

## Entrepreneurship © 2013

### Chapter 10: Product, Price, and Place—Glossary

**brand.** Name, term, or design that sets a product or business apart from its competitors.

**branding.** Using a product's personality, image, and history to position it favorably in the minds of consumers.

**break-even point.** Amount of revenue a business must generate to equal its expenses.

**channel of distribution.** Path that goods take through the supply chain.

**competition-based pricing.** Pricing method based primarily on what the competitors charge.

**cost-based pricing.** Cost of the product is used to set the product's selling price.

**demand-based pricing.** Pricing method based on what customers are willing to pay.

**direct channel.** When a product goes directly from the manufacturer, or producer, to the end user.

**indirect channel.** Path a product takes when intermediaries are involved in getting the product from the producer to the end user.

**intermediaries.** People or business in between the manufacturers or producers and the end user.

**keystone pricing.** Doubling the total cost of a product to determine its selling price.

**list price.** Established price printed in a catalog or on a price tag.

**logo.** Graphic symbol closely associated with a brand.

**manufacturer's suggested retail price (MSRP).** List price recommended by a manufacturer.

**market share.** Percentage of the total sales in a given market that one business conducts.

**markup.** Desired amount of profit added.

**place.** Activities involved in getting a product or service to the end user

**product life cycle.** Consists of the stages a product goes through from the beginning to the end.

**product line.** Group of closely related products within the product mix.

**product mix.** All the goods and services that a business sells.

**product positioning.** Distinguishing your products from competing products.

**profit margin.** Amount by which revenue from sales exceeds the costs of making the product and selling it.

**prototype.** Working model for a new product for testing purposes.

**psychological pricing.** Pricing technique used by retailers to influence buying decisions.

**return on investment (ROI).** Common measure of profitability for a business.

**return on sales (ROS).** Measure of a company's profitability and is equal to the net income divided by total sales.

**selling price.** Price a customer actually pays for the product after discounts and coupons.

**supply chain management.** Coordinating the events happening throughout the supply chain.

**tagline.** Phrase or sentence that summarizes some essential part of the product. Also known as a *slogan*.

**utility.** Attribute that makes a product capable of satisfying a need or want.

**value.** Relative worth of something to a person.