

## How To Use This Glossary

- Content vocabulary terms in this glossary are words that relate to this book's content. They are **highlighted yellow** in your text.
- Words in this glossary that have an asterisk (\*) are academic vocabulary terms. These words help you with your understanding in all your school subjects and are often used on tests. They are **boldfaced black** in your text.

### A

**accounting** The discipline that keeps track of a company's financial situation. (p. 128)

**accounting program** A program that can store and retrieve financial records and process all business transactions automatically. (p. 214)

\* **accurate** Conforming exactly or almost exactly to fact or a standard; characterized by perfect conformity to fact or truth. (p. 691)

\* **achieve** To gain with effort. (p. 245)

**Ad Council** A nonprofit organization that helps produce public service advertising campaigns for government agencies and other qualifying groups. (p. 148)

**ad layout** A sketch that shows the general arrangement and appearance of a finished ad. (p. 477)

\* **adaptation** A company's use of an existing product or promotion from which changes are made to better suit the characteristics of a country or region. (p. 99)

\* **adequate** Enough to meet a purpose; acceptable. (p. 757)

**adjacent colors** Those that are located next to each other on the color wheel and share the same undertones; also called analogous colors. (p. 430)

\* **administration** The persons (or committees or departments etc.) who make up a body for the purpose of tending to or supervising something. (p. 137)

**advertising** A form of nonpersonal promotion in which companies pay to promote ideas, goods, or services in a variety of media outlets. (pp. 396, 441)

**advertising agency** An independent business that specializes in developing ad campaigns and crafting the ads for clients. (p. 468)

**advertising campaign** A group of advertisements, commercials, and related promotional materials and activities that are designed as part of a coordinated advertising plan to meet the specific goals of a company. (p. 467)

**advertising proof** A presentation of an ad that shows exactly how it will appear in print. (p. 481)

**agent** One who acts as an intermediary by bringing buyers and sellers together. (p. 495)

**agreement** A specific commitment that each member of a team makes to the group. (p. 243)

\* **allocate** Distribute according to a plan or set apart for a special purpose. (p. 606)

**allowance** Partial return of a sale price for merchandise the customer has kept, for example if there is a defect. (p. 370)

\* **analyze** Consider in detail in order to discover essential features or meaning. (p. 214)

\* **anticipate** Act in advance of; deal with ahead of time. (p. 664)

\* **appreciate** To recognize with gratitude; be grateful for. (p. 349)

\* **approach** Ideas or actions intended to deal with a problem or situation. (p. 61)

**aptitude** An ability or natural talent, or the potential to learn a certain skill. (p. 874)

\* **area** A part of a structure having some specific characteristic or function. (p. 369)

**Articles of Incorporation** Identifies the name and address of a new corporation, its purpose, the names of the initial directors, and the amount of stock that will be issued to each director. (p. 790)

**aseptic packaging** Packaging that utilizes a technology that keeps foods fresh without refrigeration for extended periods. (p. 741)

**assertiveness** Acting in a bold or self-confident manner. (p. 235)

\* **assess** Place a value on; judge the worth of something. (p. 845)

**asset** Anything of monetary value that a person owns, such as cash, checking and savings accounts, real estate, or stocks. (p. 843)

\* **associate** Make a logical or causal connection. (p. 666)

\* **assure** To inform positively or to reinforce with certainty and confidence. (p. 753)

\* **astute** Marked by practical intelligence. (p. 310)

\* **attitude** A complex mental state involving beliefs and feelings and values and dispositions to act in certain ways. (p. 47)

**attitude research** Also known as opinion research; designed to obtain information on how people feel about certain products, services, companies, or ideas. (p. 663)

**audience** The number of homes or people exposed to an ad. (p. 453)

\* **authority** The power to make decisions and tell others what to do. (p. 830)

\* **authorize** To give or delegate power or authority. (p. 568)

\* **automatic** Acting or operating in a manner essentially independent of external influence or control. (p. 494)



- \* **automatically** In a mechanical manner; by a mechanism. (p. 373)
- \* **awareness** Having knowledge of. (p. 717)

## B

- balance of trade** The difference in value between exports and imports of a nation. (p. 87)
- balance sheet** A summary of a business's assets, liabilities, and owner's equity. (p. 858)
- bar graph** A drawing made up of parallel bars whose lengths correspond to what is being measured. (p. 180)
- barrier** An obstacle that interferes with the understanding of a message. (p. 191)
- basic stock list** A stock list used for staple items that should always be in stock. (p. 572)
- \* **benefits** Those things that aid or promote well-being. (p. 13)
- Better Business Bureau (BBB)** Nonprofit organization that set up self-regulation among businesses. Business members must "agree to follow the highest principles of business ethics and voluntary self-regulation, and have a proven record of marketplace honesty and integrity." (p. 150)
- blind check method** A method of checking whereby the receiver writes the description of the merchandise, counts the quantities received, and lists them on a blank form or dummy invoice. The list is then compared to the actual invoice after the blind check is made. (p. 559)
- blisterpack** A package with a preformed plastic mold surrounding individual items arranged on a backing. (p. 740)
- blog** Personal Web site where an individual shares thoughts, pictures, and comments with visitors. (p. 449)
- bonded warehouse** A public or private warehouse that stores products requiring payment of a federal tax. (p. 528)
- boomerang method** A method of answering objections by bringing the objection back to the customer as a selling point. (p. 331)
- brand** A name, term, design, symbol, or combination of these elements that identifies a business, product, or service, and sets it apart from its competitors. (p. 731)
- brand extension** A branding strategy that uses an existing brand name to promote a new or improved product in a company's product line. (p. 736)
- brand label** The information tag on a product or package that gives the brand name, trademark, or logo. (p. 742)
- brand licensing** A legal authorization by a brand owner to allow another company (the licensee) to use its brand, brand mark, or trade character for a fee. (p. 736)
- brand mark** Incorporates a unique symbol, coloring, lettering, or design element that is easily visible. (p. 732)
- brand name** A word, group of words, letters, or numbers that represents a product or service. (p. 731)

- break-even point** The point at which sales revenue equals the costs and expenses of making and distributing a product. (p. 592)
- brick-and-mortar retailer** A traditional retailer who sells goods to customers from a physical store. (p. 494)
- broadcast media** Radio and television. (p. 446)
- budget account** A credit account that allows for the payment of a purchased item over a certain time period without a finance charge. (p. 764)
- bundle pricing** Pricing method in which a company offers several complementary, or corresponding, products in a package that is sold at a single price. (p. 613)
- business cycle** Recurring changes in economic activity. (p. 75)
- business philosophy** A company's stated beliefs on how its business should be run. (p. 821)
- business plan** A proposal that outlines a strategy to turn a business idea into a reality. (p. 819)
- business risk** The potential for financial gain, loss, or failure. (pp. 117, 799)
- buying behavior** The process that individuals use to decide what they will buy, where they will buy it, and from whom they will buy it. (p. 825)
- buying motive** A reason a customer buys a product. (p. 302)
- buying signals** Things customers say or do to indicate a readiness to buy. (p. 341)

## C

- call report** A written report that documents a sales representative visit with a customer, including the purpose and outcome of the visit. (p. 280)
- career outlook** The number and types of jobs available in any field. (p. 876)
- carload** Minimum number of pounds of freight needed to fill a boxcar. (p. 519)
- cash flow statement** A monthly plan that tracks when cash is expected to come into the business and when it is expected to be paid out. (p. 859)
- cash-on-delivery (COD) sale** A transaction that occurs when a customer pays for merchandise at the time of delivery. (p. 369)
- category management** A process that involves managing product categories as individual business units. (p. 721)
- cause packaging** Packaging that promotes social and political causes. (p. 742)
- centralized buying** The buying process for all branches in a chain-store operation done in a central location. (p. 542)
- \* **challenge** A demanding or stimulating situation. (p. 876)
- channel of distribution** The path a product takes from its producer or manufacturer to the final user. (p. 493)
- channels/media** The avenues through which messages are delivered. (p. 191)
- circle graph** A pie-shaped figure that shows the relative sizes of the parts of a whole. (p. 181)
- clip art** Inexpensive or free images, stock drawings, and photographs. (p. 474)



- closing the sale** Obtaining positive agreement from a customer to buy. (p. 341)
- co-branding** A strategy that combines one or more brands in the manufacture of a product or in the delivery of a service. (p. 737)
- cold call** A sales visit without an appointment. (p. 285)
- cold canvassing** The process of locating as many potential customers as possible without checking leads beforehand. (p. 304)
- \* **collate** To assemble in proper sequence. (p. 323)
- collateral** Something of value that you pledge as payment for a loan in case of default. (p. 834)
- color wheel** Illustrates the relationships among colors. (p. 430)
- command economy** A system in which a country's government makes all economic decisions regarding what, how, and for whom. (p. 64)
- \* **commission** A fee for services rendered based on a percentage of an amount received or collected or agreed to be paid (as distinguished from a salary). (p. 493)
- \* **commit** To give entirely to a specific activity or cause. (p. 342)
- common carrier** Trucking company that provides transportation services to any business in their operating area for a fee. (p. 517)
- communication** The process of exchanging messages between a sender and a receiver. (p. 191)
- communications program** A computer program that enables users to communicate with other users through their computers. (p. 216)
- \* **community** A district where people live; occupied primarily by private residences. (p. 785)
- \* **comparable** Conforming in most respects; able to be compared. (p. 709)
- \* **compensate** To make up for shortcomings or a feeling of inferiority by exaggerating good qualities. (p. 332)
- competition** A business relation in which parties compete to gain customers. (p. 115)
- complementary colors** Colors that are opposite each other on the color wheel and create high contrast. (p. 430)
- \* **complex** Complicated in structure; consisting of interconnected parts. (p. 566)
- \* **component** Something determined in relation to something that includes it. (p. 731)
- \* **concentrate** To direct one's attention on something. (p. 378)
- \* **concept** An abstract or general idea inferred or derived from specific instances. (p. 419)
- \* **conduct** To direct or take part in the operation or management of something. (p. 8)
- \* **conflict** A disagreement or argument about something important. (p. 245)
- consensus** A decision about which all members of a team approve. (p. 243)
- consignment buying** A buying process in which goods are paid for only after the final customer purchases them. (p. 547)
- \* **consist** Be composed or made up of. (p. 219)
- \* **constant** Continually recurring or continuing without interruption. (p. 591)
- consumer market** Consumers who purchase goods and services for personal use. (p. 17)
- consumer price index (CPI)** Measures the change in price over a period of time of 400 specific retail goods and services used by the average urban household. (p. 73)
- Consumer Product Safety Commission (CPSC)** Responsible for overseeing the safety of products such as toys, electronics, and household furniture. (p. 140)
- consumer promotions** Sales strategies that encourage customers and prospects to buy a product or service. (p. 406)
- \* **contact** To be in or establish communication with. (p. 893)
- contract carrier** A for-hire trucking company that provides equipment and drivers for specific routes, per agreements between the carrier and the shipper. (p. 518)
- contract manufacturing** Hiring a foreign manufacturer to make your products according to your specifications. (p. 94)
- \* **control** The power to direct or determine. (p. 503)
- controlling** The process of setting standards and evaluating performance. (p. 257)
- \* **convert** Change from one system to another or to a new plan or policy. (p. 633)
- \* **convince** Make someone agree, understand, or realize the truth or validity of something. (p. 901)
- copy** The selling message of a written advertisement. (p. 473)
- copyright** Anything that is authored by an individual, such as writings (books, magazine articles, etc.), music, and artwork. (p. 115)
- \* **corporate** Of or belonging to a corporation, a business firm whose articles of incorporation have been approved in some state. (p. 97)
- corporation** A legal entity created by either a state or federal statute, authorizing individuals to operate an enterprise. (p. 789)
- cost per thousand (CPM)** The media-measurement cost of exposing 1,000 readers or viewers to an advertising impression. (p. 453)
- coupon** A certificate that entitles a customer to a cash discount on goods or services. (p. 406)
- cover letter** A letter written by a job applicant to introduce the applicant to an employer in the hopes of convincing the employer to read the résumé. (p. 901)
- \* **create** To make or cause to be or to become. (p. 7)
- credit** Loaned money in exchange for the promise to pay later. (p. 761)
- credit union** A cooperative association formed by groups of employees to serve as a financial organization and offer lower rates for the benefit of its members. (p. 834)
- cross-training** Preparing to do many different activities, such as for tasks on a team. (p. 243)
- \* **crucial** Of the greatest importance. (p. 454)
- customer benefit** Advantage or personal satisfaction a customer will get from a good or service. (p. 301)



**customer profile** Information about the target market, such as age, gender, income level, marital status, ethnic background, geographic residence, attitudes, lifestyle, and behavior. (p. 20)

**customer relationship management (CRM)** A system that involves finding customers and keeping them satisfied. (p. 277)

**customization** Creating specially designed products or promotions for certain countries or regions. (p. 101)

**cycle count** An inventory system involving a small portion of the inventory each day that is counted by stockkeeping units so that the entire inventory is accounted for on a regular basis. (p. 568)

## D

**data analysis** The process of compiling, analyzing, and interpreting the results of primary and secondary data collection. (p. 686)

**database** A collection of related information about a specific topic. (p. 658)

**database marketing** Also known as customer relationship management (CRM); a process of designing, creating, and managing customer lists. (p. 658)

**database program** An application that stores and organizes information, like a filing cabinet. (p. 213)

**DBA (Doing Business As)** The registration by which the county government officially recognizes that a new proprietorship or partnership exists. (p. 790)

**debt capital** Borrowed funds, from sources such as banks, friends, and suppliers, that must be repaid. (p. 832)

**decentralized buying** The buying process in which local store managers or designated buyers are authorized to make special purchases for their individual stores. (p. 542)

**decimal number** Another way to write a fraction or mixed number whose denominator is a power of 10. (p. 167)

**demand** Consumer willingness and ability to buy products. The law of demand is the economic principle that price and demand move in opposite directions. (p. 119)

**demand elasticity** The degree to which demand for a product is affected by its price. (p. 592)

**demographics** Statistics that describe a population in terms of personal characteristics, such as age, gender, income, marital status, and ethnic background. (p. 44)

\* **demonstrate** To show by one's behavior, attitude, or external attributes. (p. 233)

**denominator** The bottom number of a fraction, which represents how many parts in a whole. (p. 166)

**depression** A period of prolonged recession. (p. 76)

**derived demand** Demand in the organizational market that is based on, or derived from, the demand for consumer goods and services. (p. 125)

**descriptive label** A label that gives information about the product's use, construction, care, performance, and other features. (p. 742)

**desktop publishing program** A computer program that enables users to edit and manipulate both text and graphics in one document. (p. 215)

\* **determine** Decide upon or fix definitely. (p. 681)

\* **device** A machine or piece of equipment that does a particular job. (p. 807)

**digits** The ten basic symbols in our numbering system: 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9. Each digit represents a number and can be combined to represent larger numbers. (p. 165)

**direct check method** A method of checking in which the merchandise is checked directly against the actual invoice or purchase order. (p. 560)

**direct close** A method in which the salesperson asks for the sale, when the buying signal is very strong. (p. 344)

**direct distribution** A channel of distribution that occurs when the producer sells goods or services directly to the customer with no intermediaries. (p. 495)

**direct marketing** A type of advertising that sends a promotional message to a targeted group of prospects and customers rather than to a mass audience. (p. 396)

**disclaimer** A statement that contains exceptions to and exclusions from a warranty. (p. 755)

**discretionary income** The money left after paying for basic living necessities, such as food, shelter, and clothing. (p. 45)

**display** The visual and artistic aspects of presenting a product or service to a target group of customers to encourage a purchase. (p. 419)

**disposable income** The money left after taking out taxes. (p. 45)

\* **distinct** Serving to distinguish or identify a species or group. (p. 731)

**distraction** Something that competes with the message for the listener's attention. (p. 195)

\* **distribution** The commercial activity of transporting and selling goods from a producer to a consumer. (p. 406)

**distribution center** A warehouse designed to speed delivery of goods and to minimize storage costs. (p. 526)

**dollar control** Represents the planning and monitoring of the total inventory investment made by a business during a stated period of time. (p. 570)

\* **domestic** Produced in a particular country; of concern to or concerning the internal affairs of a nation. (p. 783)

**domestic business** A business that sells its products only in its own country. (p. 123)

**drop shipper** One who owns the goods he or she sells, but does not physically handle the actual products. (p. 494)

## E

**economic risk** A risk that results from changes in overall business conditions. (p. 799)

**economy** The organized way a nation provides for the needs and wants of its population. (p. 61)

\* **edit** Prepare for publication or presentation by correcting, revising, or adapting. (p. 215)



- \* **element** An important basic part of something complicated, for example, a system or plan. (p. 21)
- e-marketplace** An online shopping outlet. (p. 505)
- embargo** A total ban on specific goods coming into or leaving a country. (p. 89)
- emotional barrier** A bias against a sender's opinions that prevent a listener from understanding. (p. 195)
- emotional motive** A feeling expressed by a customer through association with a product. (p. 302)
- empathy** An understanding of a person's situation or frame of mind. (p. 239)
- \* **emphasis** Special importance or attention that is given to one thing. (p. 480)
- employee discount** A discount offered to workers by their employers. (p. 639)
- empowerment** Encouraging team members to contribute to and take responsibility for the management process. (p. 254)
- \* **enable** To make capable or able for some task. (p. 764)
- endless chain method** When salespeople ask previous customers for names of potential customers. (p. 303)
- \* **enhance** To increase; to make better or more attractive. (p. 199)
- \* **ensure** To make certain of something. (p. 525)
- enterprise resource planning (ERP)** Software used to integrate all parts of a company's business management, including planning, manufacturing, sales, marketing, invoicing, payroll, inventory control, order tracking, customer service, finance, and human resources. (p. 220)
- entrepreneur** Someone who creates, launches, organizes, and manages a new business and takes the risk of business ownership. (p. 779)
- entrepreneurship** The skills of people who are willing to invest their time and money to run a business; the process of starting and operating your own business. (pp. 62, 779)
- enumeration** A listing of items in order. (p. 200)
- Environmental Protection Agency (EPA)** Protects human health and our environment. Its responsibilities include monitoring and reducing air and water pollution and overseeing recycling and hazardous waste disposal. (p. 142)
- Equal Employment Opportunity Commission (EEOC)** Responsible for the fair and equitable treatment of employees with regard to hiring, firing, and promotions. (p. 141)
- \* **equate** Make equal, uniform, corresponding, or matching. (p. 593)
- \* **equip** To provide with something, usually for a specific purpose. (p. 427)
- equity** Equal rights and opportunities for everyone. (p. 237)
- equity capital** Money raised from within a company or from selling part of an owner's share. (p. 831)
- \* **error** A wrong action attributable to bad judgment or ignorance or inattention. (p. 560)
- \* **estimate** Judge tentatively or judge to be probable. (p. 175)

- e-tailing** Online retailing that involves retailers selling products over the Internet to customers. (p. 494)
- ethics** Guidelines for good behavior; the basic values and moral principles that guide the behavior of individuals and groups. (pp. 150, 236)
- European Union (EU)** Europe's trading bloc. (p. 90)
- \* **evaluate** To judge the worth or value of something. (p. 545)
- everyday low prices (EDLP)** Low prices set on a consistent basis with no intention of raising them or offering discounts in the future. (p. 616)
- \* **exceed** To be or do something to a greater extent; go beyond. (p. 761)
- exclusive distribution** Distribution that involves distributing a product in protected territories in a given geographic area. (p. 504)
- excuse** A reason given when a customer has no intention of buying in retail-sales situations. (p. 327)
- executive summary** A brief overview of the entire marketing plan. (p. 37)
- exempt carrier** A trucking company that is free from direct regulation of rates and operating procedures. (p. 518)
- exit interview** An opportunity for an employee and a manager to obtain valuable feedback when an employee leaves the company. (p. 265)
- \* **expand** To make something become larger in size and fill more space. (p. 819)
- \* **expansion** A time when the economy is expanding. (p. 75)
- experimental method** A research technique in which a researcher observes the results of changing one or more marketing variables while keeping all the other variables constant under controlled conditions. (p. 685)
- \* **expert** A person with special knowledge or ability who performs skillfully. (p. 468)
- exports** Goods and services sold to other countries. (p. 8)
- express warranty** A warranty clearly stated in writing or offered verbally to encourage a customer to make a purchase. (p. 754)
- extended coverage** A property insurance endorsement that provides protection against types of loss that may not be covered under a basic property insurance policy. (p. 808)
- extended product feature** Intangible attribute related to the sale of a product that customers find important. (p. 301)
- extensive decision making** A type of customer decision making used when there has been little or no previous experience with an item offered for sale. (p. 287)

## F

- \* **factor** Anything that contributes causally to a result. (p. 31)
- factors of production** Resources that are comprised of land, labor, capital, and entrepreneurship. (p. 61)
- feature-benefit selling** Matching the characteristics of a product to a customer's needs and wants. (p. 299)



**Federal Trade Commission (FTC)** Enforces the principles of a private-enterprise system and protects consumers from unfair or deceptive business practices. (p. 143)

**feedback** A receiver's response to a message. (p. 191)

**fidelity bond** A bond that provides insurance that protects a business from employee dishonesty. (p. 810)

**finance** The function of business that involves money management. (p. 128)

**firewall** A hardware and software checkpoint for all requests for or inputs of data, incoming and outgoing. (p. 223)

**fixtures** Permanent or movable store furnishings that hold and display merchandise. (p. 423)

**flexibility** The ability to adapt to changing circumstances. (p. 235)

**flexible-price policy** A policy in which customers pay different prices for the same type or amount of merchandise. (p. 608)

**flextime** A system that allows workers to choose their work hours. (p. 147)

**focal point** An area in a display that attracts attention first. (p. 431)

**Food and Drug Administration (FDA)** Regulates the labeling and safety of food, drugs, and cosmetics sold throughout the United States. (p. 140)

**forced-choice question** A question that asks respondents to choose an answer from possibilities given on a questionnaire. (p. 689)

**foreign corporation** One that is incorporated under the laws of a state that differs from the one in which it does business. (p. 790)

**foreign direct investment (FDI)** The establishment of a business in a foreign country. (p. 95)

**formal balance** Created in a display by placing large items with large items and small items with small items. (p. 431)

\* **formula** A group of symbols that make a mathematical statement. (p. 172)

**for-profit business** A business that seeks to make a profit from its operations. (p. 124)

**fraction** Number used to describe or compare parts of a whole. (p. 166)

**franchise** A legal agreement to sell a parent company's product or services in a designated geographic area. (p. 785)

**free on board (FOB)** A delivery arrangement that means the price for goods includes delivery at the seller's expense to a specified point and no farther. (p. 383)

**free trade** Commercial exchange between nations that is conducted on free market principles, without regulations. (p. 88)

**freight forwarder** A private company that combines less-than-carload or less-than-truckload shipments from several businesses and delivers them to their destinations. (p. 523)

**frequency** The number of times an audience sees or hears an advertisement. (p. 453)

**full warranty** A written guarantee that if a product is found to be defective within the warranty period, it will be repaired or replaced at no cost to the purchaser. (p. 754)

\* **funding** Money provided for a specific purpose, such as capital to finance the operation of a business. (p. 831)

## G

**gauge** To form a judgment of something uncertain or variable. (p. 336)

**general partnership** A type of business ownership in which each partner shares in the profits and losses. (p. 787)

**generalization** A statement that is accepted as true by most people. (p. 200)

\* **generate** To bring into existence; produce. (p. 124)

**generic brand** A product that does not carry a company identity. (p. 735)

**geographical pricing** Price adjustments required because of different shipping agreements. (p. 614)

**geographics** Segmentation of the market based on where people live. (p. 46)

**global business** A business that sells its products in more than one country. (p. 123)

**globalization** Selling the same product and using the same promotion methods in all countries. (p. 99)

**goods** Tangible items that have monetary value and satisfy one's needs and wants. (p. 7)

**grade label** A label that states the quality of the product, such as eggs. (p. 743)

**graphics and design program** Software application for creating and modifying images. (p. 215)

**green marketing** When companies engage in the production and promotion of environmentally safe products. (p. 148)

**greeting approach** A retail approach method in which the salesperson welcomes the customer to the store. (p. 308)

**gross domestic product (GDP)** The output of goods and services produced by labor and property located within a country. (p. 72)

**gross national product (GNP)** The total dollar value of goods and services produced by a nation, including goods and services produced abroad by U.S. citizens and companies. (p. 72)

**gross profit** The difference between sales revenue and the cost of goods sold. (p. 627)

**gross sales** The total of all sales for a given period of time. (p. 852)

\* **guarantee** A pledge that something will happen or that something is true. (p. 719)

## H

**headline** The phrase or sentence in an advertisement that captures the readers' attention, generates interest, and entices them to read the rest of the ad. (p. 471)

**home page** The entry point for a Web site, giving general information to introduce the company, person, or product. (p. 216)



**horizontal organization** A type of management style in which top management shares decision making with self-managing teams of workers who set their own goals and make their own decisions. (p. 254)

**human risk** Risk caused by employee dishonesty, errors, mistakes, and omissions, as well as the unpredictability of customers or the workplace. (p. 801)

**hypertext markup language (HTML)** The specific, detailed, and complicated code used to create a Web page. (p. 216)

**hypertext transfer protocol (HTTP)** The technology that links documents together on the Web. (p. 222)

### I

\* **identify** To ascertain the origin, nature, or definitive characteristics of. (p. 257)

**illustration** The photograph, drawing, or other graphic element that is used in an advertisement. (p. 473)

\* **impact** A strong effect or influence. (p. 13)

**implied warranty** A warranty that takes effect automatically by state law whenever a purchase is made. (p. 755)

**imports** Goods and services purchased from other countries. (p. 85)

**impression** A single exposure to an advertising message. (p. 453)

**incentive** A higher-priced product, award, or gift card that is earned and given away through contests, sweepstakes, special offers, and rebates. (p. 408)

**income statement** A summary of income and expenses during a specific period such as a month or year. (p. 851)

\* **indicate** To make a sign that something will happen, is true, or exists. (p. 781)

**indirect distribution** A channel of distribution that involves one or more intermediaries. (p. 495)

\* **individual** A single human being as contrasted with a social group or institution. (p. 255)

**industry** A group of establishments primarily engaged in producing or handling the same product or group of products or in rendering the same services. (p. 125)

**inflation** Rising prices. (p. 73)

**informal balance** Achieved in a display by placing several small items with one large item within the display. (p. 431)

**infrastructure** The physical development of a country, such as roads, ports, and utilities. (pp. 61, 85)

**initiative** Taking action and doing what needs to be done without being asked. (p. 233)

**installment account** A time-payment plan that allows for payment over a period of time. (p. 764)

**institutional advertising** Advertising designed to create a favorable image for a company and foster goodwill in the marketplace. (p. 441)

**institutional promotion** A promotional method used to create a favorable image for a business, help it advocate for change, or take a stand on trade or community issues. (p. 395)

**insurance policy** A contract between a business and an insurance company to cover a specific business risk. (p. 807)

\* **integral** Forming an essential part of something and needed to make it complete. (p. 739)

**integrated distribution** A type of distribution in which manufacturers own and run their own retail operations, acting as wholesaler and retailer for their own products. (p. 505)

**intensive distribution** Distribution that involves the use of all suitable outlets to sell a product. (p. 505)

\* **interact** To act together or toward others or with others. (p. 116)

**interactive kiosk** An interactive point-of-purchase display that is a free-standing, full-service retail location. (p. 425)

**interest** The money paid for the use of money borrowed or invested. (p. 856)

\* **interface** To join by means of a computer and any other entity, such as a printer or human operator. (p. 279)

**intermediary** Middleman business involved in sales transactions that move products from the manufacturer to the final user. (p. 493)

\* **internal** Occurring within an institution or community. (p. 803)

**international trade** The exchange of goods and services among nations. (p. 85)

**Internet** An electronic communications network that connects computer networks and organizational computer facilities around the world. (p. 222)

**Internet advertising** The form of advertising that uses either e-mail or the World Wide Web. (p. 448)

**internship** Direct work in a job that allows the person to get experience, either with or without pay. (p. 876)

**inventory** Amount of merchandise on hand at any particular time, including raw materials, parts from suppliers, manufactured subassemblies, work-in-process, packing materials, or finished goods. (p. 565)

**inventory management** The process of buying and storing materials and products while controlling costs for ordering, shipping, handling, and storage. (p. 565)

**inventory turnover** The number of times the average inventory has been sold and replaced in a given period of time. (p. 571)

**invest** To commit (money or capital) in order to gain a financial return. (p. 75)

**invoice** Itemized list of goods that include prices, terms of sale, total, taxes and fees, and amount due. (p. 382)

### J

**jargon** A specialized vocabulary used by members of a particular group. (p. 196)

**job description** A written statement listing the requirements of a particular job and the skills needed to fulfill those requirements. (p. 829)

**job lead** Information about a job opening, perhaps providing some indication about the type of work and who to contact. (p. 893)



**joint venture** A business enterprise that a domestic company and a foreign company undertake together. (p. 94)

\* **journal** A ledger in which transactions have been recorded as they occurred. (p. 546)

**just-in-time (JIT) inventory system** A system that controls and coordinates the flow of parts and materials into assembly and manufacturing plants so that suppliers deliver parts and raw materials just before they are needed for use. (p. 565)

## K

**kiosk** A point-of-purchase display that is a stand-alone structure. (p. 411)

## L

**label** An information tag, wrapper, seal, or imprinted message that is attached to a product or its package. (p. 742)

**labor** Productive work (especially physical work done for wages). (p. 585)

**law of diminishing marginal utility** An economic law that states that consumers will buy only so much of a given product, even if the price is low. (p. 592)

**layaway** Removing merchandise from stock and keeping it in a separate area until the customer pays for it. (p. 369)

**layman's terms** Words that the average customer can understand. (p. 322)

**liability** A debt owed to others, such as a car payment, credit card debt, or taxes. (p. 843)

**licensing** Letting another company, or licensee, use a trademark, patent, special formula, company name, or some other intellectual property for a fee or royalty. (p. 93)

**lifestyle** The type of life you would like to live. (p. 873)

**limited decision making** Used when a person buys goods and services that he or she has purchased before but not regularly. (p. 287)

**limited liability** A type of investment in which the personal assets of the owners cannot be taken if a company does not meet its financial obligations or if it gets into legal trouble. (p. 789)

**limited liability company (LLC)** A relatively new form of business organization that is a hybrid of a partnership and a corporation. (p. 790)

**limited partnership** A type of business ownership in which each limited partner is liable for any debts only up to the amount of his or her investment in the company. (p. 789)

**limited warranty** A written guarantee that may exclude certain parts of the product from coverage or require the customer to bear some of the expense for repairs resulting from defects. (p. 755)

**line graph** A line (or lines) that joins points representing changes in a quantity over a specific period of time. (p. 180)

\* **link** An instruction that connects one part of a program or an element on a list to another program or list. (p. 222)

\* **logotype** A graphic symbol for a company, brand, or organization; logo. (p. 469)

\* **longevity** Having a long life or existence. (p. 299)

**loss leader** An item priced at or below cost to draw customers into a store. (p. 596)

**loyalty marketing program** A marketing program that rewards customers by offering incentives for repeat purchases, such as a frequent flyer. (p. 410)

## M

**maintain** To keep in a certain state, position, or activity. (p. 504)

**maintained markup** The difference between an item's final sale price and its cost. (p. 635)

**major** Significant; of considerable importance. (p. 180)

**management** The process of achieving company goals by effective use of resources through planning, organizing, and controlling. (pp. 128, 253)

**market** All people who share similar needs and wants and who have the ability to purchase a given product. (p. 17)

**market economy** An economic system in which there is no government involvement in economic decisions. (p. 63)

**market intelligence** Also known as market research; concerned with the size and location of a market, the competition, and segmentation within the market for a particular product. (p. 664)

**market position** The relative standing a competitor has in a given market in comparison to its other competitors. (p. 588)

**market segmentation** The process of classifying people who form a given market into even smaller groups. (p. 43)

**market share** A company's percentage of the total sales volume generated by all companies that compete in a given market (pp. 18, 588)

**marketing** The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (p. 7)

**marketing concept** The idea that a business should strive to satisfy customers' needs and wants while generating a profit for the business. (p. 10)

**marketing information system** A set of procedures and methods that regularly generates, stores, analyzes, and distributes information for making marketing and other business decisions. (p. 658)

**marketing mix** The four basic marketing strategies called the four P's: product, place, price, and promotion. (p. 20)

**marketing plan** A formal, written document that directs a company's activities for a specific period of time. (p. 37)

**marketing research** The process and methods used to gather information, analyze it, and report findings related to marketing goods and services. (p. 655)

**marketing strategy** Identifies target markets and sets marketing mix choices that focus on those markets. (p. 39)



- markup** The difference between an item's cost and sale price. (p. 605)
- marquee** A canopy that extends over a store's entrance. (p. 420)
- mass marketing** Using a single marketing strategy to reach all customers. (p. 49)
- media** The agencies, means, or instruments used to convey messages to the public. (p. 442)
- media/channels** The avenues through which messages are delivered. (p. 191)
- media planning** The process of selecting the appropriate advertising media and deciding the time or space in which ads should appear to accomplish a marketing objective. (p. 451)
- media research** Also known as advertising research; focuses on issues of media effectiveness, selection, frequency, and ratings. (p. 665)
- memorandum buying** The buying process in which the supplier agrees to take back any unsold goods by a pre-established date. (p. 547)
- merchandise approach** A retail-sales method, also called the theme approach, in which the salesperson makes a comment or asks a question about a product in which the customer shows an interest. (p. 309)
- merchandising** Coordinating sales and promotional plans with buying and pricing. (p. 298)
- \* **method** A way of doing something, especially a systematic way. (p. 71)
- middle management** The type of management that implements the decisions of top management and plans how the departments under them can work to reach top management's goals. (p. 253)
- \* **minimum** The smallest possible quantity. (p. 641)
- mini-national** A midsize or smaller company that has operations in foreign countries. (p. 95)
- mission statement** A description of the ultimate goals of a company. (p. 258)
- mixed brand** A strategy that offers a combination of manufacturer, private distributor, and generic brand to consumers. (p. 737)
- mixed bundling** Packaging two or more different goods or services in one package. (p. 739)
- mixed number** A whole number and a fraction. (p. 166)
- model stock list** A stock list that is used for fashionable merchandise. (p. 572)
- \* **monitor** To keep an eye on; keep under surveillance. (p. 883)
- monopoly** Exclusive control over a product or the means of producing it. (p. 117)
- multinational** A large corporation that has operations in several countries. (p. 95)
- \* **mutual** Concerning each of two or more things; especially given or done in return. (p. 690)

## N

- national brand** Also known as producer brand, this is owned and initiated by a national manufacturer or by a company that provides services. (p. 734)
- natural risk** A risk that is caused by natural occurrences, such as floods, fires, and earthquakes. (p. 800)

- negotiation** The process of working with parties in conflict to find a resolution. (p. 238)
- net income** The amount left after total expenses are subtracted from gross profit. (p. 855)
- net sales** The amount left after gross sales have been adjusted for returns and allowances. (p. 852)
- net worth** The difference between assets and liabilities. (p. 844)
- \* **network** A communication system consisting of a group of broadcasting stations that all transmit the same program. (p. 446)
- networking** The art of building alliances. (p. 893)
- never-out list** A stock list used for best-selling products that make up a large percentage of sales volume. (p. 572)
- news release** An announcement sent to the appropriate media outlets. (p. 399)
- nonprice competition** When businesses choose to compete on the basis of factors that are not related to price, including the quality of the products, service, financing, business location, and reputation. (p. 116)
- nonprofit organization** A group that functions like a business but uses the money it makes to fund the cause identified in its charter. (p. 124)
- nonverbal communication** Expressing oneself without the use of words, such as with facial expressions, eye movement, and hand motions. (p. 310)
- North American Free Trade Agreement (NAFTA)** An international trade agreement among the United States, Canada, and Mexico. (p. 91)
- numerator** The top number of a fraction, which represents the number of parts being considered. (p. 166)

## O

- objection** A concern, hesitation, doubt, complaint, or other reason a customer has for not making a purchase. (p. 327)
- objection analysis sheet** A document that lists common objections and possible responses to them. (p. 328)
- objective** The goal intended to be attained. (p. 458)
- observation method** A research technique in which the actions of people are watched and recorded, either by cameras or by observers. (p. 685)
- \* **obtain** Come into possession of. (p. 656)
- occupational area** A category of jobs that involve similar interests and skills. (p. 885)
- Occupational Information Network (O-NET)** A database that is the primary source for occupational information in the United States; contains information on skills, abilities, knowledge, work activities, and interests associated with occupations. (p. 876)
- Occupational Outlook Handbook (OOH)** A publication available online and in libraries that describes what workers do, working conditions, the training and education required, earnings, and expected job prospects in a wide range of occupations. (p. 875)
- Occupational Safety and Health Administration (OSHA)** Sets guidelines for workplace safety and environmental concerns and enforces those regulations. (p. 142)



**on-approval sale** An agreement that allows a customer to take merchandise home for further consideration. (p. 369)

**one-price policy** A policy in which all customers are charged the same prices. (p. 608)

**open-ended question** A question that requires more than a "yes" or "no" answer and requires respondents to construct their own response. (pp. 313, 689)

**opening cash fund** A limited amount of money in the cash register at the beginning of business. (p. 376)

**open-to-buy (OTB)** The amount of money a retailer has left for buying goods after considering all purchases received, on order, and in transit. (p. 540)

\* **option** The act of choosing or selecting. (p. 517)

**organization chart** A diagram of a company's departments and jobs with lines of authority clearly shown. (p. 830)

**organizational buyer** One who purchases goods for business purposes, usually in greater quantities than that of the average consumer. (p. 537)

**organizational market** Also known as business-to-business (B2B), this includes all businesses that buy products for use in their operations. (p. 17)

**organizational selling** Sales exchanges that occur between two or more companies or business groups. (p. 285)

**organizing** Establishing a time frame in which to achieve a goal, assigning employees to the project, and determining a method for approaching the work. (p. 257)

\* **overall** Including everything; regarded as a whole; general. (p. 656)

\* **overseas** In a foreign country. (p. 382)

## P

**package** The physical container or wrapping for a product. (p. 739)

\* **paraphrase** To express the same message in different words. (p. 330)

**partnership** A legal agreement between two or more people to be jointly responsible for the success or failure of a business. (p. 787)

**patent** A document granting an inventor sole rights to an item or an idea. (p. 114)

**patronage motive** A reason for remaining a loyal customer of a company. (p. 302)

**penetration pricing** Setting the price for a new product very low to encourage as many as possible to buy the product. (p. 610)

\* **perceive** To become aware of through the senses. (p. 233)

\* **percent** A proportion multiplied by 100. (p. 178)

**percentage** A number expressed as parts per 100. (p. 178)

**performance bond** Also called a surety bond, a bond that provides financial protection for losses that might occur when a construction project is not finished due to a contractor's impaired financial condition. (p. 810)

**performance standard** An expectation for performance that reflects the plan's objectives. (p. 40)

\* **period** An amount of time during which something happens. (p. 741)

**perpetual inventory system** An inventory system that tracks the number of items in inventory on a constant basis; tracking sales and other transactions as they occur. (p. 567)

\* **perquisite** An incidental benefit awarded for certain types of employment (especially if it is regarded as a right). (p. 289)

\* **perseverance** The act of persisting; continuing or repeating behavior. (p. 346)

**personal financial statement** A summary of one's current personal financial condition listing assets and liabilities. (p. 843)

**personal selling** Any form of direct contact between a salesperson and a customer. (p. 285)

**persuade** To convince someone to change an opinion in order to get him or her to do what you want. (p. 199)

**PEST analysis** Scanning of outside influences on an organization. (p. 34)

**physical distribution** Activities for delivering the right amount of product to the right place at the right time. (p. 515)

**physical feature** Tangible attribute that helps explain how a product is constructed. (p. 301)

**physical inventory system** An inventory system in which stock is visually inspected or actually counted to determine the quantity on hand. (p. 568)

**planning** Setting goals and determining how to reach them. (p. 257)

**planning goals** Small steps taken to get from where you are to where you want to be in your career. (p. 879)

**planogram** A computer-developed diagram that shows retailers how and where products within a category should be displayed on a shelf at individual stores. (p. 721)

**podcast** Any brief digital broadcast that includes audio, images, and video delivered separately or in combination. (p. 448)

**point-of-purchase display (POP)** A standalone structure that serves as a customer sales promotion device. (p. 424)

**point-of-sale research** Powerful form of research that combines natural observation with personal interviews to explain buying behavior. (p. 685)

**point-of-sale system** A combination of a cash register with a computer, making it possible to capture information about the transaction at the time of sale and apply it to different functions. (p. 374)

\* **policy** A plan or course of action, as of a business, intended to influence and determine decisions, actions, and other matters. (p. 147)

\* **potential** Expected to become or be; in prospect. (p. 85)

\* **predict** To state, tell about, or make known in advance, especially on the basis of special knowledge. (p. 537)

**premium** Low cost item given to consumers at a discount or for free. (p. 407)



- preretailing marking method** A method of marking in which the pricing information is marked in advance on the purchase order, then entered into the buyer's computer system, and prices are available for marking as soon as merchandise is received. (p. 562)
- presentation software** Computer software that produces slide shows or multimedia presentations. (p. 215)
- \* **pre-sold** Refers to sales that are due to promotional efforts before a customer comes to a store. (p. 285)
- prestige pricing** Higher-than-average prices to suggest status and high quality to the customer. (p. 616)
- price** The value in money or its equivalent placed on a good or service. (p. 585)
- price bundling** When two or more similar products are placed on sale for one package price. (p. 739)
- price competition** A focus on the sale price of a product. The assumption is that, all other things being equal, consumers will buy the products that are lowest in price. (p. 116)
- price discrimination** When a firm charges different prices to similar customers in similar situations. (p. 595)
- price fixing** A situation that occurs when competitors agree on certain price ranges within which they set their own prices. (p. 595)
- price gouging** Pricing products unreasonably high when the need is great or when consumers do not have other choices. (p. 151)
- price lining** A pricing technique that sets a limited number of prices for specific groups or lines of merchandise. (p. 613)
- primary data** Data obtained for the first time and used specifically for the particular problem or issue under study. (p. 681)
- principal** The amount of money needed to start a business. (p. 856)
- \* **principle** A basic generalization that is accepted as true and that can be used as a basis for reasoning or conduct. (p. 429)
- print media** Advertising in newspapers, magazines, direct mail, signs, and billboards. (p. 442)
- private carrier** A trucking company that transports goods for an individual business. (p. 518)
- private distributor brand** Known as private brand, store brand, dealer brand, or private label, this is developed and owned by wholesalers and retailers. (p. 734)
- private employment agency** An employment agency not supported by taxes that must earn a profit to stay in business; it charges a fee for its services, paid either by the job applicant or the employer. (p. 894)
- private enterprise** Business ownership by ordinary people, not the government. (p. 113)
- private sector** Businesses not associated with government agencies. (p. 124)
- private warehouse** A storage facility designed to meet the specific needs of its owner. (p. 525)
- problem definition** Occurs when a business clearly identifies a problem and what is needed to solve it. (p. 679)
- \* **process** A particular course of action intended to achieve a result. (p. 191)
- producer price index (PPI)** Measures wholesale price levels in the economy. (p. 73)
- product depth** The number of items offered within each product line. (p. 708)
- product feature** Basic, physical, or extended attribute of a product or purchase. (p. 299)
- product item** A specific model, brand, or size of a product within a product line. (p. 708)
- product life cycle** The stages that a product goes through during its life. (p. 717)
- product line** A group of closely related products manufactured or sold by a business. (p. 708)
- product mix** All the different products that a company makes or sells. (p. 707)
- product mix pricing strategy** Adjusting prices to maximize the profitability for a group of products rather than for just one item. (p. 613)
- product modification** An alteration in a company's existing product. (p. 714)
- product planning** Making decisions about the features and services of a product or idea that will help sell the product. (p. 707)
- product positioning** The efforts a business makes to identify, place, and sell its products in the marketplace. (p. 720)
- product promotion** A promotional method used by businesses to convince prospects to select their goods or services instead of a competitor's brands. (p. 395)
- product research** Research that centers on evaluating product design, package design, product usage, and consumer acceptance of new and existing products. (p. 668)
- product width** The number of items offered within each product line. (p. 708)
- production** The process of creating, growing, manufacturing, or improving on goods and services. (p. 127)
- productivity** Output per worker hour that is measured over a defined period time. (p. 71)
- profit** The money earned from conducting business after all costs and expenses have been paid. (p. 118)
- \* **project** To put or send forth. (p. 419)
- promotion** Decisions about advertising, personal selling, sales promotion, and public relations used to attract customers. (p. 395)
- promotional advertising** Advertising designed to increase sales. (p. 441)
- promotional mix** A cost-effective combination of advertising, selling, sales promotion, direct marketing, and public relations strategies used to reach company goals. (p. 396)
- promotional pricing** Used in conjunction with sales promotions when prices are reduced for a short period of time. (p. 616)
- promotional tie-in** Activity that involves sales promotions between one or more retailers or manufacturers; also called cross-promotion or cross-selling. (p. 409)



**proportion** The relationship between and among objects in a display. (p. 431)

\* **proprietary** Made or produced or distributed by one having exclusive rights. (p. 94)

**props** Properties that are items or physical objects that hold the merchandise on display or support the display setting. (p. 428)

**prospect** A sales lead; a potential customer. (p. 303)

**prospecting** Looking for new customers. (p. 303)

**protectionism** A government's establishment of economic policies that systematically restrict imports in order to protect domestic industries. (p. 89)

**prototype** A model of a new product, usually made before the product is manufactured. (p. 713)

**psychographics** Grouping people with similar attitudes, interests, and opinions, as well as lifestyles and shared values. (p. 47)

**psychological pricing** Pricing techniques that create an illusion for customers. (p. 615)

**public employment agency** An employment agency supported by state or federal taxes that offers free services to both job applicants and employers. (p. 894)

**public relations** Activities that help an organization to influence a target audience. (p. 397)

**public sector** Government-financed agencies, such as the Environmental Protection Agency. (p. 124)

**public warehouse** A storage and handling facility offered to any individual or company that will pay for its use. (p. 526)

\* **publication** A copy of a printed word offered for distribution. (p. 876)

**publicity** Bringing news or newsworthy information about an organization to the public's attention. (p. 399)

**pull policy** A type of promotion by manufacturers that directs promotional activities toward consumers. (p. 403)

\* **purchase** To acquire by means of a financial transaction. (p. 113)

**purchase order (PO)** A legal contract between a buyer and seller that lists the quantity, price, and description of the products ordered, along with the terms of payment and delivery. (p. 381)

\* **purpose** What something is used for. (p. 849)

\* **pursue** To carry further or go in search of. (p. 894)

**push policy** A type of promotion in which manufacturers use a mix of advertising, personal selling, and trade discounts with partners in the distribution channel to "push" the product through to the retailer. (p. 403)

## Q

**qualitative research** Marketing research that focuses on smaller numbers of people and tries to answer questions that begin with "why" or "how." (p. 663)

**quality check method** A checking method that inspects workmanship and general characteristics of the received merchandise. (p. 560)

**quantitative research** Marketing research that answers questions that begin with "how many" or "how much." (p. 663)

**quota** A limit on either the quantity or the monetary value of a product that may be imported. (p. 88)

## R

**rack jobber** One who manages inventory and merchandising for retailers by counting stock, filling the shelves when needed, and maintaining store displays. (p. 493)

\* **range** An amount or extent of variation; complete group that is included between two points on a scale of measurement or quality. (p. 44)

\* **rapport** A feeling of sympathetic and mutual understanding. (p. 307)

\* **ratio** A relationship between the sizes of two numbers or amounts. (p. 858)

**rational motive** A conscious, logical reason for a purchase. (p. 302)

**realistic goal** A goal that you have a reasonable chance of achieving. (p. 880)

**real-time inventory system** A system that uses Internet technology that connects applications, data, and users in real time. (p. 573)

**receiving record** Information recorded by businesses about the goods they receive. (p. 558)

**recession** A period of economic slowdown that lasts for at least two quarters, or six months. (p. 75)

**recovery** The term that signifies a period of renewed economic growth following a recession or depression. (p. 76)

**reference** Someone who knows your work habits and personal traits and will recommend you for a job. (p. 901)

**referral** A recommendation of another person who might buy the product being sold. (p. 303)

\* **region** An area; place; space. Often refers to a geographic area. (p. 443)

\* **register** To record in writing or enroll. (p. 408)

\* **regulate** To bring into conformity with rules or principles. (p. 517)

\* **relation** A logical or natural association between two or more things; relevance of one to another; connection. (p. 605)

**reliability** When a research technique produces nearly identical results in repeated trials; the trait of being dependable. (p. 689)

**remedial action** A means of encouraging appropriate workplace behavior in order to improve employee performance. (p. 264)

\* **require** Consider as obligatory, useful, just, or proper. (p. 258)

**resources** All the things used in producing goods and services; a source of aid or support that may be drawn upon when needed. (pp. 61, 253)

\* **respond** To reply or show a response or a reaction to something. (p. 192)

\* **restrict** To place limits on. (p. 528)

**résumé** A brief summary of personal information, education, skills, work experience, activities, and interests. (p. 902)



**retailer** A business that buys goods from wholesalers or directly from manufacturers and resells them to consumers. (pp. 126, 494)

**return on investment (ROI)** A financial calculation that is used to determine the relative profitability of a product. (p. 587)

**reverse auction** An auction in which companies post online what they want to buy, and suppliers bid for the contract. (p. 549)

**revolving account** A charge account offered by a retailer that sets the credit limit and payment terms. (p. 764)

**risk management** The systematic process of managing an organization's risks to achieve objectives in a manner consistent with public interest, human safety, environmental needs, and the law. (p. 799)

\* **role** The actions and activities assigned to or required or expected of a person or group. (p. 147)

**routine decision making** A type of customer decision making used when a person needs little information about a product he or she is buying. (p. 288)

\* **routing** Sending via a specific route. (p. 559)

**RPN** A reverse-entry method used in calculators, in which the operators follow the operands. (p. 175)

## S

**sales check** A written record of a sales transaction that includes such information as the date, items purchased, prices, sales tax, and total amount due. (p. 365)

**sales forecast** The projection of probable, future sales in units or dollars. (p. 40)

**sales promotion** All marketing activities, other than personal selling, advertising, and public relations, that are directed at business or retail customers to boost sales. (p. 397)

**sales promotions** Incentives that encourage customers to buy products or services. (p. 405)

**sales quota** A dollar or unit sales goal set for the sales staff to achieve in a specified period of time. (p. 281)

**sales tax** A percentage fee levied by the government on the sale of goods and services. (p. 370)

**sample** Part of a target population that represents the entire population. (p. 684)

**scarcity** The difference between wants and needs and available resources. (p. 62)

**secondary data** Data already collected for some purpose other than the current study. (p. 681)

**Securities and Exchange Commission (SEC)** Regulator of the sale of securities (stocks and bonds). It is responsible for issuing licenses to brokerage firms and financial advisers and investigates any actions among corporations that affect the value of stocks. (p. 142)

**segmented pricing strategy** A strategy that uses two or more different prices for a product, though there is no difference in the item's cost. (p. 614)

**selective distribution** Distribution in which a limited number of outlets in a given geographic area sell a manufacturer's product. (p. 505)

**self-esteem** How you perceive your worth or value as a person. (p. 233)

**selling point** The function of a product feature and its benefit to a customer. (p. 301)

\* **sequence** An order of steps; serial arrangement in which things follow in logical order or a recurrent pattern. (p. 200)

\* **series** Similar things placed in order or happening one after another. (p. 641)

**service approach** A retail-selling method in which salespeople ask customers if they need assistance. (p. 309)

**service close** A closing method in sales in which services that overcome obstacles or problems are explained. (p. 345)

**services** Intangible items that have monetary value and satisfy your needs and wants. (p. 7)

**setting** Where communication takes place, including place, time, sights, and sounds. (p. 191)

\* **shadowing** Spending time in the workplace with someone as he or she goes through a normal workday. (p. 297)

**signature** The name of the advertiser or logotype that is the distinctive identification symbol for a business. (p. 474)

\* **significant** Of great importance. (p. 856)

\* **similar** Having the same or some of the same characteristics. (p. 17)

**site map** An outline of what can be found on each page within a Web site. (p. 223)

**situation analysis** The study of the internal and external factors that affect marketing strategies. (p. 37)

**six-month merchandise plan** The budget that estimates planned purchases for a six-month period. (p. 538)

**skimming pricing** A pricing policy that sets a very high price for a new product. (p. 609)

**slogan** A catchy phrase or words that identify a product or company. (p. 475)

**social media** Electronic media that allows people with similar interests to participate in a social network. (p. 397)

**sole proprietorship** A business that is owned and operated by one person. (p. 786)

\* **solidify** To make strong or united. (p. 278)

\* **source** A person, plan, or thing that provides something needed. (p. 821)

**source marking** Method used by sellers or manufacturers to mark the price before delivering the merchandise to the retailer. (p. 561)

**specialty media** Relatively inexpensive useful items featuring an advertiser's name or logo; also called giveaways or advertising specialties. (p. 449)

\* **specific** Stated explicitly or in detail. (p. 683)

**specific goal** A goal stated in exact terms and including some details. (p. 880)

**spot check method** A random checking method of one carton in a shipment for quantity, and one item in the carton is inspected for quality; if the item is as stated on invoice, remaining cartons are assumed to be in the same condition. (p. 560)



**spreadsheet program** A computer program that organizes, calculates, and analyzes numerical data. (p. 214)

**staffing/temporary agency** An employment agency not supported by taxes that must earn a profit to stay in business; it charges a fee for its services, paid either by the job applicant or the employer. (p. 894)

**standard English** The formal style of writing and speaking learned in school. (p. 899)

**standing-room-only close** A closing method in sales used when a product is in short supply or when the price will be going up. (p. 344)

**start-up costs** Projections of how much money a new business owner needs for the business's first year of operation. (p. 845)

\* **statistic** A number that represents facts or that describes a situation. (p. 473)

**stockholder** An owner of a corporation with limited liability. (p. 789)

**stockkeeping unit (SKU)** A unit or group of related items. (p. 568)

**storage** The holding of goods until they are sold. (p. 525)

**store layout** Ways that stores use floor space to facilitate and promote sales and serve customers. (p. 421)

**storefront** A business's exterior, including the sign, marquee, outdoor lighting, banners, awnings, windows, and exterior design of the building. (p. 420)

\* **strategy** An elaborate and systematic plan of action. (p. 586)

\* **stress** To single out as important. (p. 802)

\* **structure** An organization or system that is made up of many parts that work together. (p. 136)

\* **subordinate** Having less power or authority than someone else. (p. 883)

**substitution method** Recommending a different product that would still satisfy the customer's needs. (p. 331)

**suggestion selling** Selling additional goods or services to the customer. (p. 359)

**superior-point method** A technique of overcoming objections by permitting the salesperson to acknowledge objections as valid, yet still offset them with other features and benefits. (p. 332)

**supervisory-level management** Type of management in which managers supervise the employees who carry out the tasks determined by middle and top management. (p. 253)

**supply** The amount of goods producers are willing to make and sell. (p. 119)

\* **survey** A gathering of a sample of data or opinions considered to be representative of a whole. (p. 166)

**survey method** A research technique in which information is gathered from people through the use of surveys and questionnaires. (p. 684)

\* **swatch** A sample piece of fabric. (p. 323)

**SWOT analysis** An assessment that lists and analyzes the company's strengths and weaknesses. SWOT is an acronym for strengths, weaknesses, opportunities, and threats. (p. 31)

## T

\* **target** Something or someone to be affected by an action or development. (p. 401)

**target market** The group of people most likely to become customers, identified for a specific marketing program. (p. 18)

**tariff** A tax on imports. (p. 88)

**teamwork** Work done by a group of people to achieve a common goal. (p. 243)

\* **technical** Of or relating to proficiency in a practical skill. (p. 537)

\* **technique** A method of doing something using a special skill. (p. 478)

\* **technology** The practical application of science to commerce or industry or practical problems. (p. 31)

**telecommuting** Working at home, usually on a computer. Employees can send completed tasks by e-mail or mail-in disk. (p. 147)

**telemarketing** Telephone solicitation to make a sale. (p. 286)

**terms for delivery** The final delivery arrangement made between the buyer and seller. (p. 382)

\* **theory** A belief; an abstract thought or idea. (p. 65)

**third-party method** A technique that involves using another customer or neutral person who can give a testimonial about the product. (p. 333)

**30-day account** A regular charge account that enables customers to charge purchases during a month and pay the balance in full within 30 days after they are billed. (p. 764)

**till** The cash drawer of a cash register. (p. 375)

**time management** Budgeting your time to accomplish tasks on a certain schedule. (p. 234)

**ton-mile** Movement of one ton (2,000 pounds) of freight one mile. (p. 519)

**top management** Those who make decisions that affect the whole company. (p. 253)

**trade character** A specific type of brand mark, one with human form or characteristics. (p. 732)

**trade name** Corporate brand; identifies and promotes a company or division of a particular corporation. (p. 731)

**trade promotions** Sales promotions designed to get support for a product from manufacturers, wholesalers, and retailers. (p. 405)

**trademark** A word, name, symbol, sound, brand name, brand mark, trade name, trade character, color, or a combination of these elements that identifies a good or service and cannot be used by anyone but the owner because it is registered with the federal government and has legal protection. (pp. 114, 732)

**trading area** The geographical area from which a business draws its customers. (p. 823)

\* **tradition** A specific practice of long standing. (p. 382)

**traditional economy** An economic system in which habits, traditions, and rituals answer the basic questions of what, how, and for whom. (p. 63)

\* **transfer** To move from one place to another. (p. 368)



**transit advertising** Advertisement seen on public transportation. (p. 445)

\* **transmit** To send from one person or place to another. (p. 902)

**transportation** The marketing function of moving a product from the place it's made to where it is sold. (p. 516)

\* **trend** A general direction in which something tends to move; current style or inclination. (p. 123)

**triadic colors** Three colors equally spaced on the color wheel, such as red, yellow, and blue. (p. 430)

**trial close** An initial effort to close a sale. (p. 342)

## U

\* **ultimate** Furthest or highest in degree or order; utmost or extreme. (p. 618)

\* **undergo** To experience something, often unpleasant. (p. 805)

**uniform resource locator (URL)** The protocol used to identify and locate Web pages on the Internet; Web address. (p. 222)

\* **unique** Radically distinctive and without equal. (p. 708)

**unit control** A stock control method that measures the amounts of merchandise a business handles during a stated period of time. (p. 570)

**unit pricing** A pricing method that allows consumers to compare prices in relation to a standard unit or measure. (p. 595)

**Universal Product Code (UPC)** A combination barcode and number used to identify a product and manufacturer that must be on every item sold by the manufacturer. (p. 374)

**unlimited liability** A type of investment in which the business owner's financial liability is not limited to investments in the business, but extends to his or her total ability to make payments. (p. 787)

**utility** An added value in economic terms; an attribute of goods or services that makes them capable of satisfying consumers' wants and needs. (p. 14)

## V

\* **validity** When the questions in a questionnaire measure what was intended to be measured; the quality of being logically valid or effective. (p. 689)

**values** Beliefs that guide the way we live. (p. 873)

\* **vary** To be different; to change. (p. 790)

\* **vehicle** A medium for the expression or achievement of something. (p. 618)

**vertical organization** A hierarchical, up-and-down structure in which the tasks and responsibilities of each level are clearly defined. (p. 253)

\* **via** By way of. (p. 396)

\* **visual** Able to be seen. (p. 634)

**visual merchandising** Coordinating all the physical elements in a place of business to project an image to customers. (p. 419)

\* **volume** The property of something that is great in magnitude. (p. 349)

## W

**want slip** Customer request for an item or items not carried in the store. (p. 545)

**warranty** A promise or guarantee given to a customer that a product will meet certain standards. (p. 753)

**warranty of fitness for a particular purpose** A warranty that is used when the seller advises a customer that a product is suitable for a particular use, and the customer acts on that advice. (p. 755)

**warranty of merchantability** A seller's promise that the product sold is fit for its intended purpose. (p. 755)

**which close** A closing method in sales that encourages a customer to make a decision between two items. (p. 344)

**whistle-blowing** Reporting an illegal action of one's employer. (p. 153)

**wholesale and retail buyers** Buyers who purchase goods for resale. (p. 538)

**wholesaler** A business that obtains goods from manufacturers and resells them to organizational users, other wholesalers, and retailers, also called distributors. (pp. 126, 493)

**Wi-Fi** Wireless fidelity; the technology that creates a wireless Internet connection with radio frequencies. (p. 217)

**word-processing program** An application that creates text documents that may contain a few graphics. (p. 213)

**World Trade Organization (WTO)** A global coalition of nations that makes the rules governing international trade. (p. 90)

**World Wide Web** A part of the Internet and a collection of interlinked electronic documents. (p. 222)