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Glossary of Marketing Terms

Advertising: Paid commercial messages (in any medium) designed to inform, persuade, or remind potential or actual customers about a product or service.

After-sale actions: Those actions you take to retain a customer by providing additional benefits after the sale has been completed.

AIDA: An acronym for a sales “rule.” Gain the prospect’s “Attention,” arouse their “Interest,” pique their “Desire,” and move them to take “Action.”

Banners: Internet advertising you run on carefully selected sites where you expect to find your prospects and customers. The ads usually look like a banner (hence the name) and call attention to your own Web site.

Behavioral segmentation: A market segmentation technique based on different behaviors exhibited by consumers.

Benefits: What people buy, the “what’s in it for me” that all consumers seek, as distinguished from features, the characteristics of a product or service that deliver benefits.

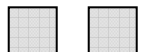
Branding: The techniques used to establish a brand name for a commodity. Successful branding examples: Coco-Cola, Kleenex, Xerox, Perdue Chicken. Currently used mainly in e-commerce for companies such as eBay, Amazon, and iVillage.

Browser: Software such as Netscape or Microsoft’s Internet Explorer that is used to examine various Internet resources.

Clipping service: A service business that clips items and references from periodicals and other sources (increasingly from the Internet) according to parameters set by the client.

Collateral material: Promotional material in addition to paid advertising, which includes brochures, flyers, business cards, stationery, and other image pieces.

Competitive edge: Your competitive advantages over your most direct competitors.





Consumer demand: The aggregate demand for a given product or service in a defined market area. This is an important measure to determine for your product or service.

Core competency: What your business does best; its most important and central activity.

Cost structure: The analysis of all the cost factors in the production or marketing of a product or service, including burden or share of overhead.

Customer need: Primary needs (physiological, safety, and security) and secondary needs (such as self-expression or status) have a big impact on buyer behavior. You should ascertain what customer needs your particular service satisfies.

Database marketing: Compiling detailed consumer information in a database format allows marketers to precisely allocate marketing efforts to the most productive market segments for a given product or family of products.

Deliverable: The tangibles that you actually give to the customer, such as a consultant's bound report.

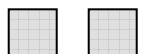
Demographics: The study of the characteristics of a population, such as age, gender, religious affiliation, income.

Direct mail: A marketing technique in which sales are generated by sending a direct mail package (advertisement, product offer, response device) to a mailing list.

Direct response marketing: A variant of direct marketing in which the prospect qualifies him or herself by responding to an offer. The offer may be presented as a coupon, a direct mail package, an 800 number in a space advertisement or other means. By responding, the prospect indicates an interest in the offer.

E-commerce: Short of "electronic commerce," and includes I-commerce as well as other forms of electronic commerce.

Elasticity: If a market is sensitive to price changes, buying less if the price rises or more if it falls, that market is said to be elastic. An inelastic market is relatively unaffected by small price changes.





Ethnic marketing: Marketing promotions aimed at a specific ethnic group, such as Hispanics or Asians.

Facility brochure: A brochure that explains the full range of services or products a firm provides its customers.

Focus group: A market research technique in which a small number of people are brought together and interviewed, under controlled conditions, about their perceptions of the value of a product or service.

Geographic segmentation: Market segmentation based on a geographic area. A sole proprietor mediation practice might have a geographic of a few blocks, whereas AAA or JAMS covers the majority of the United States.

Home page: The main Web page, or Web site, for an individual, organization, or business.

I-commerce: Internet-based commerce, a narrower term than e-commerce though less commonly used.

Image: The managed perception of the general public of a person, business, or institution. This is an essential piece of the marketing mix.

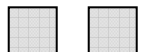
Internet: The collection of interconnected computer based networks that all use a common protocol (TCP/IP) to share data.

Links: On the Internet, a method of connecting (“linking”) one Web page with other Web pages, whether in the same or other networks.

Market gaps: Areas in your market where there are untapped opportunities for you to take advantage of.

Market niche: A smaller fragment of a larger market that’s especially suited to your unique abilities and your business’s product or service.

Market segmentation: A method of organizing and categorizing people or organizations that buy your products or services.





Market share: A portion, usually expressed as a percentage, of a market that a business operates in.

Marketing strategy: Action steps that deliberate how your company will reach its marketing goals.

Marketing: All the activities involved in moving products and services from the producer to the consumer, including advertising, sales, packaging, and pricing. *Meta tags:* Words that appear in the header of a Web site's home page.

Multi-level marketing: A method of distributing good and services that incorporates network marketing direct selling, and personal-to-person marketing.

Networking: A promotional tool for expanding your group of contacts, as well as building relationships in your field and in others.

Positioning: How you differentiate your services from those of your competitors and determine what market niche to fill.

Price ceiling and price floor: The “right” price for your goods and services will float somewhere between a “price ceiling” (what the traffic will bear) and a “price floor” (high enough to cover your cost and profit needs). *Profit:* The return on a business undertaking received after all operating expenses are paid.

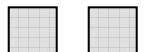
Promotion: How you make your market aware of your product or service. Promotion includes advertising, public relations, special events, newsletter, networking, and public speaking.

Prospecting: A process of selecting likely customers from a group.

Psychographics: A method of segmenting a market that looks at a group's behavior patterns, attitudes, and expectations.

Public relations: Methods and activities that promote a favorable relationship with the public.

Qualify: establishing certain characteristics that prospective customers must meet.





Sociocultural segmentation: A method of segmenting a market that takes into account a group's religions, national origin, race, social class, and marital status.

SWOT analysis: A method of analyzing a business that looks at its "Strengths, Weaknesses, Opportunities, and Threats" This helps a business decide what to emphasize and what not to emphasize, and takes into account both internal and external forces.

Target market: Those people or organizations in your market who are most likely to buy from you.

Telemarketing: A sales tool that's also called telephone marketing.

Trends: The inclination of a market to favor a particular product or product feature. *URL:*

An acronym for Uniform Resource Locator, which is an Internet address.

Web site: See Home page

