

MARKETING VOCABULARY LIST

ABC's of Selling – Advice often given to new salespeople, meaning “Always be Closing,” implying that any time is a good time to try to close the sale.

Accessories – Goods or services that complement others.

Accident – An unexpected happening that is harmful or unfortunate.

Accounting – The process of recording, measuring and reporting the financial condition of a business.

Acquisition – The process of taking possession of something, e.g., acquiring another business by purchasing it.

Advertisement – A specific paid form of nonpersonal presentation of ideas, goods or services.

Advertising Campaign – A series of advertisements planned around a central theme.

After-Sale Service – All service performed after the sale of the product, e.g., delivery, instruction, installation or maintenance.

Agent – Intermediary who assists in the sale and/or promotion of goods and services but does not take title to them.

Alternative Resource – A resource that can be used in place of another.

Amount Tendered – The amount the customer gives the cashier to pay for a purchase.

Annual Fee – an amount of money charged on a yearly basis for the privilege of using certain kinds of credit, e.g., an American Express card.

Annual Percentage Rate (APR) – Rate of interest expressed as a yearly percentage.

Approach – The beginning of a sale when the customer and salesperson first communicate; also called the opening or attention step of a sale.

Apron or Receiving Apron – A sequentially numbered form detailing the movement of the shipment from the time it is shipped until the invoice is paid.

Argumentative Customers – Customers who seem to disagree with, question or look for error in almost everything and everyone.

Articles of Incorporation – A document outlining a corporation's name, purpose, location, amount of stock to be issued, board of directors and other information about the conditions under which the business will operate; must be filled by a business in order to obtain a charter.

Articles of Partnership – A written agreement signed by business partners that specifies the terms of the partnership arrangement.

Assets – Things of value owned by a business.

Assortment – All the varieties of a product or products that a business carries in inventory.

Assumption Close – A closing technique in which the salesperson takes for granted that the prospects agree with all that has been said in the presentation and that they will buy.

Assumptive Question – A type of question used to check for understanding when salespersons feel that they know how customers will respond.

Attrition – Natural reduction in numbers of people due to death, retirement or job changes.

Authoritarian Leaders – Individuals who prefer to exercise a high degree of control over their subordinates; tend to see themselves as the sole source of authority.

Automation – The use of robots or other automatic equipment to do certain tasks

Bait and Switch Advertising – Promoting a low – price item to attract customers to whom the business then tries to sell a higher – priced item.

Balance Sheet – A summary of a business's assets, liabilities and capital at a particular point in time.

Bank Credit Cards - A type of credit, which enables card holders to make a purchase nationwide, e.g., VISA and MasterCard.

Barter – Trading or exchanging one item for another.

Behavioral Segmentation – The division of a market on the basis of consumers' responses to a product.

Benefit – An advantage consumers receive from using a product.

Bill of Lading – A form used by a shipper to request a carrier to pick up, ship and deliver goods.

Billboard - A type of outdoor advertising in which large signs are placed in prominent locations, often along highways.

Bird Dog Method – A method of prospecting in which a salesperson hires others to generate prospect lists.

Bird Dogs – people employed by a salesperson to generate prospect lists.

Bonds – Interest-bearing certificates issued by the government and promising to pay bond owners a certain sum at a specified time.

Bonus Close – A sale close in which the salesperson offers the customer something extra for buying immediately.

Brand Name – The name under which a company sells its products.

Breach of Contract – Failure to fulfill the terms of a contract.

Brochure – A small book or pamphlet providing product information.

Browser – A customer who is just looking without focusing attention any particular item of merchandise.

Budget – A financial forecast of income and expenses for a specified period of time.

Budget Account – A form of short – term credit sets up for 60 – or 90- day period with a payment due every 30 days.

Builder – A type of product who constructs roads, bridges, buildings or houses.

Burglary – Any unlawful entry into a building to commit a theft.

Business – AN organization that produces or distributes goods or services that satisfy the needs of society.

Business Activity – The effort of an organization that enable it to produce and / or distribute goods or services.

Business Communication – The exchange of message to encourage the buying and selling of goods or services.

Business Cycle – Periods of expansion and contraction in economic activities.

Business / Feasibility Analysis – Examining such factors as demand, cost, competition, capital investment required and potential profit of a good or service to determine how it will fit into the company's product mix.

Business – Format Franchise – A franchise arrangement in which the franchisee must operate under the trade name of the parent company which provides continuous assistance in setting up and operating the business.

Business Policies – Statement outlining practices the business follows from a set amount of resources.

Buyers – Individuals who have the responsibility for working with vendors and arranging the terms of the sale.

Buyer's Market – The best time for consumers to buy; characterized by large supply, small demand and low prices.

Buying Decision – A small decision that a customer makes which leads to the final decision to buy a good or service.

Buying Motive – The reason or benefit that causes people to make a purchase to satisfy wants and needs; the reason customers make purchases.

Buying Process – A series of sequential steps taken by industrial or retail buying personnel to purchase goods and services.

Capital – Assets of a business.

Capital Goods – Manufactured or constructed items that are used to produce goods and services.

Capital Investment – Funds the business sets aside from its profits to be reinvested in the business.

Carrier – Any transporter of goods.

Case History – A detailed account of the benefits received from the use of a product, given by an identified product user.

Cash Drawer – The part of a cash register in which money is stored.

Cash Flow – The movement of funds into and out of business; determines the amount of cash the business has to work with at any given time.

Cash on Delivery (COD) – A type of sale in which a customer pays for merchandise when it is delivered rather than when it is purchased.

Casual Looker – A just looking customer who does not intend to buy at the time, but, if treated courteously, often does buy.

Celler-Kefauver Act – A federal regulation intended to protect competitors from takeovers that would limit competition.

Center of Influence – A dominant member of a group.

Center-of-Influence Method – A method of prospecting in which the salesperson asks a dominant member of a group to use or to endorse his/her products.

Central Market – A geographic area in which many suppliers of similar products are located.

Central Merchandise Plan – A form of centralized buying in which the central buying authority takes total responsibility for buying, pricing, storing, and distributing merchandise lines to all individual stores.

Centralized Purchasing Structure – A way of organizing purchasing in which responsibility and authority are held in one department and/or by a few individuals.

Chain Stores – Businesses that have a central management that determines policies, advertising, and pricing for all stores.

Change-Computation Register Method – A method of making change in which the cash register, when given the total amount of sale and the amount tendered, will electronically compute the amount of change due a customer.

Change Plate – A ledge above the cash drawer on which the cashier can place the amount tendered by the customer until the change-making transaction is completed.

Channel Members – Businesses or individuals who assist in moving goods and services from the producer to the consumer or user.

Channels of Distribution – Paths or routes that goods and services take from the producer to the ultimate consumer or industrial user; also known as distribution channels.

Charter – A permit issued to operate as a corporation; also known as certificate of incorporation.

Checking – Examining the quantity and quality of received goods.

Child-Labor Law – Law which forbids the regular, full-time employment of children under a certain age, generally 16.

Choice Close – A closing technique in which the salesperson helps the customer reach a buying decision by reducing the number of items from which to choose and then asking the customer to choose between the remaining ones.

Clayton Act – A federal regulation intended to prevent specific business actions that might prohibit competition, e.g., tying agreements and exclusive agreements.

Client Loyalty – The devotion of a client to a particular business.

Clientele – A body of customers upon which an organization can rely for considerable repeat business.

Close – The point in the selling process at which the customer makes a favorable buying decision.

Close Corporation – A type of corporation owned by a few people that does not offer its shares for sale to the general public; also known as closely held or private corporation.

Closed-End Question – A question that is structured so that it requires a short, precise response; also known as closed-response question.

Closing on Objection – A closing technique in which a salesperson answers a customer's objection so that the customer no longer has a reason not to buy.

COD Charges – Handling charges based on the weight of the merchandise for COD sales.

Coin-Dispensing Method – A method of making change in which the cash register automatically computes the amount of change due a customer and releases the change due into a cup attached to the register.

Cold Calls – Unannounced visits by a salesperson to prospects about whom little may be known.

Collateral – Anything of value belonging to the borrower that is pledged to the lender to guarantee that the loan will be repaid.

Combination Approach – A type of sales opening that uses any combination of service, merchandise, and/or greeting approaches.

Command Economy – An economic system in that all or many of the means of production and distribution are owned and controlled by the government.

Commercial Bank – Full-service bank offering checking and savings accounts, secured and unsecured loans, installment credit and bank credit cards.

Commercialization – The point at which a product goes into full-scale production, the marketing plan is put into place, service and sales training are done and the product's life cycle begins.

Commission – A form of income calculated as a percentage of sales.

Communication – An exchange of information in which the words and gestures are understood in the same way by both the speaker and the listener.

Communication Skills – Ability to express oneself clearly and simply.

Communism – A command economic system in which the Communist Party is in control of the economic system and there is no private ownership of the means of production and distribution.

Company Leader – Information about and contact with potential customers provided by a company, it's advertising, participation in trade shows or telephone and mail solicitation.

Comparison Shop – The act of visiting other businesses to learn what competing stores are selling and the prices they are charging.

Competition – The rivalry between two or more businesses to attract scarce customer dollars.

Complaining Customers – Clients who believe everything is going wrong for them and everyone is either taking advantage of them or not really trying to help.

Complaint – Customer's expression of dissatisfaction.

Complementary Goods – Products that are used together; e.g., skirts and blouses, boots and skis, napkin rings and napkins.

Concentrated Buying Strategy – A tactic of purchasing from only a few suppliers to gain more favorable prices and better relations.

Concept Testing – Exploring the concept or idea for a product in order to obtain feedback.

Confirming Probe – A technique for probing that can be used to check for understanding or accuracy.

Conflict of Needs – Situation that occurs when a customer needs two or more items at the same time but can afford only one.

Conservation – Preservation and protection of resources.

Conserve – To slow down the use of something in order to prolong it's supply.

Consignee – An individual or business to which something is sent or cosigned.

Consignment – A purchase arrangement whereby products are sent to a retailer who pays for the products only upon their sale.

Consignor – A shipper.

Consolidation – The joining of two or more companies to form a new company.

Consumer – A person who uses a good or service.

Consumer Buying Power – Cash and credit a consumer has available to spend.

Consumer Goods – Products that are purchased and consumed by their ultimate users.

Consumer Market – A market composed of individuals who purchase goods or services to satisfy their personal desires.

Consumer Product Safety Commission – A federal regulatory agency that sets and enforces safety standards for various kinds of consumer products.

Consumption – The process or activity of using goods and services.

Contingent Close – A closing technique which depends upon the salesperson's proving a point to the customer in order to remove obstacles to the sale.

Contractual Agreement – Agreement between two or more people stating that one party is to do something in return for something provided by another party.

Contrasting Advantages and Disadvantages Close – A closing technique which involves comparing the advantages and disadvantages of a good or service.

Controlling – The process of setting standards, evaluating their achievement and taking corrective measures to ensure that goals are met.

Convenience Goods – Items that consumers purchase frequently and with a minimum of effort.

Conveyors – Pieces of equipment used to move goods from trucks to storage areas.

Cooperative Advertising – Funds provided to retailers by the producers of goods to help pay for the retailers' advertising expenses.

Copyright – Legal protection of books and other artistic works granted by government and giving their creators sole rights to them for 28 years.

Corporation – A form of business ownership that is an “artificial being, invisible, intangible and existing only in contemplation of the law”.

Cost of Living – The average cost that individuals pay to satisfy needs.

Cost of Merchandise – Money paid for goods and services sold or for raw materials from which goods are made to sell.

Cost of Production – The total amount of money spent on costs of materials, labor, taxes, to manufacture economic goods and services.

Count-Forward Method – A method of making change in which the cashier counts forward from the amount of the sale to the amount tendered.

Credit – The arrangement by which businesses or individuals can purchase now and pay later.

Credit Agency – Business whose purpose is to maintain files of credit information on individuals and businesses.

Credit Application – A form which individuals complete in order to obtain credit; used as a screening device by creditors.

Credit Limit – The maximum amount of money that can be owed on a credit account.

Credit Union – A financial cooperative set up to provide savings and credit services to its members.

Cultural Trends – The direction of changes in people's beliefs, behavior patterns and attitudes.

Customer Feedback – Evaluative or corrective information given by a customer to company employees.

Customer Service – Activity or benefit provided by a business to its customers in order to increase customer satisfaction and create goodwill.

Data – information and facts about a specific problem.

Data Analysis – the process of evaluating information that may include comparisons with other data or presentation of the data in different formats.

Decentralized Purchasing Structure – a way of organizing purchasing in which responsibility and authority are distributed among many departments and individuals.

Decided Customer – a type of customer who knows exactly what he or she wants when entering the selling area.

Decision-Making – choosing among alternatives.

Decision-Oriented – directed toward the decision-making process.

Decisive Personality – a basic type of customer personality characterized by the customer's asking for specific items, having a businesslike nature, acting in a direct manner, knowing what he or she wants and/or shopping quickly.

Decline Stage – the product life cycle stage in which sales and profits fall rapidly.

Defeatist Attitude – attitude exhibited by people who have very low opinions of and lack of confidence in, themselves and others.

Delegate – to assign authority or responsibility to another person.

Delivery Receipt – a form signed by a purchaser to show that goods were received.

Demand – the quantity of a good or service that buyers are ready to buy at a given price at a particular time.

Democratic Leaders – individuals who like to exercise only a moderate degree of control over employees and tend to involve employees in decision-making and problem solving.

Demographic Segmentation – the division of a market on the basis of characteristics people have in common that affect their purchasing power.

Demographics – information used to describe a population.

Demonstration/Practice – an instructional method of orientation in which a new employee watches as an experienced worker performs a task and then the new employee repeats the task until it is perfected under the supervision of the experienced worker.

Deny It Method – a method of handling objections in which the salesperson directly denies the customer's objection.

Departmentalized Purchasing Structure – a way of organizing purchasing which combines elements of centralized and decentralized purchasing structures, dividing responsibility and authority between a central purchasing group and departments and managers.

Dependent – needing or relying on someone or something.

Depression – a long period of decline in the gross national product characterized by a period of severely lowered production, curtailed purchasing of goods and services and high unemployment.

Design – the way in which a product functions or the way it looks.

Difficult Customers – customers with problems that interfere with their ability to communicate satisfactorily or to function in a normal or pleasant manner.

Direct Close – the most simple and natural of all closing techniques, merely asking the customer to buy.

Direct Competition – competition between or among businesses which offer similar types of goods or services.

Direct Distribution – a channel of distribution in which goods and services move directly from the producer to the customer.

Directing – the process of motivating and leading people to accomplish the goals of a business.

Disagreeable Customers – clients who are unpleasant and hard to help because they are argumentative, complaining, irritable, moody, insulting, impatient, and/or have a leave-me-alone attitude.

Discount – the amount by which the price of something is reduced; often expressed as a percentage.

Discount Store – a retail store competing on the basis of low prices and offering limited customer service.

Discovering Customer Needs – the phase of the selling process in which the salesperson determines what a customer needs or wants through the use of questioning and listening.

Discretionary Income – (see Disposable Income)

Dishonest Customers – customers who intentionally attempt to avoid paying part or all of the price for a goods or services.

Dispersed Buying Strategy – a tactic of purchasing from many vendors which can lead to merchandise variety, alternate sources or supply and competition between sources.

Displays – visual, nonpersonal presentations of goods and services to prospective buyers; categorized as interior or window displays.

Disposable Income – the amount of income people have left to spend or dispose of, after they have paid their taxes; also called real or discretionary income.

Distribution – in economics, the process or activity by which income is divided among resource owners and producers; in marketing, a marketing function which is responsible for the physical movement or the transfer of ownership of a good or service from the producer to the consumer.

Distribution Center – a facility that holds goods in storage and fills orders for those goods.

Distribution Channels – paths or routes, that goods or service take from the producer to the ultimate consumer or industrial user; also known as channels of distribution.

Distribution System – the combination of distribution activities that a company uses to distribute its goods or services.

Dividend – a sum of money paid to an investor or stockholder as earnings on an investment.

Division of Labor – Dividing a large job into units or job tasks and assigning an individual to do each of the tasks.

Docks – platforms where goods are delivered by carriers.

Dollar Control – keeping track of inventory according to the dollar value of the stock.

Domestic – pertaining to that occurring within a country.

Domineering/Superior Customers – overly confident customers who feel they know more and are better than the average person.

Downward Communication – information from a superior to a subordinate.

Dry Storage – storage of goods in locations other than the refrigerator or freezer.

Durability- how long a product will last.

Durable Goods – tangible items which should last a long time.

Duty Tax – an extra tax, usually on imported goods.

Economic Activities – Consumption, production, exchange and distribution.

Economic Conditions – The state of the economy at any given time.

Economic Flow – The movement of resources from resource owners to producers and from producers to consumers.

Economic Goods – Physical objects that are useful, scarce and transferable which satisfy economic wants.

Economic incentive – A monetary for the buying and selling of goods and services; includes buyers and sellers.

Economic Recovery Tax Act – A federal law passed to boost the economy, reduce inflation and increase employment.

Economic Resources – The human and natural resources and capital goods used to produce goods and services.

Economic Risk – Changes of loss due to changes in the market that force a lowering of prices, change of products or even failure of businesses.

Economic Services – Productive acts that satisfy economic wants.

Economic System – The organized way in which a country handles its economic decisions and solves its economic decisions.

Economic Vote – Term used to describe consumer approval of products expressed by the purchase of products.

Economic Wants – Desires for items, which can be valued in monetary terms.

Economics – The study of how people make and spend their incomes.

Economizing – The process of deciding which goods and services will be purchased or provided so that the most satisfaction can be obtained; deciding how scarce resources will be used.

Economy – The system in which people make and spend their incomes.

Efficiency – The ability to use minimum amounts of resources to the best advantage; accomplishing a task with a minimum expenditure of time and effort.

Elastic Demand – A form of demand for products in which changes in price correspond to changes in demand.

Elasticity – An indication of how changes in price will affect changes in the amounts demanded and supplied.

Electronic Surveillance Devices – Equipment used to prevent theft or to assist in the identification of thieves; closed circuit television and encoded tags.

Emergency – A situation requiring immediate action.

Emotional Motives – Buying motives which involve and appeal to the customer's emotions or feelings.

Empathize – To put yourself in another person's place.

Employee-Assistance Programs – Projects organized and sponsored by a company in order to provide some form of help to its employees.

Employee Discount – A reduction from the selling price given as a benefit to employees.

Endless Chain – A method of prospecting in which salespeople ask every prospect to whom they make presentations to give the names of others who might be interested in their product.

Entrepreneur – An individual who assumes the risk of starting and operating a business.

Enunciation – The clear or distinct pronunciation of sounds.

Equal Credit Opportunity Act – A federal law which attempts to make the granting of credit fair by prohibiting the denial of credit based on the applicant's gender, race, age, marital status or national origin.

Equilibrium Price – The point at which the quantity of a good that buyers want to buy and the quantity that sellers are willing to sell at a certain price are exactly equal.

Equipment – Industrial goods used in the operation of a business but not used in the actual production of a good or service.

Establishing Relationship – The phrase of the selling process which involves prospecting for potential customers and making initial contact with them in order to create the right selling environment.

Ethical Standards – Unwritten rules of good conduct.

Excess Demand – The situation that exists when demand is greater than supply.

Excess Supply – The situation that exists when supply is greater than demand.

Exchange – Transfer.

Exchange Price – The amount of money that the buyer is willing to pay and the seller is willing to accept for a good or service.

Excise Tax – A special government tax on such items as gasoline.

Exclusive Distribution – Distribution confined to one dealer in an area.

Excuse – An insincere and invalid statement used to “cover up” a real reason for not buying.

Existing Products – Products which are currently being sold.

Expansion – Growth.

Express Warranty – A warranty that is written or expressed verbally.

External Communication – Exchange of messages from and organization to the external environment and vice versa.

External Information Sources – Sources of information located outside the business.

Fact-Finder Personality - A basic type of customer personality characterized by the customer's challenging a salesperson to know the merchandise, doing comparison shopping, liking to see variety and / or wanting factual information.

Fact-Finding – Information gathering.

Factors of Production – Productive resources.

Fair Credit Billing Act – A federal law, which specifies the time period in which a business must handle a credit customer's, complaint or inquiry about his or her bill.

Fair Credit Reporting Act – A federal law that gives consumers the right to inspect the files of their credit histories at any credit agency and to have mistakes corrected.

Fair Packaging and Labeling Act – a federal law that makes it illegal to use unfair or deceptive packaging or labeling for certain consumer products.

Feature – Physical characteristic or quality which may be used to describe a good or service.

Feature-Benefit Chart – A list that may be arranged alphabetically to show product features and corresponding benefits.

Feature-Benefit Selling – Convincing customers that a good or service has the features that will provide that benefits for which they are looking.

Federal Communications Commission – A government regulatory agency that grants licenses to radio and television stations and regulates interstate telephone and telegraph rates and service.

Federal Trade Commission – A government regulatory agency that administers and enforces antitrust laws to prevent price fixing and to prohibit unfair competitive practices; also known as the FTC.

Federal Trade Commission Act – A federal regulation which established a regulatory agency, the FTC, to monitor business activities that would prevent fair competition.

Fidelity Bond – Insurance coverage to protect a business from losses due to employee theft.

Finance – The process of managing the use of money.

Finance Charge – Interest charged on the outstanding balance of a credit account.

Financial Capital – Money needed to operate a business.

Financial Statement – Information about a company's profits and losses.

Financing – A marketing function which determines the need for and availability of financial resources to aid in marketing activities.

Finished-Products Inventory – The Producer's inventory of completed products that are ready to be marketed.

First Aid – Emergency medical care that can be given to an injured or ill person before a trained medical person arrives.

Fiscal Control – Governmental use of price controls, licensing, wage control, tax rates and other monetary methods to affect business.

Fiscal Policy – The government policy that sets levels of government spending and taxation.

Fixed Costs – Business costs that are not affected by changes in sales volume.

Flex Time – A scheduling procedure in which employees select their own working hours as long as they work the required number of hours.

Focus Group Interviewing – Research session conducted by moderator in which 8 to 12 people talk about a good, service or organization.

Follow Up – Sales activities which occur after a sales presentation or a sale has been made to ensure customer or user satisfaction.

Forklift – A motorized vehicle used to pick up, transport, slack and unstuck loads of materials.

Form Utility – Usefulness created by altering or changing the form or shape of a good to make it more useful to the consumer.

Four P's of Marketing – Product, place, promotion and price.

Franchise – A contractual agreement between a parent company and a franchisee to distribute goods and services.

Franchisee - One who buys the right to sell the goods or services of the parent company (franchiser).

Franchiser – A parent company and owner of the name and / or system that is being distributed through a licensing arrangement.

Franchising – A method of distributing goods and services through a licensing arrangement between the franchiser and franchisee.

Free Enterprise Economy – An economic system characterized by competition, individual freedom of choice, private ownership, the profit motive and limited government control.

Free Goods – Items that can be obtained without money.

Freight – Goods or materials transported by a common carrier.

Freight Bill – An invoice that specifies the amount of money to be paid the carrier for shipment of goods and identifies the party responsible for paying the freight charges.

Full Warranty – A warranty which covers the entire product.

Function – A group of activities that are similar in purpose.

General Partnership – A type of partnership agreement in which all partners are liable for a business's losses; also known as ordinary partnership.

Generic – Describes a general group of products sold without a registered trademark or trade name.

Geographic Segmentation – The division of a market on the basis of where consumers are located.

Gesture – A movement of the body or limbs that expresses or emphasizes an idea, sentiment or attitude.

Goal – An objective to fulfill.

Goal Setting – Establishing an objective to be reached; may apply to individuals or to businesses.

Goods – Tangible objects that can be manufactured or produced for resale.

Goodwill – A positive feeling a person has about a business.

Grade – The relative purity or quality of a particular good or material.

Grading – Assigning predetermined standards of quality classifications to goods.

Grapevine – An oral communication method in which information is passed around the company but not formally announced or verified.

Greeting (Welcome) Approach – A warm, friendly greeting which makes the customer feel welcome and important.

Gross National Product – The final total value of all goods and services produced in the economy in a year's time.

Gross National Product per Capita – The average productivity of individual workers calculated by dividing the gross national product by the worker hours required to produce it.

Gross Profit – Money left after cost of merchandise expense is subtracted from total income.

Growth Stage – The product life cycle stage in which sales rise rapidly.

Guarantee – A promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected.

Hangtag – A tag which hangs from merchandise and provides information about the product features, construction and care.

Heimlich Maneuver – A first-aid measure used to dislodge food that is obstruction someone's throat or windpipe.

Hidden Benefit – Advantage of good or service not recognizable unless pointed out by salesperson.

Hidden Complaint – The concealment of the true complaint with a secondary but believable reason for the dissatisfaction.

Hidden Objection – A real objection to buying, which the customer does not want brought out in the open.

Horizontal Channels – Communication among people at the same level of the channel of distribution.

Horizontal Price Fixing – Price agreements between businesses on the same level of the channel of distribution.

Household – A person or persons, related or unrelated, living in the same housing unit.

Housekeeping – Keeping the work areas clean and orderly.

Human Resources – People who work to produce goods or services.

Human Risks – Chances of loss caused by human weakness and unpredictability.

Idea Generation – The process of thinking up or creating new plans, schemes, thoughts; used in creating new products and modifying existing products.

Impatient Customers – Clients who feel they must be helped immediately, regardless of the circumstances.

Implied Warranty – An unwritten warranty that is understood by the consumer and the seller that the product will perform as expected.

Impulsive Personality – A basic type of customer personality characterized by the customer's asking few questions, buying to meet inner needs and wants, selecting items quickly, shopping leisurely and / or wanting purchases to be noticed.

In-Person Credit Application – Face-to-face interviews in which individuals apply for credit.

Incentives – A function of relative prices which keeps producers constantly changing and reallocating their resources; motivators.

Income – The money received by resource owners and by products for supplying goods and services to consumers.

Income from Sales – Money that comes into the business from the sale of goods or services .

Income Statement – A summary of a business's income and expenses over a period of time; also known as profit and loss statement.

Indecisive Customers – Customers who frequently have great difficulty in making a choice or buying decision.

Indication Window – The part of the cash register, either front, side or back, that can show the amount of each item purchased, total sale and the amount of change due.

Indirect Channel of Distribution – A channel of distribution in which goods and services move from the producer to middlemen, then to consumers.

Indirect Competition – Competition which occurs among businesses which offer dissimilar goods or services.

Industrial Consumer – A business which buys goods and services for resale or for use in the business.

Industrial Distributor – An intermediary who buys industrial goods and services and sells them to industrial users.

Industrial Goods and Services – Goods and services that are purchased by producers for resale, to make other goods and services and / or to use in business operations.

Industrial Market – A market composed of businesses which purchase items for use in the operation of the business, for resale or for making other goods.

Industrial Purchasing – The process of buying goods and services for internal consumption in the business or conversion into a final product.

Industrial User – A business that buys materials or goods which will be used to make other goods or services or which will be used in the operation of the company.

Industrialization – The changeover from producing goods by hand labor to the use of machines and the organization of such production into industries.

Inelastic Demand – A form of demand in which changes in price do not affect demand.

Inferior Attitude – Outlook of people who believe that they are less worthy than the people around them.

Inflation – A rapid rise in prices that may occur when productivity goes down and costs of labor go up.

Inflection – Change in the pitch of the voice while speaking; used to emphasize certain words or phrases.

Information Gathering – The process of collecting data.

Information-Gathering Probe – A technique for probing in which the salesperson's objective is to find out information about customers that will be helpful in satisfying customers' needs.

Informed Personality – A basic type of customer personality characterized by the customer's displaying confidence in choices, spending for quality, being a trendsetter and / or wanting the best.

Initial Contact – The approach.

Inner Needs – Those needs known only to the person who is prompted by them.

Inputs – All the resources used in producing goods and services.

The Inquiry Method – Method of handling objections in which the salesperson asks questions of customers to enable customers to answer their own objections; also called question method.

Installations – Industrial goods that are used to produce other goods and services.

Installment – A specific sum of money to be paid at regular intervals by the borrower to the lender.

Installment Credit Account – A type of credit account set up to handle one total amount of credit which is to be paid off in regular installments.

Institutional Promotion – A type of promotion that aims to create a certain image in the eyes of consumers; also known as corporate promotion.

Insulting Customers – Customers who intentionally make unpleasant remarks or use foul language.

Insurance – A contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premium).

Intangible – Not capable of being detected through the senses.

Intensive Distribution – Widespread distribution of products that consumers expect to be able to buy almost anywhere.

Interdependence – Condition that exists when two or more things or people need to rely upon one another for some reason.

Interest – The fee which lenders charge borrowers for the use of credit.

Interest Rate – The percentage figure used in calculation interest charges.

Intermediaries – Channel members operating between the producer and the consumer or industrial user to help in the movement of goods and services; also known as middlemen.

Internal Communication – The exchange of messages within an organization.

Internal Information Sources – Sources of information found within the business itself.

Interoffice Memorandum – An informal form of written communication used to exchange messages.

Interpretive Question – A type of question asked to check for understanding when the salesperson summarizes the customer's ideas in his or her own words.

Interstate Commerce Commission – A government regulatory agency that regulates rates and other aspects of commercial transportation between states

Interstate Transportation – Transportation that crosses one or more state boundaries

Intrastate Transportation – Transportation that occurs within the boundaries of a state.

Introduction Stage – The product life cycle stage when a product first appears in the marketplace.

Inventory – All the stock that a business has on hand

Inventory Control – Keeping track of the amount of stock on hand, sold and on order.

Inventory Control System – The methods used to track inventory.

Inventory Shrinkage – Losses of inventory from such causes as shoplifting, employee theft, breakage, misplaced goods or poor record keeping.

Invoice – The formal, printed record of a sale that includes all necessary information as to the buyer, the seller, items purchased, amounts, prices, delivery date and credit or discount terms.

Irritable or Moody Customers – Clients who may be pleasant one day and touchy or unpredictable the next.

Job Orientation – Job preparation or induction training in which new employees are acquainted with their surroundings, receive general information about the company and its policies and are given specific information about their jobs.

Job Simplification – The process of making changes in a job task so that the job can be done more easily or quickly.

Job Training Program – A public welfare program that provides occupational training for individuals who need it in order to find employment.

Just in Time Inventory – An inventory method in which stock is scheduled to arrive exactly when it is needed.

“Just Looking” Customer – A type of customer who does not intend to buy at the time, but if treated courteously, often does buy.

Label - Information about the product printed and attached to the product by manufacturer, e.g., brand name, grade, weight, ingredients or care/use instructions.

Labor - A term, which refers to the work people do or to the workers themselves.

Labor Union - A group of workers who have joined together for a common purpose to improve the terms and conditions under which employees work.

Laissez-Faire Leaders - Individuals who prefer to exercise little or no control over their subordinates and tend to provide only general guidance.

Law of Demand - Economic principle that states that the quantity of a good or service that people will buy varies inversely with the price of the good or service.

Law of Supply - Economic principle which states that the quantity of a good or service that will be offered for sale varies in direct relation to its price.

Law of Supply and Demand – Economic principle that states that the supply of a good or service will increase when demand is great and decrease when demand is low.

Lead - The name of an organization or individual that might be interested in a salesperson's good or service.

Lead Club – A group composed of noncompeting salespersons who meet to exchange information about prospects.

Lead Time – Amount of time that passes between placing an order and receiving the stock.

Leaders – Persons who are expected to guide or direct the efforts of others.

Leadership Style – The manner in which a leader goes about the task of influencing others.

Leasing – Contracting to use property which belongs to someone else for a specific period of time and a specific amount of rent.

Leave-Me-Along Customers – Customers who prefer or pretend to prefer to be left alone to find what they want.

Level of Service – The number of services, which a company offers its customers and the speed at which those services are performed.

Level of Stock – The amount of stock, which a company keeps on hand.

Liabilities – Debts, usually money, owed.

Lien – A legal claim to an item of property, which protects the seller if the buyer does not complete his or her payments.

Lifestyle – A person's interests, values and activities.

Limited Liability – A condition in which business owners risk only the amount of their investment.

Limited Warranty – A warranty that does not contain the provisions of a full warranty; may cover only certain repairs or specific parts.

List Broker – A company, which prepares prospect lists for a fee.

List Price – A producer's suggested price for a product; also called manufacturer's list price.

Long-Term Goals – Generally considered to be those goals, which take a year or more to achieve.

Loss Leader – A product that is sold below cost.

Magnuson-Moss Warranty Act – A federal law, which provides guidelines to businesses, that offer warranties and guarantees with their products and protects consumers who buy those products.

Mail Survey – A method of collecting data through the use of questionnaires that are sent through the mail to designated respondents.

Mail-In Application – A form used by individuals to obtain credit that is mailed to the company or collected by a store employee.

Management – The process of planning organizing, directing and controlling activities in order to achieve goals of objectives.

Manual Inventory Control System – Counting and recording inventory by hand.

Manufacturer – A type of producer that changes the shapes of forms of materials so that they will be useful to consumers.

Markdowns – Reductions in the selling price of goods.

Market – A customer or a potential customer who has an unfulfilled desire and is financially able and willing to satisfy that desire; any circumstance under which buyers and sellers exchange goods or services for a price; a particular group of consumers who want or need a given good, service or idea.

Market-Clearing Price – Equilibrium price.

Market Conditions – The economic circumstances of the market in which a firm does business.

Market Demand – The desire of buyers for goods and services.

Market Economy – An economic system in which the means of production and distribution are owned and controlled by individuals and businesses; a free enterprise system.

Market Price – Actual price that prevails in a market at any particular moment.

Market Segmentation – The division of total market into smaller, more specific groups.

Market Share – An organization's portion of the total industry sales in a specific market; usually expressed as a percentage, e.g., a business would have a 20% market share if it makes 20% of all the sales of a particular product in a specific market.

Marketing – The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.

Marketing Concept – A philosophy of conducting business that is based on the belief that all business activities should be aimed toward satisfying consumer wants and needs while achieving company goals.

Marketing Information – All the marketing-related data available from inside and outside the business.

Marketing-Information Management – A marketing function which involves gathering, recording, analyzing and disseminating information to aid in making marketing decisions.

Marketing-Information Management System – An organized way of continuously gathering, sorting, analyzing, evaluating and distributing information.

Marketing Mix – The unique combination of strategies within and among product, place, price and promotion which are used to attract customers to a business.

Marketing Plan – A set of procedures or strategies for attracting the target customer to a business

Marketing Research – The systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services.

Marketing Strategies – Plans of actions for achieving marketing goals and objectives.

Marketplace – Any place where the buying and / or selling of goods and services takes place.

Markets – Buyers of goods and services.

Marking – Indicating the price and other control information of merchandise.

Markup – The difference between the cost of a product and its selling price.

Mass Marketing – Designing products and directing marketing activities in order to appeal to the whole market.

Mass Production – The production of a few products in large quantities.

Materials – Industrial goods that become part of the finished product after they have been processed.

Materials Inventory – Stock used by a business in the production of the other goods.

Mature Attitude – Outlook of people who have confidence and self-respect but also have a high regard for the feelings and opinions of others.

Maturity Stage – The product life cycle stage in which sales peak and then increase at a slower rate of start to decline.

Means of Production – All the resources required in the production of goods and services.

Mechanization – The use of machines to perform certain tasks.

Medium (pl. Media) – The message channel used by a seller to promote a good, service or idea, e.g., radio, television, newspapers, magazines.

Medium of Exchange – Something of value that can be used to obtain goods and services; most common form is money.

Mentor – An experienced worker who can act as a guide to new employees.

Merchandise Approach – An opening comment or question that helps direct the customer's attention to the merchandise; usually refers to goods on display in which the customer seems to be showing an interest.

Merchandise Classification – The categories into which products are divided, e.g., color, style number or size.

Merchandise Inventory – Stock that wholesalers and retailers have on hand.

Merchandising – The process of having the right goods in the right place at the right time in order to make a profit.

Merger – The absorption of one company by another company.

Message – The information a speaker wants to share.

Minimum Price – The lowest price at which a product can legally be sold.

Minimum Wage Law – A federal law that sets the lowest amount of hourly wages that a business may pay its employees.

Minor Points Close – A closing technique which involves getting the prospect to make minor decisions about a purchase before asking for the major decision of whether to buy or not; also known as stimulus-response close.

Minority Business Development Program – A public welfare program that provides advice and assistance to members of minority groups who wish to operate businesses.

Miscellaneous Operating Expenses – A form of operating expenses that includes expenses not covered under overhead or cost of merchandise, such as taxes, donation, bad debts and advertising.

Mixed System – An economic system in which individuals make most decisions but some government control and ownership exist.

Monetary Policy – The government policy that determines the amount of money that will be in circulation and the level of interest rates.

Money Payment – An exchange of money for the use of economic resources.

Monopolistic Competition – A market characterized by many buyers and sellers and a range of prices rather than a single market price.

Monopoly – A condition which exists when a market is controlled by one supplier and there are no substitute goods or services readily available; a single business that influences the entire production of a particular good or service.

Morale – The state of a person's attitude or outlook on life that affects his or her approach to work.

Motives – The causes for or reasons underlying behavior; generally stem from unsatisfied needs.

Narrative Close – A closing technique in which the salesperson tells a story about other people who have successfully made a buying decision and how the good or service solved their problem.

National Institute for Occupational Safety and Health (NIOSH) – An agency that conducts research on safety problems recommends standards for adoption and publishes safety materials.

National Labor Relations Board – A government regulatory agency that administers federal labor-management relations laws resolves labor disputes and prevents unfair labor practices.

Natural Monopoly – A single business that influences the entire production of a particular good or service because it is in the best interests of the public for the business to do so.

Natural Resource – Any resource found in nature that is used to produce goods and services.

Natural Risks – Chances of loss which result from natural phenomena such as floods, tornadoes, fires, lightning, earthquakes or perishability.

Need – Something required or essential that is lacking.

Need Decision – the point at which the customer decides that he or she needs to purchase a good or service.

Net Profit – Money remaining after operating expenses are subtracted from gross profit.

New Product – A product that has not been offered before has been modified in some way or is being presented or distributed in a different manner.

New-Product Department – A department set up within the company for the specific purpose of developing new products.

Noncomplainer – A person who does not express dissatisfaction to anyone connected with the store but rather expresses it to friends, relatives and co-workers.

Nondurable Goods – Tangible items which are consumed within a short time.

Noneconomic Want – A desire for something that can be obtained without spending money.

Nonmonetary Benefit – A benefit that the employee does not receive in the form of money but still enjoys, e.g., smoke-free environment.

Nonprice Competition- A type of competition involving factors other than price, e.g., customer services, pleasant facilities, trained personnel and variety of assortments.

Nonverbal Signals - Communication which involves the use of gestures or facial expressions rather than the use of words.

Objection – A point of difference between a customer and a salesperson that may prevent a sale; the customer's reason for not buying.

Objective – Something to be achieved.

Observation – A method of collection primary data in which researchers watch and record action of respondents.

Obvious Benefit – Advantage of a good or service which is apparent, plain to see or easily recognizable.

Occupational Safety and Health Act (OSHA) – A law passed in 1970 to require employers to provide work areas and conditions free of hazards and to require employees to obey health and safety rules.

Occupational Safety and Health Administration – An agency established by government to create health and safety standards for business and industry.

Odd-Cent Method - A method of making change in which a customer gives the cashier an odd-cent amount in order to avoid receiving a lot of coins from the transaction; e.g., a customer gives \$10.57 to pay for a \$6.57 purchase.

Oligopoly – A market in which there are relatively few sellers and industry leaders usually determine prices.

Open Corporation – A type of corporation that usually sells millions of shares of stock to too many stockholders; also known as a public corporation.

Open Credit Account – (See Regular Credit Account)

Open-End Question – A question that is structured so that it requires a broad response to a topic and cannot be answered with a yes/no; also known as open-response question.

Operating Expenses – Expenditures necessary to keep the business running; includes payroll, overhead expenses and other miscellaneous expenses.

Opinion-Gathering Probe – A technique for probing that is used to involve customers in sales presentations in order to determine their reactions to what has been said and to elicit their comments.

Opportunity Cost – The benefit that is lost when a person decides to use scarce resources for one purpose rather than for another.

Ordinary Partnership – General partnership.

Organizational Communication – The exchange of messages within formal structures such as committee meetings, reports and memos.

Organizing – The process of deciding what resources and processes to use in order to meet company goals and objectives.

Orientation – Job preparation or induction training in which new employees are acquainted with their surroundings, receive general information about the company and its policies and are given specific information about their jobs.

Outputs – The goods and services produced as the result of combining inputs.

Outstanding Balance – The remaining amount that is owed to the creditor after the credit user has made a partial payment on his or her account.

Overage – The condition that exists when more money is in the register, at the end of a time period, than the calculations indicate.

Overhead Expenses – A form of operation expenses; includes fixed expenses such as rent, utilities and insurance costs.

Oversell – To be pushy or too eager to make a sale; to rush the client.

Packaging - Enclosing products in appropriate wrappings or containers.

Packing Slip - A form that usually accompanies incoming merchandise which describes the type and number of each item in a shipment.

Pallet - A low, wooden platform.

Participative Decision Making - The involvement of several individuals in making decisions; in business, the participation of employees in decisions to be made by management.

Partnership - A form of business ownership in which the business is owned by two or more persons.

Parts - Industrial goods that become part of a finished product without any additional processing.

Patent - Legal protection of an invention or a process granted by government to its owners for a certain number of years.

Patronage Motives - Emotional or rational buying motives which cause people to choose one business over another.

Patronage Promotion - A type of institutional promotion designed to promote a firm's features or prestige.

Periodic System - An inventory method that updates inventory information on a continuous basis.

Perishable - Capable of spoiling, decaying or dying.

Perpetual System - An inventory method that updates inventory information on a continuous basis.

Personal Interview - A method of collecting data in which an interviewer conducts a face-to-face interview with one or more respondents.

Personal Observation - Awareness of one's surroundings; the most commonly used method of prospecting.

Personal Plan of Action - A written planning device to help people reach their own goals.

Personal Property - Possessions owned by an individual rather than by a business or an agency.

Personal Selling - The form of promotion that uses planned, personalized communication in order to influence purchase decisions to ensure satisfaction.

Personal Sources - Contacts that each individual has through his or her customers, friends or relatives.

Personality - A person's distinctive traits or qualities.

Physical Handling - Activities involved in receiving, checking and marking goods or materials.

Physical Inventory - An actual count of the items of stock.

Pilferage - The act or practice of stealing in small quantities.

Pitch - The highness or lowness of a person's voice.

Place Decision - The decision to buy from a certain business.

Place (distribution) - Marketing element focusing on considerations in getting a selected product in the right place at the right time.

Place Utility - Usefulness created by making sure that goods or services are available at the place where they are needed or wanted by customers.

Planning - The decision making process of determining what goods or services will be produced and sold.

Point Counterpoint - Method of handling objections in which the salesperson agrees on a valid point made by the customer and then answers the point by

offering an equal or superior point; also referred to as superior point or counterbalance method.

Policy - A general rule to be followed by employees.

Possession Utility - Usefulness created when ownership of a product is transferred from the seller to the user.

Practical or Frugal Personality - A basic type of customer personality characterized by the customer's being cautious; disliking experiments; looking for simple, uncluttered life and/or looking for value.

Precaution - Care taken beforehand against possible danger or failure.

Premium - An item a business offers free to the purchaser of a particular product.

Prescribing Solutions - The phase of the selling process in which the salesperson recommends specific goods or services which meet the customer's needs.

Price - Marketing element requiring marketers to determine the amount of money they will ask in exchange for their products; the amount of money paid for a good, service or resource.

Price Agreement Plan - A form of centralized buying in which the central buying authority takes responsibility for selecting vendors and merchandise, leaving store management to choose items for their stores from a listing of merchandise purchased by central buying.

Price Competition - A type of competition that focuses on the use of price to attract scarce customer dollars.

Price Decision - The decision customers reach on the price that they are willing to pay for goods and services.

Price Directed System - An economic system in which price determines what people buy, the jobs they take, the success or failure of businesses and the products that will be produced.

Price Discrimination - An illegal activity in which a business charges customers different prices for similar amounts and types of products.

Price Fixing - Businesses' agreeing on prices of their goods or services, resulting in little choice for the consumer.

Price information - A function of relative prices that is necessary in order for consumers, producers and resource owners to make important economic decisions; data concerning value/ cost.

Price Supports - Assistance by government in maintaining the price of a good or service in order to enable the producers to earn a profit.

Pricing - A marketing function that involves the determination of an exchange price at which the buyer and seller perceive optimum value for a good or service.

Primary Data - Information collected specifically for the problem or project at hand.

Primary Product Promotion - A type of product promotion intended to stimulate demand for an entire class of goods or services.

Prime Interest Rate - The rate of interest banks charge their best customers; usually called prime rate.

Principal - The original amount of a loan on which the amount of interest is based.

Prioritize - To rank or list according to relative importance, critically, etc.

Private Enterprise - An economic system in which individuals and groups, rather than government, own or control the means of production; also known as free market economy, private profit system, market system, capitalistic system, capitalism or free enterprise system.

Private Label - A label or brand that belongs to the seller and is sold under the seller's chosen name.

Private Property - Anything of value that people own.

Private Sector - A term used to refer to individuals as opposed to businesses or government, which belong to the public sector.

Private Warehouse - A storage facility owned by a company that rents storage space to other companies.

Probe - To find out what customers think, feel or know.

Probing - The use of probes; an investigation of what customers think, feel or know.

Procedure - The step- by-step process personnel following performing a specific task.

Producer – Grower, provider or manufacturer of goods or services.

Product – Marketing element referring to what goods, services or ideas a business will offer its customers; a tangible or physical, item and the customer benefits that it offers.

Product Analysis Sheet – A list of a product's features prepared by the salesperson to assist in the sales presentation.

Product Demonstration – Actions of the salesperson in the sales presentation that show the product's features.

Product Development – The stage in the creation of a new product in which a working model may be tested, modified and retested; production costs are estimated and final details of the product are planned, e.g., label, promotion and distribution.

Product Elimination – The removal of a weak product from the market and from the company's product mix.

Product Knowledge – Information about a specific good or service that can be used in sales presentations.

Product Life Cycle – The stages through which goods and services move from the time they are introduced on the market until they are taken off the market.

Product Line – A group of related product items.

Product Manager – An individual who monitors one of more existing products and develops new products.

Product Mix – The particular assortment of products that a business offer in order to meet the needs of its market(s) and its company goals.

Product-Planning Committee – A committee composed of company executives and department heads who review ideas for new products.

Product Positioning – The consumer's image or impression of a product as compared to that of competitive products.

Product Promotion – A type of promotion that aims to persuade consumers to buy a good or service.

Product-Related Services – Services that are offered with a product such as maintenance, delivery or repair.

Product Screening – The process of considering each idea for a new product and discarding those that seem unworkable.

Product/Service Planning – A marketing function that involves developing a product or service mix in response to market opportunities.

Product Substitution – Suggesting merchandise other than the original request when the business does not have the item requested or when the salesperson recognizes the customer's true need.

Product Trade-Name Franchise – A franchise arrangement based on an independent sales relationship between a franchiser and franchisee to stock and sell a specific line of goods; also known as dealership or exclusive distributorship.

Production – The process or activity of producing goods and services wanted by consumers.

Productive Resources – Natural Resources, human resources and capital goods which enable businesses to produce goods and services.

Productivity – The amount and the value of goods and services produced (outputs) from set amounts of resources (inputs).

Products - Goods and Services.

Profit – Monetary reward a business owner for taking the risk involved in investing in a business.

Profit and Loss Statement – (See Income Statement)

Profit Maximization – A profit-oriented pricing objective intended to give the firm the most possible profit.

Profit Motive – The desire to make a profit that serves as an incentive for individuals to assume risks involved in investing in business.

Profit Oriented Pricing – A category of pricing objectives that focus on profit for the business.

Profitability – The degree or level of profit of a business of a product.

Promissory Note – A legal form signed by a borrower promising to repay a loan
Promotion – A marketing function that communicates information about products, services, images or ideas to customers or clients to influence their purchase behavior.

Promotional Budget – The amount of money a business plans to spend on promoting its goods and services during a certain period of time.

Promotional Materials – Information designed to influence buying decisions.

Promotional Mix – A combination or blend of marketing communication channels that a business uses to send its messages to consumers.

Pronunciation – The act of speaking words clearly.

Prospect – Any person or business with the potential to purchase a good, service or idea; qualified lead.

Prospecting – The act of identifying any person or organization with the potential to buy a product and compiling that information in an organized manner for future use.

Prospective Customer – A potential customer; one who might buy.

Prosperity – A period of economic growth generally marked by higher employment, increased production and accelerated purchasing of goods and services.

Psychographic Segmentation – The division of a market on the basis of consumer's lifestyles and personalities.

Public Goods – Goods and services used by all people and that cannot be withheld from people who don't help to pay for them.

Public-Relations Promotion – A type of institutional promotion created to deal with controversial public issues that are related to a company or its products.

Public-Service Promotion – A type of institutional promotion that informs consumers about noncontroversial issues that are in the public's interest.

Public Warehouse – A storage facility owned by a company that rents storage space to other companies.

Publicity – Any nonpersonal presentation of ideas, goods or services that is not paid for by the company or individual which benefits from it.

Purchase – Obtaining a good or service.

Purchase Order – A form identifying the prices, discounts, dating or transportation charges, applicable to an order issued by a buyer or a seller.

Purchasing – A marketing function that involves that planning and procedures necessary to obtain goods and services for use in the operation of a business or for resale.

Purchasing for Resale – The process of purchasing goods in large quantities and reselling them in smaller quantities.

Pure Competition – A market in which there are great many buyers and sellers of nearly identical products and marketers have very little control over pricing; the most competitive market.

Pure Risks – Risks that carry with them possibility of loss or not loss.

Pure Services – Services provided to consumers without the involvement of any tangible product.

Qualified Prospects – Organizations or individuals, who have a need for a product, have the ability to pay, have the authority to buy and are accessible to the salesperson.

Quality Check – An examination of incoming goods or materials to ensure that they meet the quality standards of the purchaser.

Quality Circles – Problem solving groups of co-workers who are given work situations or problems to study and discuss in order to recommend solutions to management.

Quality of Work Life – The general conditions in which employees work.

Quantity Check – A count to verify the number of goods or materials in a shipment.

Quotas – Specific goals to be met.

Ratio – A mathematical expression of the comparison between two factors, e.g., the ratio of pints to quarts is 2 to 1 or 2:1.

Rational Motives – Buying motives that cause people to buy because of the advantages or benefits of the item; appealing to the sense of reason or judgment.

Rationing – A function of relative prices that determines who gets the goods and services produced; determining how scarce resources will be distributed.

Raw Form – Natural state or condition.

Raw-Goods Producer – A type of producer that provides goods in their natural state.

Raw Materials – Items in their natural state or condition.

Reaching Closure – The phase of the selling process in which the salesperson addresses customer objections and asks the customer to buy.

Reaffirming the Buyer-Seller Relationship – The phase of the selling process that requires the salesperson to utilize techniques to follow up a sale in order to increase the customer's confidence in the buying decision.

Real Income – (See Disposable Income)

Rebate – A return of part of the price a customer pays for a good or service, usually offered by the manufacturer of the product.

Receiving – Taking physical possession of goods.

Receiving Area – A specific area of a business set aside to receive incoming shipment of goods.

Receiving Process – The process of receiving, checking and marketing incoming goods or materials and routing them to storage or the sales floor.

Receiving Record – A form identifying each shipment by purchase order number, delivery date, vendor, carrier, transportation charges, number of pieces in shipment, weight of shipment, kinds of classes of merchandise and departments that received the shipment after processing.

Recession – A six-months' decline in gross national product marked by decreasing production, increasing unemployment and decreasing purchasing by consumers.

Referral – A method of prospecting in which the salesperson asks someone he or she knows or someone who uses the salesperson's products to recommend the salesperson to others.

Referrals - Persons or organizations to whom a salesperson is recommended.

Regular Credit Account – A credit account that allows credit users to buy at any time during a set period, usually 30 days; also called an open account.

Regulate – To control according to an established set of rules or regulations.

Regulated Monopoly – A monopoly that the government allows to exist legally.

Regulatory Factors – Consumer protection and federal antitrust laws that affect businesses.

Related Merchandise – Merchandise that can be used with the customer's original purchase.

Related Merchandise Close – A closing technique that uses merchandise which goes with the item being presented to help customers make buying decisions.

Relative Price – One price compared to another or the ratio between them.

Rent – Money payments for the use of land or property.

Rental or Lease Agreements – Contracts in which one party takes possession of the property of another for a specific period of time for a certain amount of money.

Reorder Point – The level of inventory at which an order for new stock should be placed.

Repeat Business – Customers who continue to buy from a company, salesperson.

Repossess – To take back the ownership of property.

Resale – The process of selling again.

Research – Investigation or inquiry.

Resource – Any item that is used to produce goods and services.

Resource File – A listing of potential vendors' or suppliers' names, addresses, merchandise information and business history.

Retail Installment Sales Acts (RISA) – State laws governing installment sales of personal property.

Retailer – An intermediary who purchases merchandise from manufacturers or wholesalers and resells it in small quantities to consumers.

Return – Business profit.

Return on Investment – A profit-oriented pricing objective in which the business bases the amount of profit it wants to earn on the amount of its capital investment.

Return on Sales – A profit-oriented pricing objective in which the business bases the amount of profit it wants to earn on the amount of its sales; often called target return.

Returns – Goods returned to the business that sold them.

Revenue – Income.

Revolving Credit Account – A type of credit account that limits the total amount of money that may be owed and charges interest on outstanding balances.

Risk – The possibility of financial loss.

Risk Management – A marketing function that involves managing marketing activities to optimize the relationships of potential loss to gain.

Robbery – Theft through the use of force, violence or fear.

Robinson-Patman Act – A federal regulation that prohibits price discrimination.

Safety – Freedom from danger, risks of injury.

Safety Hazard – A situation that might cause bodily harm to employees.

Safety Stock – Slightly larger amount of stock than the business expects to sell.

Salaries – Money payments for labor.

Sales Close – The point in a sales presentation at which the customer makes a favorable buying decision.

Sales Finance Company – A business which purchases borrowers' contracts from sellers' the borrower then makes payments to the sales finance company.

Sales Forecast – A prediction of future sales over a specific period of time.

Sales Opening – The beginning step in a selling process when the customer and the salesperson first communicate.

Sales-Oriented Pricing - A category of pricing objectives that focus on increasing total amount of income from sales.

Sales Presentation - The part of the selling process in which the salesperson shows the customer the benefits of the product's features; includes sales talk and product demonstration.

Sales Promotion – Promotional activities other than advertising, personal selling and publicity which stimulate customer purchases.

Sales Talk – Words used by the salesperson in the sales presentation to describe the product features and customer benefits.

Sales Tax – Tax charged on retail sales; calculated by multiplying the total price for the merchandise being purchased by the appropriate tax rate.

Samples - Small amounts of a product that can be used by a prospective customer.

Savings and Loan Association – A financial institution that offers savings accounts and makes loans to borrowers, most of which are for real estate purchases.

Scanner – The wand or electronic screen that reads Universal Product Codes found on products and enters product information into the computer.

Scarcity – A condition resulting from the gap between unlimited wants for goods and services and limited resources.

Seal – Symbol given by a testing organization, indicating quality and safety.

Seasonal Businesses – Companies that operate only during certain times of the year.

Seasonal Product – Any product that is used only at certain times of the year.

Secondary Data – Information that has been collected for purposes other than the project at hand.

Secondary Product Promotion – A kind of product promotion intended to stimulate demand for a particular brand of a product.

Secured Loan – A type of loan in which the borrower pledges to the lender some valuable possession as collateral of security, to guarantee that the loan will be repaid.

Security Systems – Devices used to notify owners that the security of a building has been breached.

Selective Distribution – Distribution of products that is restricted to certain areas.

Self-Service Stores – A store in which customers usually help themselves and need not to be small supply and high prices.

Seller's Market – The best time for producers to sell; characterized by large demand, small supply and high prices.

Selling – A marketing function which involves responding to consumer needs and wants through planned, personalized communications intended to influence purchase decisions .

Selling Activity Policies – Guidelines for selling activities which involve interaction with customers or potential customers.

Selling Aids - Models, brochures, flip charts, display boards, pictures, graphs, slides, films, and overlays that can be used by a salesperson to provide the customer with more product information.

Selling Policies – General rules established by management to guide the personal selling effort and outline how things must be done.

Selling Price – The amount a seller charges the purchaser for a good or a service.

Selling Process – A systematic approach to selling that consists of a sequence of selling phases intended to assist the salesperson in achieving her or his goal of making a sale

Selling Skills – The ability to determine customers' needs, wants and buying motives; to open and close sales; to question customers; to handle customer objections; to suggest additional or substitute items; to demonstrate products and follow up sales.

Service – An intangible product that is performed rather than produced, e.g., haircuts, insurance and dry cleaning.

Service Approach – A polite question that indicates willingness to be of service to the customer.

Service Attitude – A salesperson's commitment to the client's needs as expressed through his or her professional behavior.

Service Business – A type of business that performs intangible activities that satisfy the wants of consumers and industrial users.

Service Policies – Guidelines governing the support a company provides to the customer after a sale through return, repair and installation policies.

Shared-Time – The use of two employees to share the responsibility for one full-time position.

Sherman Antitrust Act – A federal regulation intended to prevent monopolies from forming and prices from being fixed.

Shipper – The business that is shipping the goods

Shipping Charges – The amount charged to ship a product to the user, based on distance shipped and the weight of the package.

Shoplifting – Customer theft of goods from a business.

Shopping Goods – Consumer goods that are purchased after consumers have compared goods and stores in order to get the best quality, price and/or service.

Short-Change Artists – Thieves who try to confuse cashiers into giving them more change than is due.

Short-Term Goals – Goals that take less than a year to achieve.

Shortage – The condition that exists when less money is in the register than calculations indicate would be there at the end of a period of time.

Show 'Em – A method of handling objections in which the salesperson answers the objection by showing the product in use; also called the demonstration method.

Showmanship – The use of dramatic techniques to show the product's features.

Signature Loan – (See Unsecured loan)

Silence Close – A closing technique which the salesperson stops talking after the presentation to allow the prospect time to think and to respond.

Silent Customers – Clients who are shy, insecure or too sensitive to talk very much even when they need help.

Sincere Complaint – An honestly felt dissatisfaction by the customer/client.

Situation Analysis – A determination of a firm's current business situation and the direction in which the business is headed.

SKU Code – A two- to four- digit code number assigned to a stockkeeping unit or SKU.

Slow / Methodical Customers – Customers who require a lot of time to make a purchase because of shyness or difficulty in making a choice or buying decision.

Social Responsibility – The duty of business to contribute to the well being of society.

Social Trends – The direction of changes in people's lifestyles.

Socialism – A modified command economic system in which the government owes the basic means of production, but in which there is private ownership of businesses as well.

Society – A group of individuals who share an environment.

Sole Proprietorship – A form of business ownership in which the business is owned by one person.

Specialization – The process of making the best use of resources in the production of goods and services.

Specialty goods – Consumer goods with special or unique characteristics that consumers are willing to exert special efforts to obtain.

Specification Sheet – A written, detailed and precise description of a product.

Speculative Risks – Risks that may result in loss, no change or a gain.

Stamp – A grade assigned by the government to indicate quality, size or color.

Standard – An acceptable level of quality, design or make up that has come about through the study and experience of organizations.

Standardization – The establishment of basic limits or grade ranges in the form of uniform specifications to which goods should conform.

Standing Room Only Close (SRO) – A closing technique in which the salesperson mentions to the customer that the item being presented in one-of-a-kind or a limited supply.

State “Cooling off” Laws – State regulations that allow consumers to cancel contracts with door-to-door salespeople within a certain number of days.

Stock Handling – The loading, unloading and handling of goods.

Stock Level – The amount of goods on hand.

Stock Rotation – The process of placing old stock in front of new so that the older stock will be sold first.

Stockkeeping Unit – Each item or group of related items in a unit control system; called an SKU.

Stockout – A situation in which there is no stock on hand of an inventory item.

Stockpiling – Maintaining a large inventory.

Storage Warehouse – A facility that hold goods in storage.

Strategies – Plans of action for achieving goals and objectives.

Subgoal – A lesser goal that must be achieved for the main goal to be reached.

Subsidy – A sum of money granted by the government to a private business which has financial problems.

Subsistence – Existence at a level that barely supports life.

Substitute Items – Goods or services other than the original request which are suggested by a salesperson when the store does not have the item requested or the salesperson recognizes the customer’s true needs.

Suggesting Ownership Close – A closing technique in which the salesperson presents an image of benefits the prospect will enjoy from making a purchase.

Suggestion Selling – A sales technique in which the salesperson attempts to increase the customer’s purchase by suggesting additional items after the original decision to buy has been made.

Summary Close – A closing technique in which the salesperson reviews the features and benefits at the conclusion of the presentation.

Superior Attitude – Outlook of people who seem to believe that they are better than the people around them and who tend to be very self-confident and dominant in groups.

Supplies – Industrial goods that are constantly being purchased and used up in the operation of business.

Supply – The quantity of a good or service that sellers are able and willing to offer for sale at a specified price in a given time period.

Supply and demand – Economic principle that states that the supply of a good or service will increase when demand is great and decrease when demand is low.

Surety Bond – A guarantee that protects a business when another person or business fails to fulfill the terms of the contract between them .

Survey Method - A method of data collection conducted by mail, telephone or in person.

Suspicious Customers – Clients who question everything and may way facts and proof before being convinced something is true.

Tactics – Specific actions that will be used to carry out strategies.

Target Market – The particular group of customers a business seeks to attract.

Target Marketing – the identification and selection of markets for a business or for a product.

Target Return – (See Return on Sales.)

Tariff – a tax on imported goods.

Technical Jargon – The specialized language of a trade.

Technology – Scientific applications to business objectives or the methods used to attain those objectives.

Telephone Loan Applications - telephone interviews in which individuals apply for credit.

Telephone Survey – A method of collecting data in which interviewers obtain respondents' answer to a questionnaire over the telephone.

Term-of-Sale policies – Guidelines covering the aspects of a sale with which customers usually are most concerned.

Test Marketing – The process of introducing a new product to a limited market to determine what its acceptance will be.

The testimonial – Method of handling objections in which the sales person refers to a neutral third party who has tried that product as an example; also called third-party method; a statement by an identified user of a product, proclaiming the benefits received from the use of the product.

Ticket – A piece of thick paper prepared by the retailer that contains inventory information, e.g., price, color, size, and vendor.

Time Decision – The decision a customer makes on when to buy.

Time Utility – usefulness created when products are made available at the time that are needed or wanted by customers.

Title - right of ownership or a document showing the right of ownership.

Tone - The sound or quality of a person's voice.

Toss-it-back – Method of handling objections in which the salesperson turns the customer's objection into a valid reason for buying; also called boomerang method.

Total Costs – the combination of a firm's fixed and variable costs.

Trade Industries – Business that buy and sell goods to others.

Trade show- display space used by the members of a specific industry to display and promote their products.

Trademark – A symbol, design or word used by a producer to identify a good or service and registered with the government to prevent use by others.

Trade-off – giving up all or part of one thing in order to get something else.

Trading-down – Selling lower priced item than the one originally requested because it would meet the customer's real needs.

Trading-up – A sales technique in which the salesperson suggests higher-priced merchandise that that originally requested by a customer.

Traditional economy – an economic system in which people produce only what they must have in order to exist and all economic decisions are based on habit and tradition.

Transportation – The act of moving anything from one place to another or the method by which it moved, e.g., railroads, motor carriers, water carriers, pipelines and air carriers.

Travel and Entertainment Card - A type of credit card frequently used by travelers to pay bills in restaurants, clubs, hotels, and motels, e.g., Diner's Club.

Trend – the general direction in which something is moving.

Trendsetter – One who is a leader in introducing new styles or movements.

Truth-in-Lending Act – A federal law that requires all finance charges be disclosed on consumer credit arrangements.

Try It – Method of handling objections in which the salesperson allows the customer to try out the product before buying it.

Turnover rate – The number of times inventory sells or turns, during a particular periods of time.

Trying Agreement – An illegal agreement requiring a customer to buy other merchandise in order to obtain desired goods and services.

Ultimate Consumer - Anyone who personally uses a good or service to satisfy her or her own wants.

Ultimate Consumption - The process or activity of using goods or services for personal use.

Undecided Customer - A type of customer who feels a need or want for something but does not know the exact good or service.

Undercover Shopper - An individual who poses as a customer in order to check on the honesty of employees.

Unemployment Compensation - A public welfare program that provides income to worker for a certain period of time when they have become unemployed through no fault of their own.

Unfair Trade Practices - Business activities that are not fair to consumers or to other business.

Uniform Commercial Credit Code (UCCC) - A set of credit laws drawn up to give states a model to follow in writing their own.

Unit Control - Keeping track of inventory according to the number of physical units of stock.

Unit Pricing - A pricing technique in which consumers are given the price per unit (pound, ounce) for products.

Unsafe Acts - Actions that create dangerous conditions.

Unsafe Conditions - Any circumstances in the work environment that may cause an accident.

Unsecured Loan - An amount of money borrowed by an individual or a business simply by signing a promissory note promising to repay the loan.

Upward Communication - Information from a subordinate to a superior.

Utility - Usefulness; ability to satisfy consumer needs or wants.

Value - The amount of satisfaction a good or service will provide a customer.

Variable Costs - Business costs that change according to changes in sales volume.

Vendor - A supplier of goods.

Venture Team - A small group composed of representatives from different areas of the company for the purpose of seeking new ventures or opportunities, for the business.

Verbal - Of or involving the use of words.

Vertical Price Fixing - Price agreements between businesses on different levels of the channel of distribution.

Visual Merchandising - Display.

Volume - Loudness or softness of voice.

Voluntary Chain Store - A relationship formed by a number of independent business owners who join together to buy merchandise to be shipped to individual stores.

Wages – Money payments for labor.

Want – Something that may not be essential.

Warehouse-and-Requisition Plan – A form of centralized buying in which the central buying authority arranges for an initial assortment of merchandise to be shipped to individual stores.

Warehousing – Placing goods in safe locations until they are needed or are ready to be sold.

Warranty – A promise made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected.

Watchdog Agency – A term used to refer to any government regulatory agency because such agencies act as protectors or watchdogs, over the rights of businesses and individuals.

Weak Product – A product whose sales and profitability are declining.

Wholesaler – An intermediary who purchases goods from manufacturers and resells them to other businesses.

Word-of-Mouth Advertising – Publicity for a business provided by customers who tell others of their satisfaction with the business.

Worker Productivity – The amount of work a worker can perform in a given period of time, e.g., customers served per hour.

Working Capital – Excess of assets over liabilities; available funds.

Yes, But... - Method of handling objections in which the salesperson tactfully acknowledges an objection and then courteously answers the objection without directly contradicting the customer.