمال قاعده نسبی
۳۳	aviation insurance	بیمه هواپیما
۳۴	beneficiary	ذینفع
۳۵	blood money	خون بها ، دیه
۳۶	bodily injury indemnification fund	صندوق جبران خسارت های بدنی
۳۷	arbitration	داوری
۳۸	bordereau	ریزحساب ، بردرو
۳۹	capital stock insurance company	شرکت سهامی بیمه

۴۰	carence	دوره انتظار
۴۱	claim	ادعای خسارت
۴۲	claims ratio	ضریب خسارت ، نسبت خسارت
۴۳	collective policy	بیمه نامه گروهی
۴۴	contractors all risk (CAR) insurance	بیمه تمام خطر پیمانکاران
۴۵	concurrent insurance	بیمه مضاعف
۴۶	current insurance value	ارزش روز بیمه
۴۷	catastrophic risk	ریسک های فاجعه آمیز
۴۸	ceding company = cedant company	شرکت بیمه واگذارنده
۴۹	reinsurance	بیمه اتکایی
۵۰	daily compensation	غرامت روزانه
۵۱	debris removal clause	شرط پاکسازی ضایعات
۵۲	directors and officers liability insurance	بیمه مسئولیت مدیران و کارکنان
۵۳	disability	از کار افتادگی
۵۴	disability permanet partail	از کار افتادگی دائم جزئی
۵۵	disability permanet total	از کار افتادگی دائم کلی
۵۶	dismemberment	نقص عضو
۵۷	earned premium	حق بیمه عاید شده
۵۸	employers liability insurance	بیمه مسئولیت کارفرما (در قبال کارکنان)
۵۹	estimated maximum loss (EML)	حداکثر خسارت برآورد شده
۶۰	maximum possible loss (MPL)	حداکثر خسارت ممکن

۶۱	endowment insurance	بیمه عمر مختلط
۶۲	utmost good faith	اصل حد اعلای حسن نیت
۶۳	graduated mortality table	جدول منظم مرگ و میر
۶۴	group health insurance	بیمه درمان گروهی
۶۵	hazard	زیان بالقوه

Marketing Management Glossary

Introductory terms

Market = The set of all actual and potential buyers of a product or service = A group of people or organisations that have similar needs and wants, the desire to satisfy those needs and wants, the means of exchange (money) to satisfy their needs and wants, and the ability and authority to make the exchange (purchase)
Marketing = A social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others
Demarketing = Marketing to reduce demand temporarily or permanently; the aim is not to destroy demand, but only to reduce or shift it
Marketing management = The analysis, planning, implementation, and control of programs designed to create, build, and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives
Need = A state of felt deprivation
Want = The form taken by a human need as shaped by culture and individual personality
Hierarchy of needs = A system of needs which includes physiological needs, the need for satisfaction, the need for belonging and love, the need for esteem, and the need for self-actualisation
product = Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organizations, and ideas
Service = Any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything
Customer value = The difference between the values the customer gains from owning and using a product and the costs of obtaining the product
Customer satisfaction = The extent to which a product's perceived performance matches a buyer's expectations. If the product's performance falls short of expectations, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted
Consumer markets = The most visible markets, which consist of individual customers who buy products for their own use or for use by other members of their households
Industrial markets = Markets made up of organisations which buy in order to produce goods
Exchange = The act of obtaining a desired object from someone by offering something in return = A transaction between two or more persons, groups, or organisations in which each party gives up something of value and receives something of value
Transaction = A trade between two parties that involves at least two things of value, agreed-upon conditions, a time of agreement, and a place of agreement
Relationship marketing = The process of creating, maintaining, and enhancing strong, value-laden relationships with customers and other stakeholders added
Competitive advantage = The part of a firm's total offering which is superior to that of its
competitors = Something unique or special that a firm does or possesses that provides an advantage over its competitors
Terms of core marketing concept = needs, wants, demand, value, cost, satisfaction, marketing, marketer, exchange, transaction, relationship
Core benefit = The need that a product fulfils or the problem it solves
Buyers = Those who carry out the formal arrangements for purchase, service, delivery, and financial terms

Demand = A relation among the various amounts of a product that buyers would be willing and able to purchase at possible alternative prices during a given period of time, all other remaining the same
Demands = Human wants that are backed by buying power
Compensatory decision rule = A type of decision rule for evaluating alternatives where consumers consider each brand with respect to how it performs on relevant or salient attributes and the importance of each attribute. This decision rule allows for a negative evaluation or performance on a particular attribute to be compensated for by a positive evaluation on another attribute
Compensatory model = A model which assumes that consumers judge a limited number of product attributes, that the attributes vary in importance to the consumer, and that strength in one area compensates for weakness in another
Non-compensatory model = A model of information processing in which a high rating for one attribute does not offset a low rating for other
Conjunctive decision rule = A type of decision rule for evaluating alternatives where consumers establish minimally acceptable levels of performance for each important product attribute and accept an alternative only if it meets the cut-off level for each attribute
Consumer socialisation process = The process by which an individual acquires the skills needed to function in the marketplace as a consumer
Service market = All organisations that buy in order to produce services
Vertical markets = The markets on which products are tailored for specific industries
Horizontal markets = Markets on which products are sold to a wide range of industries
Utility = A measure of the satisfaction obtained through the receipt of something of value in an exchange
Form utility = The usefulness attributable to the form or design of something received
Users = Persons within an organisation who actually put a purchased product to work
Stakeholders = Those who use company's products or services, those who work for the firm, those who own it, and those who are affected by it
Total market potential = The total possible sales of the product by all competitors
Total market demand = The total volume that would be brought by a defined consumer group in a defined geographical area in a defined time period in a defined marketing environment under a defined level and mix of industry marketing effort
Unitary demand = A given percentage change in price results in an identical percentage change in the quantity demanded
Time utility = The usefulness given when something of value is received at the time it is wanted
Production concept = The philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency
Product concept = The idea that consumers will favor products that offer the most quality, performance, and features and that the organization should therefore devote its energy to making continuous product improvements. A detailed version of the new-product idea stated in meaningful consumer terms
Selling concept = The idea that consumers will not buy enough of the organization's products unless the organization undertakes a large-scale selling and promotion effort
Marketing concept = The philosophy that business organisations achieve their profit and other goals by satisfying consumers = The marketing management philosophy that holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do
Social marketing (or cause marketing) = The design, implementation, and control of marketing

programs calculated to influence the acceptability of social ideas = The idea that the organization should determine the needs, wants, and interests of target markets and deliver the desired satisfactions more effectively and efficiently than do competitors in a way that maintains or improves the consumer's and society's well being
Societal marketing orientation = An approach that adds a consideration to the marketing concept: the impact of a firm's activities on societal well-being, the very quality of life
Social marketing = The design, implementation, and control of programs seeking to increase the acceptability of a social idea, cause, or practice among a target group
Modified re-buy = The buying situation in which the buying organisation has some familiarity with the product but needs some assistance; it is buying behaviour between a strait re-buy and a new-task purchase
Marketing information system = The continuously interacting structure of people, machines, and procedures that produces information pertinent to marketing decisions
Marketing intelligence network = A set of procedures and sources designed to monitor the organisations' external environments, particularly the competitive environment
Marketing mix = The set of controllable tactical marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market = Marketing programs including product conception (and development), pricing decisions, promotion of the product, and distribution to consumers
Marketing control = The process of measuring and evaluating the results of marketing strategies and plans and taking corrective action to ensure that marketing objectives are achived = The process of evaluating of achieved results against established standards, and of taking corrective action to exploit opportunities or solve problems
Peripheral values = Values that reflect, but are not as deeply embedded or as fundamental as, central values
Personal income = A persons total income from all sources
Marketing orientation = An approach to business that focuses primarily on what a firm does to satisfy consumer's needs
Marketing and manufacturing company = A form of subsidiary organisation which handles all functions of a marketing company but also maintains a production facility for the manufacture of the product
Games = Promotional methods that require consumers to take specific actions, such as determining whether the card they received with the product contains a winning number by rubbing it with the edge of a coin, or collecting several cards to produce the winning combination
Creativity = A quality possessed by persons that enables them to generate novel approaches, generally reflected in new and improved solutions to problems
Marketing Environment and Consumer
Marketing environment = The actors and forces outside marketing that affect marketing management's ability to develop and maintain successful transactions with its target customers
Macroenvironment = The larger societal forces that affect the microenvironment—demographic, economic, natural, technological, political and cultural forces
Microenvironment = The forces close to the company that affect its ability to serve customers—the company, suppliers, marketing channel firms, customer markets, competitors, and publics
Marketing intermediaries = Firms that help the company to promote, sell, and distribute its goods to final buyers; they include resellers, physical distribution firms, marketing service agencies, and financial intermediaries
Economic environment = Factors that affect consumer buying power and spending patterns

Engel's Laws = Differences noted over a century ago by Ernst Engel in how people shift their spending across food, housing, transportation, health care, and other goods and services categories as family income rises	
Natural environment = Natural resources that are needed as inputs by marketers or that are affected by marketing activities	
Technological environment = Forces that create new technologies, creating new product and market opportunities	
Political environment = Laws, government agencies and pressure groups that influence and limit various organizations and individuals in a given society	
Cultural environment = Institutions and other forces that affect society's basic value perceptions, preferences, and behaviors	
Consumer buyer behavior = The buying behavior of final consumers-individuals and households who buy goods and services for personal consumption	
Consumer market = All the individuals and house holds who buy or acquire goods and services for personal consumption	
Factors of consumer behaviour = cultural, social, personal, psychological	
Factors of customer behaviour = environment, organisation, interpersonal relations, personal character	
Motivation = Persons' impulses to take action and the internal and external forces that energise, mobilise, and direct their behaviour toward goals	
Perception = selective attention, distortion recall = The process of becoming aware of phenomena, whether internal or external, tangible or intangible = The process by which people select, organize, and interpret, information to form a meaningful picture of the world	
Stimulus = Anything that elicits or accelerates a physiological or psychological activity	
Environmental stimuli = economical, technological, political, cultural	
Stimulus-response theory = The theory which holds that organisms learn first to associate an original stimulus with another, adjacent stimulus and than to respond to that second „conditioned" stimulus with the behaviour formerly induced by the original stimulus	
Special incentives = A motivator usually used for a brief period to strengthen representatives' efforts to achieve specific sales goals	
Factors supporting purchase = choice of product, brand, supplier, timing, and size	
Buying centre = The collective term for people who participate in purchase decisions	
Cues = The minor stimuli that shape people's responses and that support the original stimulus	
High involvement decisions = Decisions that generally involve a large sum of money, have personal relevance, demand a search for information, and produce some degree of anxiety about the correctness of the product chosen	
Low involvement decisions = Decisions generally made in an instant with little or no influence from social or cultural forces	
Consumer behaviour = The acts of individuals that involve buying and using products, including the decision processes that precede and determine these acts	
Culture = All the things, abilities and believe/everything that one generation of a society transmits to the next	
Subcultures = Groups that share the values and artifacts of the larger society but also have distinctive practices, preferences, and beliefs	
Countercultures = Subcultures whose values are in conflict with those of the wider society	
Opinion leader = Person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others	
Social class = A category made up of people who share similar opportunities, economic positions,	

lifestyles, attitudes and behaviours
Group = Two or more people, with realted statuses and roles, who interact on the basis of shared expectations about each other's behaviour
Ethnic group = The social group determined by culturally transmited, learned traits
Demography = The study of the changing characteristics of human populations, factors such as vital statistics, growth, size, density, and distribution
Personality = A person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment
Motive (drive) = A need that is sufficiently pressing to direct the person to seek satisfaction of the need
Innovators = The first users of the new product
Early adopters = People who try a new product early in its life cycle without waiting for its acceptance by a large number of people
Early majority = People who adopt the product only after it has been accepted somewhat widely
Late majority = People who do not adopt an innovation until it is widespread use and is thoroughly accepted
Laggards = Individuals, households, or organisations that resists or never adopt the new product
Family household = A household consisting of two or more persons living together who are related by marriage or birth
Family life cycle = Various stages in family life, each with its own characteristics
Family orientation = The family into which an individual is born; the family that dares for and socialises us as children and gives us our initial class status
Family procreation = The new family established by choosing a mate and rearing children
Ideal self-concept = A view of ourselves as we would like to be
Lifestyles = Preferred patterns of living as expressed in a person's activities, interests, and opinions, taken as a whole
Learning = The relatively permanent changes in thought and behaviour that result from experience = Changes in an individual's behavior arising from experience
Belief = A descriptive thought that a person holds about something
Attitude = A person's consistently favorable or unfavorable evaluations, feelings, and tendencies toward an object or idea
Complex buying behavior = Consumer buying behavior in situations characterized by high consumer involvement in a purchase and significant perceived differences among brands
Dissonance-reducing buying behavior = Consumer buying behavior in situations characterized by high involvement but few perceived differences among brands
Habitual buying behavior = Consumer buying behavior in situations characterized by low consumer involvement and few significant perceived brand differences.
Variety-seeking buying behavior = Consumer buying behavior in situations characterized by low consumer involvement but significant perceived brand differences
Need recognition = The first stage of the buyer decision process in which the consumer recognizes a problem or need
Information search = The stage of the buyer decision process in which the consumer is aroused to search for more information; the consumer may simply have heightened attention or may go into active information search
Alternative evaluation = The stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set
Purchase decision = The stage of the buyer decision process in which the consumer actually buys the product
Postpurchase behavior = The stage of the buyer decision process in which consumers take further

action after purchase based their satisfaction or dissatisfaction
Cognitive dissonance = Buyer discomfort caused by postpurchase conflict
New product = A good, service, or idea that is perceived by some potential customers as new
Adoption process = The mental process through which an individual passes from first hearing about an innovation to final adoption
Organisational markets = Business market = Markets which include businesses, institutions, and governments that buy products or raw materials for their own use or to make other products that they, in turn, sell = All organizations that buy goods and services for use in the production of other products and services that are sold, rented, or supplied to others
Organisational marketing = All marketing efforts directed at buyers for formal institutions, including industrial, service, reseller, government, and not-for-profit groups
Business buying process = The decision-making process by which business buyers establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers
Derived demand = Business demand that ultimately comes from (derives from) the demand for consumer goods
Straight rebuy = A business buying situation in which the buyer routinely reorders something without any modifications
Modified rebuy = A business buying situation in which the buyer wants to modify product specifications, prices, terms, or suppliers
New task = A business buying situation in which the buyer purchases a product or service for the first time
Packaging = The activities of designing and producing the container or wrapper for a product
Systems buying = Buying a packaged solution to a problem from a single seller
Users = Members of the organization who will use the product or service; users often initiate the buying proposal and help define product specifications
Influencers = People in an organization's buying center who affect the buying decision; they often help define specifications and also provide information for evaluating alternatives
Deciders = People in the organization's buying center who have formal or informal power to select or approve the final suppliers
Gatekeepers = People in the organization's buying center who control the flow of information to others
Problem recognition = The first stage of the business buying process in which someone in the company recognizes a problem or need that can be met by acquiring a good or service
General need description = The stage of the business buying process in which the buying organization decides on and specifies the best technical product characteristics for a needed item
Product specification = The stage of the business buying process in which the buying organization decides on and specifies the best technical product characteristics for a needed item
Value analysis = An approach to cost reduction in which components are studied carefully to determine if they can be redesigned, standardized, or made by less costly methods of production
Supplier search = The stage of the business buying process in which the buyer tries to find the best vendors
Proposal solicitation = The stage of the business buying process in which the buyer invites qualified suppliers to submit proposals
Supplier selection = The stage of the business buying process in which the buyer reviews proposals and selects a supplier or suppliers
Order-routine specification = The stage of the business buying process in which the buyer writes the final order with the chosen supplier(s), listing technical specifications, quantity needed, expected time of delivery, return policies, and warranties

Performance review = The stage of the business buying process in which the buyer rates its satisfaction with suppliers, deciding whether to continue, modify or drop them

Institutional market = School, hospitals, nursing homes, prisons and other institutions that provide goods and services to people in their care

Government market = Government units-federal, state, and local-that purchase or rent goods and services for carrying out the main functions of government

Organisational buying behaviour = The decision making process by which a buying group establishes the need for goods and services and identifies, evaluates and chooses among alternative brands and suppliers

Customer profile = A written record of an account, including information such as type of business, buying influences, the product mix, buying policies and practices, environmental influences, purchase criteria, and competitor analysis

Customer types organisation = The organisation method which is based on customer groups, such as departments responsible for marketing to each segment

Buy-phase concept = The concept that views organisational purchasing as a series of sequential steps proceeding from recognition of a need through evaluation of the product's performance in satisfying that need

Merchant wholesalers = Organisations which take title to goods, and which carry the responsibility for risk bearing and usually for performing various functions

Missionary sales people = People who perform such diverse tasks as building the organisation's image, cultivating relations with decision makers, giving away free samples, and presenting in-depth information about the product

Commercialisation = A process in which marketers establish full-scale production, set prices, lay out a distribution network, and make final promotion plans to introduce the product in all its markets

Distribution forms of goods; shops and channels = special, shopping, convenience; intensive, exclusive, selective

Marketing Research

Marketing information system = People, equipment, and procedures to gather, sort, analyze. evaluate, and disribute needed, timely, and accurate information to marketing decision makers

Marketing intelligence = Everyday information about developments in the marketing environment that helps managers prepare and adjust marketing plans

Marketing research = The systematic design, collection, analysis, and reporting of data relevent to a specific marketing situation facing an organization
= The systematic and objective research for and analysis of information relevant to the identification and solution of any problem in the field of marketing

Exploratory research = Research that consists of informal attempts to identify and define problems

Descriptive research = Marketing research to better describe marketing problems, situations, or markets, such as the market potential for a product or the demographics and attitudes of consumers

Causal research = Marketing research to test hypotheses about cause-and-effect relationship

Threshold effect = The concept that very few calls on any account tend not to have any effect on sales until the level of calls reaches a certain level

Qualitative research = Research which takes the form of detailed interviews with a small number of consumers or organisational buyers

Stimulated test marketing = An approach to new-product testing that does not involve the actual marketing of a new product in test sites as in the traditional test marketing, but uses special consumer reaction research instead

Quantitative research = Research based on a statistically valid sampling of a terget market
Secondary data = Facts previously collected by others, often for other purpose
Primary data = Information collected for the specific purpose at hand
Observational research = The gathering of primary data by observing relevant people, actions, and situations
Single-source data systems = Electronic monitoring systems that link consumers' exposure to television advertising and promotion (measured using television meters) with what they buy in stores (measured using store checkout scanners)
Survey research = The gathering of primary data by asking people questions about their knowledge, attitudes, preferences, and buying behavior
Experimental research = The gathering of primary data by seleting matched groups of subjects, giving them different treatments, controlling related factors, and checking for differences in group responses
Focus group interviewing = Personal interviewing that involves inviting six to ten people to gather for a few hours with a trained interviewer to talk about a product, service, or organization
Online (Internet) marketing research = Collecting primary data through Internet surveys and online focus groups
Screening process = The process which sifts out all ideas that are not feasible or desirable for organisation
Sample = A trial amount of a product
Quota sample = A sample selected by giving the interviewer a quota of certain number of individuals with some specific characteristic, such as a quota to interview 50 men and 50 women
Simple random sample = The process in which individual members of a population would have an equal and known chance of being selected as part of a sample
Systematic random sample = The process in which researchers choose every nth (such as every tenth or fifteenth) number after starting with a randomly selected number
Stratified random sample = A process that entails breaking the total population into strata, such as by age groups or income levels, in order to select samples within strata
Convenience sample = A sample chosen at the convenience of the researcher, such as the first 100 individuals to be found who are members of a population
Judgement sample = A sample chosen simply by the judgement of the researcher as to which individuals would be representative of the population, and about which no statistical analyses would be appropriate
Single-person household = An individual who lives alone in a separate residence
Survey method = A research method based on data gathered by asking respondents to supply facts, opinions, or other information
Questionnaire = A data collection instrument that is used for all survey methods
Structured questions = Those questions that demand brief and specific answers
Unstructured question = Questions that allow respondents a great deal of freedom and creativity in framing answers
Semi-structured question = Questions that include sentence completion items and word association tests
Statistical demand analysis = Analysis that develops relationship among marketing mix factors and environmental circumstances and sales
Marketing research department (agency) = The organisation within an advertising agency which researches consumer attitudes for the client, performs demographic studies, tests the effectiveness of advertising copy or packaging, or conducts research for agency itself
Syndicated research services = The scheduled reports which spell out what consumers are buying and what is happening to a product in the market place

Affect referral decision rule = A type of decision rule where selections are made on the basis of overall impressions or affective summary evaluation of the various alternatives under consideration
Alpha activity = A measure of the degree of brain activity that can be used to assess an individual's reactions to an advertisement
80/20 rule = The principle that 80 percent of sales volume for a product or service is generated by 20 percent of the customers
Contribution margin = The difference between the total revenue generated by a product of brand and its total variable costs
Theatre tests = An expensive method of judging the effectiveness of television commercials. Consumers groups are brought into theatres, supposedly to see pilots of forthcoming television series. They are asked their opinions not only of the pilots but also of the impact and effectiveness of commercials
Time series analysis = Analysis that identifies and measures repetitive influences on sales patterns over time
Value analysis = A cost-reduction program in which customers study each component of a supplier's product to determine whether it can be redesigned, standardised, or produced more cheaply
Vendor analysis = The buying organisation's systematic evaluation and rating of prospective suppliers
Work load analysis = A method which establishes standards for the number of sales calls required and the time needed to make those calls
Contests = Strategy that requires consumers to compete for prizes, typically by completing some type of puzzle or stating why they like the product "in 25 words or less"
Cross-tabulation = The method of comparing the responses to one question with the responses to another
Delphi technique = The procedure of environmental forecasting by a group of experts who are solicited anonymously and asked to predict the likelihood and time of occurrence of significant events
Experimental method = The method based on the study of the relationship between two or more variables under controlled conditions
Focus group = A small number of 'typical' consumers who discuss their reactions to a product concept in the presence of a group leader
Forecasting = The prediction of what buyers in a target market are likely to do under a given set of conditions, such as the prediction of how much of a product will be purchased by a particular market segment given a particular price of the product
Historical and quantitative forecasts = A projection of future sales based on sales patterns and/or mathematical calculations
Judgement forecast = The prediction rely upon the opinions of informed participants or outside consultants
Audimeter = An electric measurement device that is hooked to a television set to record when the set is turned on and the channel to which it is tuned
Benchmark measures = Measures of a target audience's status concerning response hierarchy variables such as awareness, knowledge, image, attitudes, preferences, intentions, or behaviour. These measures are taken at the beginning of an advertising or promotional campaign to determine the degree to which a target audience must be changed or moved by a promotional campaign
Prospecting = A systematic process of identifying new buyers
Irregular events = (1) Random events such as acts of God (e.g. earthquakes, fires, floods). (2) Windfall sales contracts
Consumer juries = A method of pretesting advertisements by using a panel of consumers who are

representative of the target audience and provide ratings, rankings, and/or evaluations of advertisements
Marketing Strategies
Strategic planning = The process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunites. It involves defining a clear company mission, setting supporting objectives, designing a sound business portfolio, and coordinationg functional strategies
Mission statement = A statement of ~~teh~~ the organization's purpose—what it wants to accomplish in the larger environment
Business portfolio = The collection of business and products that make up the company
Portfolio analysis = A tool by which management identifies and evaluates that various businesses that make up the company
Strategic Business Unit (SBU) = A unit of the company that has a separate mission and objectives and that can be planned independently from other company business. An SBU can be a company division, a product line within a division, or sometimes a single product or brand
Growth-share matrix = A portfolio-planning method that evaluates a company's strategic business units in terms of their market growth rate and relative market share. SBU's are classified as stars, cash cows, question marks, or dogs
Product-market expansion grid = A portfolio-planning tool for identifying company growth opportunites through market penetration, market development, product development, or diversification
Market penetration = A strategy for company growth by increasing sales of current products to current market segments without changing the product
Market development = A strategy for company growth by identifying and developing new market segments for current company products
Product development = A strategy for company growth by offering modified or new prodcuts to current market segments. Developing the product concept into a physical product in order to ensure that the product idea can be turned into a workable product
Diversification = A strategy for company growth by starting up or acquiring businesses outside the company's current products and markets
Marketing process = The process of (1) analyzing marketing opportunites, (2) selecting target markets, (3) developing the marketing mix, and (4) managing the marketing effort
Demand or market levels = population, potential, available, qualified, served, and penetrated
Company strategies = low cost, differentiation, focusing
Market strategies = positioning, innovation, life cycle, competition, global reach
Homogenity and heterogenity = extremes of consistency influencing pricing, targeting, and a size of target segment for product
Competitive strategies = challenger, competitive position, market leader, follower, nicher
Ansoff matrix = penetration, diversification and development of products and markets depending on new or mature markets or products
Portfolio = A collection of businesses owned and managed by a parent corporation
Individualized portfolio techniques = Portfolio techniques which develop specific company definitions of business strength, and of market attractiveness, rather than using the simpler definitions of the Boston Consulting group for those factors of market share and market growth

Stars = A company‘s ‚big winners‘ – business that hold high relative market shares in high-growth markets
Strategy = The major objectives of the organisation and a general plan for achieving these objectives
Strategic management = The management of a strategy; it involves at least four steps, i.e. analysing, planning, implementing, and control
80/20 principle = A "law" which states that 80 percent of business in a territory comes from 20 percent of accounts- and, controversely, that only 20 percent of business comes from the other 80 percent of accounts (which is in reality only approximate)
Marketing strategy = An overall statement of an organisation‘s goals in terms of markets (Who are our customers) and products (What are we selling) = The marketing logic by which the business unit hopes to achieve its marketing objectives
Strategic business unit = A single business with its own unique goal or mission, its own products or services, its own identifiable group of customers, its own competitors, its own resources, and a responsible manager
Strategic control = The control of major strategy directions
Market segmentation = (1) The division of large, dissimilar populations into smaller, more similar groups. (2) The process of subdividing large, heterogenous (dissimilar) whole markets into smaller, homogenous (similar) parts of submarkets = Dividing a market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes
Market segment = A group of consumers who respond in a similar way to a given set of marketing efforts
Segment marketing = Isolating broad segments that make up a market and adapting the marketing to match the needs of one or more segments
Niche marketing = Focusing on subsegments or niches with distinctive traits that may seek a special combination of benefits
Micromarketing = The practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations—includes *local marketing* and *individual marketing*
Local marketing = Tailoring brands and promotions to the needs and wants of local customer groups—cities, neighborhoods, and even specific stores
Individual marketing = Tailoring products and marketing programs to the needs and preferences of individual customers—also labeled one-to-one marketing, customized marketing, and markets-of-one marketing
Segmentation variables = Factors by which market segments are formed, e.g., geographic, demographic, socio-economic, behavioural, and psychographic variables
Geographic segmentation = Dividing a market into different geographical units such as nations, states, regions, counties, cities, or neighborhoods
Demographics = A catchall term referring to particular variables describing populations, such as age or sex
Age and life-cycle segmentation = Dividing a market into different age and life-cycle group
Gender segmentation = Dividing a market into different groups based on sex
Income segmentation = Dividing a market into different income groups
Behaviouristic segmentation = A method of segmenting a market by dividing customers into groups based on their usage, loyalties, or buying responses to a product or service
Psychographics = The system of measurement of life styles
Psychogenic needs = Needs which arise from learning and socialisation
Behavioral segmentation = Dividing a market into groups based on consumer knowledge, attitude, use, or response to a product

Benefit segmentation = A method of segmenting markets on the basis of the major benefits consumers seek in a product or service
Occasion segmentation = Dividing the market into groups according to occasions when buyers get the idea to buy, actually make their purchase, or use the purchased item
Intermarket segmentation = Forming segments of consumers who have similar needs and buying behavior even though they are located in different countries
Target market = A set of buyers sharing common needs or characteristics that the company decides to serve
Market targeting = The process of evaluating each market segment's attractiveness and selecting one or more segments to enter
Differentiated marketing = The strategy of pursuing several market segments with particular products and marketing mixes designed for the needs of each = A type of marketing strategy whereby a firm offers products or services to a number of market segments and develops separate marketing strategies for each
Undifferentiated marketing = The process opposite of market segmentation; i.e., marketers define their products as broadly as possible and promote a product or service to anyone capable of making a purchase
Concentrated marketing = The strategy of focusing on a single, easily defined, profitable market segment
Product-oriented positioning = The strategy that rests on some attribute inherent in a product's makeup, packaging, use, or price
Market positioning = Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers
Product positioning = The proces by wich marketers create and image in buyers' minds and control buyers' perceptions of their product
Repositioning = The conscious effort to change consumers' perceptions of a product – may be in order when marketers discover that a product appeals to other market segments
Consumer oriented positioning = The strategy aimed at getting the consumer to perceive a product in some unique, personally related manner, regardless of the product's characteristics
Value proposition = The full positioning of a brand—the full mix of benefits upon which it is positioned.
Marketing planning = The process through which an organisation designs the offerings that will satisfy the needs of its target markets
Marketing research = The systematic and objective research for and analysis of information relevant to the identification and solution of any problem in the field of marketing
Marketing plan = A written document that contains the firm's marketing strategy and tactics
Product life cycle = The product's stages of development, which consist of introductory, growth, maturity and decline stage
Demand curve = A curve that specifies the quantities demanded at various prices at a given time
Experience curve = A curve reflecting the fact that the costs of doing something tend to decrease as the organisation gains experience doing it
Fad = A cycle that is different from fashion only in the length of time, which is relatively short
Fashion + A cycle usually starting with a designer's need to be different, and his or her sense that the new design will be acceptable to at least a segment of the market
Life cycle extension = The process of finding new uses for the same product by the same users
Market modification = turning non-users to users, entry on new segments, reaching customers of competitors, more frequent and heavier use of product
Product modification = improvement quality, features and style of product
Mix modification = special and volume discounts, credit accessibility, broadening assortment,

more outlets, channels, advertising costs, change of message, media, timing, rebates, gifts, display, territories, delivery speed, and servicing
Introductory stage = A stage in a product's life in which an innovation is alone in the market
Growth stage = A stage in a product's life in which sales and profits grow rapidly, competitors are attracted to the growing market, and cash flow can still be negative because of firm's efforts to establish a strong market share ahead of competitors. The market is usually turbulent in this period
Maturity stage = A stage in which sales growth slows, the market becomes saturated, and profits are high but begin to decline as market leaders cut prices in order to gain share
Decline stage = A stage in which total demand decreases, leading to a further dropout of competitors until only a few remain
Alternatives of introductory pricing = slow, and rapid penetration, eventually skimming
Concept testing = A process involving the accumulation and evaluation of consumers' reactions to a new product idea before the product is actually developed
Market share analysis = An evaluation of the firm's performance in comparison to that of its competitors
Relative market share = A firm's market share divided by the market share of its largest competitor
Secular trends = The raising or falling patterns of sales over a period of years
Seasonal patterns = The consistent sales patterns within a year which are based on factors such as weather or holidays
Growth-share matrix = A matrix that explains how market share, market growth, and cash flows are related
Marketing implementation = The process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives
Marketing audit = A comprehensive, systematic, independent, and periodic examination of a company's environment, objectives, strategies, and activities to determine problem areas and opportunites and to recommend a plan of action to improve the company's marketing performance
Barrier to entry = Conditions that make difficult for a firm to enter the market in a particular industry, such as high advertising budgets
Price
Price = Both the value that buyers place on what is exchanged and the marketers' estimates of that value
Target costing = Pricing that starts with an ideal selling price, then targets costs that will ensure that the price is met
Fixed costs = Costs that do not vary with production or sales level
Variable costs = Costs that vary directly with the level of production
Total costs = The sum of the fixed and variable costs for any given level of production
Experience curve (learning curve) = The drop in the average per-unit production cost that comes with accumulated production experience
Demand curve = A curve that shows the number of units the market will buy in a given time period at different prices that might be charged
Price elasticity = A measure of the sensitivity of demand to changes in price
Total costs approach = An overall examination of the costs involved in moving finished goods from the end of the production line into customers' hands
Break-even pricing (target profit pricing) = Setting price to break even on the costs of making and marketing a product; or setting price to make a target profit
Value-based pricing = Setting price based on buyers' perceptions of value rather than on the seller's cost
Value pricing = Offering just the right combination of quality and good service at a fair price

Competition-based pricing = Setting prices based on the prices that competitors charge for similar products
Equilibrium (market) price = The price at the point where supply equals demand
Basic price = The amount marketers estimate consumers will pay for the core product
List price = The amount at which a product is priced for final buyers, wheather individual consumers or organisation
Cross-elasticity of demand = The degree to which the quantity of one product demanded will increase or decrease in response to changes in the prices of another product
Functional accounts = Accounting units which divide expenditures according to their purpose
Functional (trade) discounts = Price concessions which compensate intermediaries for providing such services as storage, handling, and selling
Functional organisation = The organisation method which divides the marketing operation into groups according to their assigned tasks
Experience-curve pricing = A strategy that takes into account the costs of competing firms based on their experience in producing goods
Competiton-oriented pricing = A strategy whereby prices are set based on what a firm's competitors are charging
Flexible pricing = Charging different prices to different customers usually based on negotiations and bargaining; it is rare but not unknown in the USA in consumer marketing, but is more prevalent in organisational marketing
Customary pricing = Pricing that matches buyer's expectations about the costs of certain items; prices reflect custom and tradition, and changes are infrequent
Fair trade = The practice through which producers attempt to control the retail price of their products
Skimming = A strategy that is characterised by a high initial prices and promotional expenditures; the intent is to "skim the cream" from the market before anyone else can serve it
Discretionary income = The amount of personal income left after paying taxes, and after paying for necessities such as food, shelter, and clothing
Disposable income = The amount of personal income left after taxes
Downward-sloping demand, the law of = The law predicting that when the price of a good is rased, less of it is demanded
Upward-sloping supply, the law of = The law stating that when the price of a good is rased (at the same time that all other things are held constant), more of it will be produced
Elastic demand = A given percentage change in price results in a greater percentage change in the quantity Elasticity of demand = The degree to which the quantity produced and sold will increase in response to changes in price demanded
Uniform delivered pricing = Freight charges are added to the base price of the product such as that all buyers pay the same price regardless of their location
Price fixing = When competitors, through formal contracts or collusive actions, jointly agree upon prices
Warranty = The producer's assurance that the product will meet buyers' expectations or that buyers will be compensated in some way if the product fails to meet expectations
Penetration = Marketers set low initial prices in an attempt to capture mass markets
Price lining = A manufacturer or retailer sets a limited number of prices for selected lines of products
Product line pricing = Setting the price steps between various products in a product line based on cost differences between the products, customer evaluations of different features, and competitors' prices
Optional-product pricing = The pricing of optional or accessory products along with a main

product
Captive-product pricing = Setting a price for products that must be used along with a main product, such as blades for a razor and film for a camera
By-product pricing = Setting a price for by-products in order to make the main product's price more competitive
Product bundle pricing = Combining several products and offering the bundle at a reduced price
Discounts = The reduction from the list price to be paid by consumers which represents the revenue source for intermediaries
Cash discounts = Price reductions given to buyers who pay for purchases within a stated period; they are not cash payments
Quantity discount = A price reduction to buyers who buy large volumes
Cumulative quantity discounts = A discount that applies to one buyer's orders over a specified time-perhaps 6- or 12- month period
Functional discount = A price reduction offered by the seller to trade channel members who perform certain functions such as selling, storing, and record keeping
Seasonal discounts = Discounts granted to early or offseason buyers of products that have peak selling periods
Allowance = Promotional money paid by manufacturers to retailers in return for an agreement to feature the manufacturer's products in some way
Segmented pricing = Selling a product or service at two or more prices, where the difference in prices is not based on differences in costs
Psychological pricing = A pricing approach that considers the psychology of prices and not simply the economics; the price is used to say something about the product
Reference prices = Prices that buyers carry in their minds and refer to when they look at a given product
Promotional pricing = Pricing that paves the way for a good old-fashioned sale; prices of selected items are lowered in an effort to attract customers
F.O.B. Pricing = F.O.B. stands for "free on board" and is followed by the designation "factory" or "destination" to indicate at what point the buyer assumes treight costs and title to the product
Uniform-delivered pricing = A geographical pricing strategy in which the company charges the same price plus freight to all customers, regardless of their location
Zone pricing = A geographical pricing strategy in which the company sets up two or more zones. All customers within a zone pay the same total price; the more distant the zone, the higher the price
Basing-point pricing = A geographical pricing strategy in which the seller designates some city as a basing point and charges all customers the freight cost from that city to the customer location, regardless of the city from which the goods are actually shipped
Freight-absorption pricing = A geographical pricing strategy in which the seller absorbs all or part of the actual freight charges in order to get the desired business
Geografic pricing = Pricing decisions which account for who takes responsibility for transportation charges-the seller or the buyer
Premiums = Gifts to paying customers; they are generally claimed throughthe mail by sending the marketer a number of proof-of-purchase lables or box tops
Patronage reward = Cash or other award for the regular use of a certain company's products or services
Cents-off coupons = Coupons that offer buyers minor price reductions at the point of sale
Premium price differential = The additional money consumers will pay for the augmented product
Promotional discounts = Discounts for encouraging promotion and sales efforts by intermediaries
Bonus packs = Special packaging that provides consumers with extra quantity of merchandise at no extra charge over the regular price

Prestige pricing = When the seller internationally sets prices at levels high enough to connote an image of quality status
Multiple-unit pricing = A form of promotional pricing where the product is priced for more than one unit, such "as two for one" sale
Predatory pricing = The practice by which large firms set extremely low prices in an effort to undercut small competitors and drive them out of business
Price discrimination = Selling the same product to different customers for different price
Non-cumulative quantity discounts = Price concessions based on quantity ordered on each individual sale
Odd-even pricing = The practice which assumes that consumers will perceive prices such as $9.95 as being "$9 and something" ratner than as "almost $10".
Cost-plus pricing = A strategy that assumes a basic cost per unit and then adds a markup to provide a margin that covers overhead costs and returns a profit
Cost/volume/profit analysis = An approach which calculates the effect on profits of different prices, given different levels of demand in response to those prices
Price-off promotions = A strategy that involves temporary price reductions to retailers with the intent that savings will be passed along to consumers
Non-price competition = When firm's strategy is advanced by components of the marketing mix other than price: the product itself, the distribution systém, or the promotional campaign
Push money = Special bonuses paid by a marketer to an intermediary's sales force
Quantity discounts = Price concessions that are based either on number of units purchased or on the total dollar amount; they are used to encourage larger orders from a single buyer
Rebates = A promotional method which provides for financial returns to buyers from the manufacturer after the purchase has taken place
Cash refund offer (rebate) = Offer to refund part of the purchase price of a product to consumers who send a "proof of purchase" to the manufacturer
Price pack (cents-off deal) = Reduced price that is marked by the producer directly on the label or package
Self-liquidator = The consumer must pay a small charge for the premium to help cover the marketer'' expenses; if this charge completely covers a marketer'' costs, the premium is called a self-liquidator
Place
Distribution channel = A set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user
Channel level = A layer of intermediaries that performs some work in bringing the product and its ownership closer to the final buyer
Direct marketing channel = A marketing channel that has no intermediary levels
Indirect marketing channel = Channel containing one or more intermediary levels
Channel conflict = Disagreement among marketing channel members on goals and roles—who should do what and for what rewards
Conventional distribution channel = A channel consisting of one or more independent producers, wholesalers, and retailers, each a separate business seeking to maximize its own profits even at the expense of profits for the system as a whole
Vertical marketing system (VMS) = A distribution channel structure in which producers, wholesales, and retailers act as a unified system. One channel member owns the others, has contracts with them, or has so much power that they all cooperate
Corporate VMS = A vertical marketing system that combines successive stages of production and

distribution under single ownership—channel leadership is established through common ownership
Administered VMS = A vertical marketing system that coordinates successive stages of production and distribution, not through common ownership or contractual ties but through the size and power of one of the parties
Horizontal marketing system = A channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity
Hybrid marketing channel = Multichannel distribution system in which a single firm sets up two or more marketing channels to reach one or more customer segments
Disintermediation = The elimination of a layer of intermediaries from a marketing channel or the displacement of traditional resellers by radically new types of intermediaries
Intensive distribution = Stocking the product in as many outlets as possible
Exclusive distribution = Giving a limited number of dealers the exclusive right to distribute the company's products in their territories
Selective distribution = The use of more than one, but fewer than all, of the intermediaries who are willing to carry the company's products
Intermodal transportation = Combining two or more modes of transportation
Integrated logistics management = The logistics concept that emphasizes teamwork, both inside the company and among all the marketing channel organizations, to maximize the performance of the entire distribution system
Third-party logistics provider = An independent logistics provider that performs any or all of the functions required to get their clients' product to market
Transit time = The time from receipt of the order to delivery of the goods
Combined transportation modes = A transportation method which utilises more than one type of carrier
Vertical conflict = The conflict which occurs between members above and below each other in the distribution channel-between the manufacturer and intermediaries, or between intermediaries such as wholesalers and retailers
Horizontal conflict = The conflict which arises between wholesalers and retailers of the same level and type in a channel
Intertype conflict = The conflict which occurs when different kinds of intermediaries are part of the distribution channel
Conflict resolution = Accomodation of various channel members to decisions designed to promote the overall goals of the distribution channel
Horizontal integration = The process which brings together a number of channel members at the same level and puts them under single ownership
Place utitility = The usefulness gained when something of value is received where it is wanted
Retailing = All activities involved in selling goods or services directly to final consumers for their personal, nonbusiness use
Specialty store = A retail store that carries a narrow product line with a deep assortment within that line
Supplies = Items that are not incorporated into the buying organisation's products;goods needed to keep everyday operations going
Supply = A relation showing the various amounts of a commodity that a seller would be willing and able to make available for sale at possible alternative prices during a given period of time, all other things remaining the same
Distribution channels = Channels that are made up of manufacturers or service producers and

wholesalers and retailers through which products are marketed to consumers and organisational buyers
Channel length = The number of levels in a distribution channel
Channel strategy = Decisions which center on choosing and attracting the most effective types and the most efficient number of distributors in the best georgaphical locations
Channel width = The number of intermediaries found at the same level in the channel
Direct channels = The channels in which producers sell directly to final buyers; no intermediaries are involved
Multiple channles = Cannels which include different kinds of intermediaries at the same level
Voluntary chains = Wholesaler-sponsored organisations of independent retailers who practice bulk buying and similar merchandising techniques
Procurment costs = Inventory expenses that arise from the ordering process itself
Selective demand = A preference among buyers for specific brands
Selective distribution = A systém in which only a certain number of intermediaries, or those of o certain type, are chosen to distribute the product
Position = A product's category and its relative standing within that category
Category development index (CDI) = An index that is calculated by taking the percentage of a product category's total sales that occur in a given market area as compared to the percentage of the total population on the market
Category management = An organisational systém whereby managers have responsibility for the marketing programs for a particular category or line of products
Product category organisation = The organisation method that assigns marketing tasks by product category or brand
Slotting fees = Payments demanded by retailers before they will accept new products and find "slots" for them on the shelves
City zone = A category used for newspaper circulation figures that refers to a market area composed of the city where paper is published and contiguous areas similar in character to the city
Product line exclusivity = An agreement that the agency will not work on a competing product for the duration of the relationship
Polarity retailing = The concept stating that the successful forms of retailing is at the extremes; either the large mass merchandisers whith highly efficient operations, or the very small "boutique" retailers with a very deep line of merchandise in a very limited product line
Multilevel merchandiser = Those corporate retail chains which, by dint of size, have integrated backward and have achieved strong control over (if not ownership of) their wholesalers as well as their manufacturers
Cease and desist order = An action by the U.S. Federal Trade Commission that orders a company to stop engaging in a practice that is considered deceptive or misleading until a hearing is held
Corrective Advertising = An action by Federal Trade Commission whereby an advertiser can be required to run advertising messages designed to remedy the deception or misleading impression created by its previous advertising
Reseller markets = Firms that acquire goods and services in order to sell them again
Special sales representatives = People who promote the product directly to those who purchase it, to intermediaries, or to those who recommend it, but who do not actually take orders
Retailers = Merchants whose main business is selling directly to ultimate consumers
Wheel of retailing concept = A concept of retailing that states that new types of retailers usually begin as low-margin, low-price, low-status operations but later evolve into higher-priced, higher-service operations, eventually becoming like the conventional retailers they replaced
Retailer co-operatives = Centralised buying organisations set up by retailers themselves
Convenience stores = Stores featuring convenience: long store hours (often 24 hours each day),

ease of access, and quick shopping for items such as bread, milk, eggs, cigarettes, and newspapers
Off-price retailers = Stores that differ from other discounters in that they feature, almost exclusively, name-brand and designer label apparel at prices significantly below those in department and specialty stores
Strait commission = A financial incentive based solely on sales results; each increment of sales increases the commission
Scrambled merchandising = The contemporary practice among retailers of expanding their product lines beyond those traditionally carried, leading to competition between types of retailers
Supermarkets = Self-selection stores that sell a complete range of food and other items from various departments
Superstores = Stores that go well beyond combination stores by carrying such nonfood items as garden supplies, alcoholic beverages, books, housewares, and hardware
Urban shopping malls = Collections of shops and department stores located in or near central business districts
Shopping center = A group of commercial establishments planned, developed, owned, and managed as a unit related in location, size, and type of shops to the trade area that it services, and providing on-site parking in definite relationships to the types and sizes of stores it contains
Full-service retailers = Specialty shops, boutiques, and top-of-the-line department stores
Department stores = Stores characterised by wide and deep product mixes; individual departments within store; mid- to upper-level prices; and extensive services
Discount houses = Stores that are much like department stores except that their primary appeal is low price
Discount store = A retail institution that sells standard merchandise at lower prices by accepting lower margins and selling at higher volume
Hypermarché = A very large store (80.000 square feet and up) that adds furniture, appliances, and clothing to the items found in superstores
Specialty stores = Stores characterised by narrow product mixes with deep product lines, a high level of personal services, and relatively high prices
Category killer = Giant specialty store that carries a very deep assortment of a particular line and is staffed by knowledgeable employees
Convenience store = A small store, located near a residential area, that is open long hours seven days a week and carries a limited line of high-turnover convenience goods
Combination store = Store that carry over-the-counter and prescription drugs in addition to food items
Self-selection retailers = Stores that provide few services or sales personnel and sell mostly staples and homogenous shopping goods
Off-price retailer = Retailer that buys at less-than-regular wholesale prices and sells at less than retail
Independent off-price retailer = Off-price retailer that is either owned and run by entrepreneurs or is division of larger retail corporation
Factory outlet = Off-price retailing operation that is owned and operated by a manufacturer and that normally carries the manufacturer's surplus, discontinued, or irregular goods
Warehouse club = Off-price retailer that sells a limited selection of brand name grocery items, appliances, clothing, and a hodgepodge of other goods at deep discounts to members who pay annual membership fees
Chain stores = Two or more outlets that are owned and controlled in common, have central buying and merchandising, and sell similar lines of merchandise
Franchise = A contractual association between a manufacturer, wholesaler, or service organization (a franchiser) and independent businesspeople (franchisees) who buy the right to own and operate

one or more units in the franchise system
Franchisor = Suppliers of products and management and marketing expertise that grant franchisees (dealers) the right to run a chain-like retailing establishments in return for fee and royalty arrangements
Franchise organization = A contractual vertical marketing system in which a channel member, called a franchiser, links several stages in the production-distribution process
In-home retailing = Selling that usually takes the form of a small party given by a hostess or host to allow friends and neighbours to examine and order a product line
District sales manager = A line executive who plans, directs, and controls the activities of field salespeople
Central business districts = Areas where many retailers are clustered together to také advantage of each other's traffic
Warehouse showrooms = Stores that are located on low-rent, suburban sites, and focus on medium-priced furniture and appliances
Limited-service retailers = Some department store chains and limited-line stores that concentrate on heterogeneous shopping products
Wholesaling = All activities involved in selling goods and services to those buying for resale or business use
Wholesaler = Organisations which buy products from producers or other wholesalers and resell them to retailers or organisational buyers, or to other wholesalers
Limited-service wholesalers = Wholesalers who perform only selected functions
Full-service wholesalers = Organisations which provide almost all the functions of intermediaries and generally are divided into three subgroups: general merchandise wholesalers, single-line wholesalers, and specialty wholesalers
General merchandise wholesalers = Wholesaler who handle a broad range of products, from food and drug items to plumbing supplies and automotive accessories
Merchant wholesaler = Independently owned business that takes title to the merchandise it handles
Sorting out = The process by which wholesalers and retailers separate quantities of products into sizes, colours, quality grades, and so on
Cash-and-carry wholesalers = Wholesalers who emphasise reduced costs for small retailers, but do not provide credit or delivery
Specialty wholesalers = Wholesalers who have the most restricted inventories, focusing on items such as health foods or electric motors
Truck wholesalers = Wholesalers who pick up quantities of products at commercial markets and deliver them to retailers in case lots
Drop shippers = Organisations which take bulk orders from industrial users, other wholesalers, or retailers; they then order the desired products from manufacturers, who ship directly to the customers
Non-store retailing = Retailing that may be conducted impersonally (through catalogues, direct mail, and vending machines) or personally (door-to-door selling, in-home retailing, and telephone sales)
Door-to-door selling = A form of direct marketing which involves personal selling to individuals in their homes
Direct marketing = (1) A form of nonstore retailing in which a promotional message is delivered directly to potential customers, who respond directly to the company rather than through a traditional point of sale such as store. (2) Nonstore sales to consumers and organisational buyers via mail and telephone. (3) Direct communications with carefully targeted individual consumers to obtain an immediate response, and cultivate lasting customer relationships
Cost per customer purchasing = A cost effectiveness measure used in direct marketing based on the