

# Glossary

**80/20 inventory rule.** The rule that states that 80 percent of the sales for a business come from 20 percent of its inventory. (21)

## A

**ability.** The skill to perform a task. (29)

**accounts payable.** Money a business owes to its suppliers for goods or services received. In accounting, accounts payable are considered a liability. (33)

**accounts receivable.** Money owed to a business by customers for goods or services delivered. In accounting, accounts receivable are considered an asset. (33)

**accounts receivable aging report.** Document that shows when accounts receivables are due as well as the length of time accounts has been outstanding. (19)

**action plan.** Detailed time line, the budget, and the metrics to evaluate the effectiveness of a campaign. (4)

**action word.** A verb telling the readers what to do. (24)

**active listening.** When the listener is focused on what is being said. (22)

**active reading.** When the reader is thinking about what he or she is reading. (22)

**activities-preference inventory.** Assessment to determine which activities a person prefers when given a choice. (29)

**adaptability.** The ability to make changes to be a better match, or fit, in new situations. (27)

**adding value.** Enhancing a feature or service to inspire a customer to purchase. (3)

**advertising agency.** A firm that creates ads, commercials, and other parts of promotional campaigns for its clients. (24)

**advertising campaign.** A coordinated series of linked ads with a single idea or theme. (24)

**Advertising Self-Regulatory Council (ASRC).**

Organization that establishes the policies and procedures for advertising self regulation. (24)

**agenda.** The list of topics to be discussed, decisions to be made, or other goals for a meeting. (27)

**agent.** Someone working on the behalf of another party. (20)

**agent/broker channel.** Path of selling in which the producer hires an agent to sell to the wholesaler. (20)

**AIDA.** Acronym for customer attention, interest, desire, and action. (23)

**analogous colors.** Colors that are adjacent to one another on the color wheel. (25)

**angel investor.** Private investors who want to fund promising start-up businesses. (33)

**antitrust.** A term created by the government in an effort to fight the big corporate trusts that operate as monopolies. (11)

**approach.** Step in which the salesperson makes the first in-person contact with a potential customer. (26)

**aptitude.** Natural talent or natural ability to do something. (29)

**art.** All of the elements that illustrate the message of an ad. (24)

**assets.** Property or items of value owned by a business. (33)

**attitude.** How a person feels about something or the way a person looks at the world and responds to events. (12, 27)

**autocratic style.** A style of management in which the leader makes all decisions without input from others. (28)

## B

**bait and switch.** Practice of advertising one product with the intent of persuading a customer to buy a more expensive item when they arrive in the store. (18)

- balance.** The way items are placed around an imaginary centerline. (25)
- balance of trade.** Difference between the exports and imports of a nation. (9)
- balance sheet.** Financial report that shows the net worth of a company. (28)
- barriers.** Anything that prevents clear, effective communication. (22)
- barter.** Exchange of one good or service for another good or service. (3)
- base price.** General price at which the company expects to sell the product. (19)
- behavioral segmentation.** Dividing a market by the relationships between customers and the product or service. (12)
- benefit.** Attribute of a product that will be an advantage for the customer. (11)
- bid.** Formal written proposal that lists all the goods and services that will be provided, their prices, and time line. (14)
- blog.** A website in a journal format created by a person or organization. (23)
- body language.** Communication through facial expressions, gestures, body movements, and body position. (22)
- bootstrapping.** Cutting all unnecessary expenses and operating on as little cash as possible. (33)
- brand.** Name, term, or design that sets a product or business apart from its competition. (16)
- brand equity.** Value of having a well-known brand name. (17)
- brand loyalty.** Situation in which the customer will only buy a certain brand of product. (17)
- brand name.** The name given to the product consisting of words, numbers, or letters that can be read and spoken. (17)
- break-even point.** The point at which revenue from sales equals the costs. (19)
- brick-and-mortar.** The term for a physical store. (20)
- budget.** Financial plan that reflects anticipated revenue and shows how it will be allocated in the operation of the business. (28)
- buffer stock.** Additional stock kept above the minimum amount required to meet forecasted sales. (21)
- bulk-breaking.** Process of separating a large quantity of goods into smaller quantities for resale. (20)
- burglary.** An event that occurs when a person breaks into a business to steal merchandise, money, valuable equipment, or take confidential information. (32)
- business.** All of the activities involved in developing and exchanging products and services. (1)
- business cycle.** Cycle that consists of alternating periods of expansion and contraction in the economy. (8)
- business market.** Customers who buy products for use in a business. (3)
- business operations.** Day-to-day activities necessary to keep a business up and running. (31)
- business plan.** Written document that describes a new business, how it will operate, and make a profit. (31)
- business product.** An item sold to businesses to keep them operating, as in B2B. (15)
- business purchasing.** Acquiring goods or services to accomplish the goals of an organization. (14)
- business-to-business (B2B).** Business market of businesses selling primarily to other businesses. (3)
- business-to-business (B2B) selling.** Process of selling from one business to another business. (26)
- business-to-consumer (B2C).** Consumer market of businesses selling primarily to individual consumers. (3)
- business-to-consumer (B2C) selling.** Process of selling to consumers. (26)
- buyer.** The person responsible for planning and ordering inventory. (14)
- buying motive.** The reason a consumer seeks and buys a product or service. (13)
- buying signal.** Verbal or nonverbal sign that a customer is ready to purchase. (26)
- buying status.** When a customer will buy a product or service. (12)

## C

**call center.** Office that is set up for the purpose of receiving and making customer calls for an organization. (26)

**capital.** All of the tools and machinery used to produce goods or provide services. (6)

**capital good.** Product businesses use to produce other goods, rather than being bought by consumers. (6)

**career.** Series of related jobs in the same profession. (1)

**Career and Technical Student Organization (CTSO).** An organization for high school students interested in a career area, such as DECA for marketing students. (29)

**career clusters.** Sixteen groups of occupational and career specialties that share common knowledge and skills. (1)

**career ladder.** Series of jobs organized in order of education and experience requirements. (29)

**career pathways.** Career areas included in the career clusters that consist of careers ranging from entry-level to those requiring advanced college degrees and years of experience. (1)

**career plan.** List of steps that will enable you to achieve your career goal. (29)

**category manager.** Manager who performs the same functions as a product manager but is responsible for an entire category of products. (15)

**certificate program.** Nondegree training programs. (30)

**chamber of commerce.** Group of businesses whose main purpose is to encourage local business development. (10)

**channel.** Different routes products take from the producers to the customers. (2) How a message is transmitted, such as face-to-face conversation, telephone, e-mail, text, or any other appropriate vehicle. (22)

**channel management.** Handling activities involved in getting products through the different routes from the producers to the customers. (2)

**channel of distribution.** Path that goods take through the supply chain. (20)

**circulation.** Number of copies distributed to subscribers and stores for sale. (23)

**close.** The moment when a customer agrees to buy a product. (26)

**code of conduct.** Statements that list specific behaviors expected from employees representing the company in business situations. (5)

**code of ethics.** Statements that provide general principles or values, often social or moral, that guide the organization. (5)

**coincident indicator.** Indicator that changes at the same time as changes in economic activity. (8)

**cold calling.** Process of making contact with people who are not expecting a sales contact. (26)

**collaboration.** Working with others to achieve a common goal. (27)

**collateral.** An asset pledged that would be claimed by the lender if the loan were not repaid. (33)

**collection agency.** A company that collects past-due bills for a fee. (19)

**collusion.** A situation that occurs when business leaders work together to eliminate their competition, set prices, and control distribution. (11)

**color scheme.** A description of color combinations. (25)

**color wheel.** Standard arrangement of 12 colors in a wheel that shows the relationships among the colors. (25)

**command economy.** Economy is one in which the government makes all of the economic decisions. (6)

**commercial.** Buying and selling on a large scale. (3)

**commercialization.** Introduction stage of the product life cycle. (16)

**common carrier.** An independent trucking company. (20)

**communication process.** Series of actions on the part of the sender and the receiver of the message. (22)

**competition-based pricing.** Strategy based primarily on what the competitors charge. (19)

**competitive advantage.** Offering better value, features, or service than the competition. (11)

**complementary colors.** Colors found opposite to one another on a color wheel. (25)

**conflict.** A situation in which disagreements lead to hostile behavior, such as shouting or fighting. (27)

**conflict of interest.** When an employee has competing interests or loyalties. (28)

**consulting style.** A style of management that combines the democratic and autocratic styles. The manager makes the final decision, but only after considering input from the employees. (28)

**consumer.** Person who buys products or services and also uses them. (1)

**consumer behavior.** Actions taken by people to satisfy their needs and wants including what they buy. (13)

**consumer credit.** Credit given to an individual by a retail business. (19)

**consumer market.** Customers who buy products for their own use. (3)

**consumer price index (CPI).** Measure of the average change in the prices paid by urban consumers for typical consumer goods and services over time. (7)

**consumer product.** Products sold to consumers for their personal use, as in B2C. (15)

**continuing professional education.** Education for people who have already completed their formal schooling and training. It is also called professional development. (30)

**contract.** Legally-binding agreement. (3)

**control.** Monitor the progress of the team to meet its goals. (28)

**controllable risk.** A risk that cannot be avoided, but can be minimized by purchasing insurance or implementing a risk management plan. (32)

**convenience good.** A good that is usually bought often with little effort and for immediate use. (15)

**cooperative education program.** A program that prepares students for an occupation through a paid job and classes at school. (29)

**copy.** Text that provides information and sells the product. (24)

**copyright.** Exclusive right to copy, license, sell, or distribute material. (5)

**corporate culture.** How the owners and employees of a company think, feel, and act as a business. (5)

**corporate formalities.** Records and procedures that corporations are required by law to complete. (31)

**corporate social responsibility.** Actions a business takes to further social good. (5, 17)

**corporation.** As defined by the US Supreme Court, is "an artificial being, invisible, intangible, and existing only in contemplation of the law." (3)

**cosigner.** A person who signs a loan with the applicant and takes on equal responsibility for repaying it. (33)

**cost control.** Practice of monitoring costs to stay within a planned budget. (28)

**cost of credit.** Variable expense that influences the pricing decisions for products. (19)

**cost-based pricing.** Method that uses the cost of the product to set the product selling price. (19)

**cost-push inflation.** Inflation that occurs when increasing business costs push up production costs and consumer prices. (7)

**cover message.** Letter or e-mail that accompanies your résumé and expresses your interest in a job. (30)

**creative plan.** Outline of the goals, primary message, budget, and target market for different ad campaigns. (24)

**creativity.** The ability to make new things or think of new ideas. (16)

**credit bureau.** Private firm that maintains consumer credit data and provides credit information to business for a fee. (19)

**credit report.** A record of a business or person's credit history and financial behavior. (19)

**credit risk.** Potential of credit not being repaid. (19)

**creditor.** Individual or business to whom money is owed for goods or services provided. (19)

**currency.** Money that a country uses. (9)

**customer.** Individual or group who buys products. (2)

**customer loyalty.** Continued and regular patronage of a business when there are other places to purchase the same or similar products. (19)

**customer profile.** Detailed description of the typical consumer in a market segment. (12)

**customer relationship management (CRM).** System to track contact and other information for current and potential customers. (5)

**customer satisfaction.** Degree to which customers are pleased with a company's goods or services. (2)

**customer service.** The way in which a business provides services before, during, and after a purchase. (26)

**customer support team.** The employees who assist customers, take orders, or answer questions coming into the company via phone or website. (26)

**customer-service mindset.** The attitude that customer satisfaction always comes first. (26)

**cyber bullying.** Using the Internet to harass or threaten an individual. (5)

## D

**data.** Pieces of information gained through research. (10)

**data mining.** Searching through large amounts of digital data to find useful patterns or trends. (10)

**database.** Organized collection of data most often in digital form. (10)

**database marketing.** Gathering, storing, and using customer data for marketing directly to them based on their histories. (10)

**DBA license.** Also known as a *doing business as license*, is needed to register a business. (31)

**debt financing.** Borrowing money for business purposes, such as to start or expand a business. (33)

**debtor.** Individual or business who owes money for goods or services received. (19, 27)

**debtor-creditor relationship.** Legal relationship existing between a debtor and a creditor based on good faith that both parties will uphold their end of the agreement. (19)

**deceptive pricing.** Pricing products in a way to intentionally mislead a customer. (18)

**decline stage.** Stage of the product life cycle during which product sales begin to decrease. (15)

**decline stage.** Stage of the product life cycle during which product sales begin to decrease. (15)

**decoding.** Translating a message into terms that the receiver can understand. (22)

**demand-based pricing.** Pricing strategy based on what customers are willing to pay. (19)

**demand-pull inflation.** Inflation that occurs when increasing demand pulls up prices. (7)

**democratic style.** A style of management in which the leader encourages team members to participate and share ideas equally. (28)

**demographic segmentation.** Dividing the market of potential customers by their personal statistics. (12)

**demographic trend.** Changes in the size of different segments of the population. (10)

**demographics.** Qualities, such as age, gender, and income, of a specific group of people. (10)

**depression.** Economic contraction that is very severe and long lasting. (8)

**design.** Purposeful arrangement of materials to produce a certain effect. (25)

**developed country.** A country with a strong base of industrial production, good infrastructure, and a high standard of living. (9)

**developing country.** A country that has a lower standard of living, weaker infrastructure, and less industry than a developed country. (9)

**diary.** Written record of the thoughts, activities, or plans of the writer during a given period of time. (10)

**direct channel.** Path of selling goods or services directly from the manufacturer to the end user without using intermediaries. (20)

**direct competitors.** Companies that sell products or services identical or very similar to the ones another company sells. (11)

**direct mail.** Advertising message sent through the US Postal Service to current or potential customers. (23)

**directions.** The steps that must be carried out in a specific order to complete a task successfully. (15)

**discretionary income.** Remaining take-home pay after life necessities are paid for. (12)

**display.** Visual presentation of merchandise or ideas. (25)

**disposable income.** Take-home pay a person has available to dispose of, meaning spend. (12)

**diversity.** Having people who are different races or who have different cultures in a group or organization. (22, 27)

**dynamic.** Something that is constantly changing, such as the needs and wants of customers. (2)

## E

**economics.** Science that deals with examining how goods and services are produced, sold, and used. (6)

**economic growth rate.** General direction of growth for the overall economy. (7)

**economic input.** Resources used to make products. (6)

**economic output.** All the goods and services produced by an economic system during a specific time. (6)

**economic recovery.** Period of expansion after a trough. (8)

**economic risk.** Situation that occurs when the economy suffers due to negative business conditions in the United States or the world. (32)

**economic system.** Organized way in which a state or nation allocates its resources to create goods and services. (6)

**economy of scale.** Decrease in unit cost of a product resulting from large scale manufacturing operations. (21)

**elastic demand.** Product demand in which the percent change in demand is greater than the percent change in price. (18)

**electronic data interchange (EDI).** Standard transfer of electronic data for business transactions between organizations. (21)

**electronic promotion.** Any promotion that uses the Internet or other technology like smartphones. (23)

**embargo.** Government order that prohibits trade with a foreign country. (9)

**embezzlement.** A situation in which an employee is stealing either money or goods entrusted to him or her. (32)

**emergency.** An unforeseen event that can cause harm to people and property. (32)

**emergency action plan.** Detailed plan that describes what to do in case of an emergency. (32)

**emotional intelligence.** Ability to recognize your emotions, realize how your emotions affect other people, and understand what those emotions mean. (28)

**empathy.** The ability to see things from the point of view of another person. (22, 27)

**emphasis.** Drawing the attention of the viewer to the most important part of a display. (25)

**employment trend.** Direction of change in the number of jobs in a particular career. (29)

**encoding.** Process of turning the idea for a message into symbols that are communicated to others. (22)

**entrepreneur.** A person who starts a new business. (31)

**entrepreneurial discovery process.** The process of finding a need for a product or service. (31)

**entrepreneurship.** Willingness and ability take on the risks and responsibilities of starting a new business. (6, 31)

**entry-level job.** The first job on a career ladder that requires the least amount of education and experience. (29)

**Environmental Protection Agency (EPA).** Federal agency that provides information about environmental-compliance rules and regulations. (5)

**equilibrium.** Point at which the supply equals the demand for a product. (7)

**equity.** Amount of ownership a person has in a business. (33)

**equity financing.** Raising money for a business in exchange for a percentage of the ownership. (33)

**ergonomics.** The science of adapting the workstation to fit the needs of the worker and lessen injury. (27)

**e-tailer.** A retailer that sells through the Internet. (20)

**ethics.** Set of rules of behavior based on ideas about what is right and wrong. (5)

**event marketing.** Promotional activity that encourages customers to participate rather than just observe. (23)

**excuse.** A personal reason not to buy. (26)

**expansion.** Period when GDP is rising. (8)

**expense.** Money that goes out of a business to pay for the items or services it buys. (28)

**exclusive distribution.** Placement that occurs when there is only one channel member, or distributor of products, in a market area. (20)

**export.** Good that is sold to another country. (9)

**export management company.** Independent company that provides support services, such as warehousing, shipping, insuring, and billing on behalf of the business. (20)

**extensive decision-making process.** Decision-making process that involves a great deal of research and planning. (13)

**external influence.** Motivator or change factor from outside the business. (14)

**external theft.** Theft that is stealing by people who are not employed or otherwise associated with the retailer. (21)

**externality.** Something that affects people not directly connected to an economic activity. (8)

## F

**factor of production.** Economic resource nations use to make products and supply services for their citizens. (6)

**fad.** Something that is very popular for a short time and dies out quickly. (10)

**false advertising.** Overstating the features and benefits of products or services or making false claims about them. (5)

**feasible.** A term that means that something can be done successfully. (31)

**feature.** Fact about a product or service. (11, 15)

**feature-benefit selling.** Method of showing the major selling features of the product and how it benefits the customer. (26)

**Federal Trade Commission (FTC).** Main federal agency that enforces advertising laws and regulations. (5)

**feedback.** Response of the receiver to a message, and it concludes the communication cycle. (22)

**finance.** All activities involving money. (3)

**financial planning.** Process of setting financial goals and developing methods for reaching them. (28)

**fiscal policy.** Tax and spending decisions made by the President and Congress. (8)

**fixed assets.** Items of value that may take time to sell. (33)

**fixed expense.** An expense that does not change and is not affected by the number of products produced or sold. (18)

**fixed expenses.** Expenses that remain the same every month. (33)

**fixture.** Item designed to hold something. (25)

**floating currency.** State that occurs when the exchange rate is set by the supply and demand in the foreign exchange market. (9)

**focus group.** Group of 6 to 9 people with whom an interview is conducted. (10)

**foreign exchange rate.** Cost to convert one currency into another. (9)

**form utility.** Value that is added when a business changes the form of something to make it more useful. (3)

**four Cs of writing.** Elements of clear, concise, courteous, and correct communication. (22)

**four Ps of marketing.** Element of product, price, place, and promotion. (2)

**franchise.** The right to do business using the brand and products of another business. (31)

**franchise agreement.** Legal document that sets up a franchise. (31)

**franchise fee.** Money that a franchisee pays the franchisor for the right to use the business brand name and sell its products. (31)

**franchisee.** The person who buys the right to sell the brand products is the franchisee. (31)

**franchisor.** Company or person who owns the business and the brand. (31)

**fraud.** Cheating or deceiving a business out of money or property. (32)

**free-trade-zone.** Group of countries that have reduced or eliminated trade barriers among themselves. (9)

**freeware.** Fully functional software that can be used forever without purchasing it. (5)

**freight forwarder.** A company that organizes shipments. (20)

**frequency.** Number of times the ad appears before the customer. (24)

**full employment.** When every person who is willing and able to work has a job. (7)

**function.** General word for a category of activities. (1)

**functions of business.** Elements of production, finance, marketing, and management. (1)

## G

**general partnership.** Form of ownership in which all partners have unlimited liability. (31)

**generation.** Group of people born during a certain time in history. (12)

**generic brand.** Product that lacks a widely recognized name or logo is a generic brand. (17)

**geographic segmentation.** Segmenting a market based on where customers live. (12)

**give notice.** To notify a supervisor of the intention to leave a job. (27)

**global economy.** Economic activity of every nation in the world. (9)

**globalization.** State that occurs when nations become connected through freely moving goods, labor, and capital across borders. (9)

**goal.** Something a person wants to achieve in a specified time period. (1)

**goal setting.** Process of deciding what a person wants to achieve. (1)

**good.** Physical item that can be touched. (2)

**goodwill.** Advantage a business has due to its good reputation. (5)

**government market.** A market that includes national, state, and local government offices and agencies. (14)

**greeting approach.** An approach to selling that consists of a friendly welcome to the store or department. (26)

**gross domestic product (GDP).** Market value of all final products produced in a country during a specific time period. (7)

**growth stage.** Stage of the product life cycle during which product sales increase rapidly. (15)

**gross profit.** Amount of profit before subtracting the costs of doing business. (19)

**growth stage.** Stage of the product life cycle during which product sales increase rapidly. (15)

**guarantee.** A promise that a product has a certain quality or will perform in a specific way. (15)

## H

**hazard.** Situation that could result in injury or damage. (32)

**headline.** Words designed to grab attention so viewers will read the rest of the ad. (24)

**hierarchy of needs.** Belief that some needs must be satisfied before others. (13)

**hook.** Aspect of an ad that grabs attention is often called the hook. (24)

**hue.** Pure color itself, for example, red. (25)

**human risk.** A negative situation caused by human actions. (32)

**hypothesis.** Statement that can be tested and proved either true or false. (10)

## I

**idea.** Concept, cause, issue, image, or philosophy that can be marketed. (2)

**image.** The idea that people have about someone or something. (16)

**import.** Good that is purchased from another country. (9)

**impulse buying decision.** Purchase made with no planning or research. (13)

**income statement.** Financial report that shows the revenue and expenses for a business during a specific period of time. (28)

**indicator.** Sign that shows the condition or existence of something. (7)

**indirect channel.** A channel that uses intermediaries to get the product from the manufacturer to the end users. (20)

**indirect competitors.** Companies that offer different, but similar, products or services that could also meet customer needs. (11)

**industrial good.** Good used in the production of other goods or consumed by a business. (20)

**industry.** Group of businesses that produce similar goods or services. (3)

**inelastic demand.** Demand for a product that is not affected by price. (18)

**inflation.** Term for a general rise in prices throughout the economy. (7)

**inflation rate.** Rate of change of prices calculated on a monthly or yearly basis. (7)

**information interview.** Talking to someone to learn about his or her career. (29)

**information utility.** Value that is added when marketing provides information about a product to a customer. (3)

**infrastructure.** Transportation systems and utilities necessary for a modern economy. (6)

**initiative.** The personal energy and desire that is needed to do something. (27)

**inseparability.** When the creation of the service cannot be separated from its use. (15)

**insider trading.** When an employee uses private company information to purchase company stock or other securities for personal gain. (28)

**installation.** The act or process of making a good ready for use in a certain place. (15)

**installment loan.** A loan paid in regular payments, known as installments, with interest until the loan is paid in full. (19)

**institution.** Public and private nonprofit organization, such as a school, hospital, or museum. (14)

**institutional promotion.** Promoting a company, rather than a specific product. (23)

**insurance.** A financial service used to protect individuals and businesses against financial loss. (32)

**insurance premium.** The payment cost of an insurance policy. (32)

**intangible.** Something that cannot be touched, tried out before purchase, or returned. (15)

**integrated marketing communications (IMC).** Combining the use of all forms of marketing communication in a coordinated way. (23)

**intellectual property.** Something that comes from a person's mind, such as an idea, invention, or process. (17)

**intensity.** Brightness or dullness of a color. (25)

**intensive distribution.** Placement of a product in every potential sales situation possible. (20)

**intermediary.** Person or business in between the manufacturers or producers and the end users. (20)

**internal influence.** Motivator or change factor that come from within the business itself. (14)

**internal theft.** Theft that is committed by employees of a store, a supplier, or a delivery company. (21)

**international trade.** State that occurs when the economies of nations become interconnected through free movement of goods, labor, and capital across borders. This is also called globalization. (9)

**internship.** A program that allows students to leave school to work in a career for a set amount of time each day and receive classroom credit. Internships may be paid or unpaid. (29)

**interpersonal skills.** Group of skills that enable a person to interact with others in a positive way. (27)

**interview.** Formal meeting between two or more people to obtain certain information. (10)

**introduction stage.** Stage of the product life cycle during which a new product is first brought to the market. (15)

**inventory.** Assortment or selection of items that a business has in stock to sell to a customer. (14, 21)

**inventory management.** Process of buying and storing inventory while keeping the costs associated with the inventory low. (21)

**inventory shrinkage.** Difference between the perpetual inventory and the actual physical inventory is called inventory shrinkage. (21)

**invoice.** Vendor bill requesting payment for goods shipped or services provided. (21)

## J

**jingle.** A tagline or slogan set to music. (17)

**job.** Work a person does regularly in order to earn money. (1)

**job application.** Form with spaces for information about you, your education, and your work experience. (30)

**job lead.** Information that leads to a job opening. (30)

**job shadowing.** Following a person while he or she does a job. (29)

**just-in-time (JIT) inventory-control system.** A system that keeps a minimal amount of production materials or sales inventory on hand at all times. (21)

## K

**keystone pricing.** Doubling the total cost of a product to determine its base price. (19)

## L

**labor.** Work performed by people in businesses. (6)

**labor force.** All people who are capable of working and who want to work. (7)

**lagging indicator.** Indicator that changes after a change in economic activity. (8)

**laissez-faire.** Economic policy allowing businesses to operate with very little interference from the government. (8)

**laissez-faire style.** A style of management in which the leader allows employees to make their own decisions about how to complete tasks. (28)

**land.** All of a nation's natural resources. (6)

**law of diminishing marginal utility.** Idea that consuming more units of the same product decreases the marginal utility from each unit. (18)

**law of supply and demand.** Law that says that the greater the demand for a given supply of a product, the price will be higher. (7)

**lawsuit.** Process of bringing a complaint to a court for resolution. (32)

**layout.** Arrangement of the headline, copy, and art on a page. (24)

**lead.** A potential customer. (26)

**lead time.** The time between reserving the ad space and when it actually runs. (24)

**leader.** A person who guides others to a goal. (27)

**leadership.** The ability of a person to guide others to a goal. (27)

**leading indicator.** Indicator that changes before a change in economic activity. (8)

**letter of inquiry.** A letter that highlights job qualifications, and asks about any job openings, and expresses interest in working for a company. (30)

**liability.** Legal responsibility. (3) A debt of the business, or what it owes to others. (33)

**limited decision-making process.** Decision-making process that requires some amount of research and planning. (13)

**limited liability.** Form of ownership in which a partner or owner is not personally liable for the debts of the business. (31)

**limited partnership (LP).** Form of partnership where there is one managing partner and at least one limited partner. (31)

**line of credit.** Specific dollar amount that a business can draw against as needed. (33)

**liquid assets.** Cash and the items a business owns that can be easily turned into cash. (33)

**list price.** Established price of a product printed in a catalog, on a price tag, or in a price list. (18)

**logo.** Picture, design, or graphic image that represents a brand. (17)

**long-term goal.** Goal that will take a longer time to achieve, usually longer than one year. (1)

**loss leader.** Pricing an item much lower than the current market price or the cost of acquiring the product. (18)

## M

**management.** Process of controlling and making decisions about a business. (3)

**manager.** Worker who directs the work of others and makes decisions. (29)

**manual-tag system.** A system that tracks sales by removing price tags when the products are sold. (21)

**manufacturer's suggested retail price (MSRP).** Price recommended by the manufacturer. (18)

**marginal utility.** Additional satisfaction gained by using one additional unit of the same product. (18)

**market.** Anywhere a buyer and a seller convene to buy and sell goods. (1) People who might buy something. (12)

**market demand.** Total demand of every individual willing and able to buy a specific product. (7)

**market economy.** Economy in which individuals are free to make their own economic decisions. (6)

**market planning.** Creating an actionable marketing plan designed to achieve business goals. (2)

**market risk.** Potential that the target market for new products or services is much less than originally thought. (32)

**market segmentation.** Process of dividing a large market into smaller groups. (4)

**market share.** Percentage of total sales in a market that is held by one business. (4, 11)

**market size.** The total sales per year for a specific product. (11)

**market structure.** How a market is organized based on the number of businesses competing for sales in an industry. (11)

**market supply.** Total supply of every seller willing and able to sell a specific product. (7)

**marketing.** Dynamic activities that identify, anticipate, and satisfy customer demand while making a profit. (1)

**marketing concept.** Approach to business that focuses on satisfying customers as the means of achieving profit goals. (2)

**marketing mix.** Plan of action for marketing a product; it consists of the decisions made about each of the four Ps for that product. (2)

**marketing objective.** Goals a business wants to achieve during a given time, usually one year, by implementing the marketing plan. (4)

**marketing plan.** Document describing business and marketing objectives and the strategies and tactics to achieve them. (4)

**marketing professional.** Person who helps determine the marketing needs of a company, develops and implements marketing plans, and focuses on customer satisfaction. (1)

**marketing research.** Gathering and analyzing information to help make good marketing decisions. (10)

**marketing strategy.** Decision made about product, price, place, and promotion. (4)

**marketing tactic.** Specific activity to carry out the marketing strategies. (4)

**marketing trend.** Pattern of change in consumer behavior that leads to changes in the marketing mix. (10)

**market-share leader.** The company with the largest combined market share. (11)

**marketing-information management (MIM).** Gathering and analyzing information about markets, customers, industry trends, new technology, and the competing businesses. (2)

**marketing-information system (MkIS).** Organized system of gathering, sorting, analyzing, evaluating, and distributing information for marketing purposes. (10)

**markup.** Amount added to the cost of a product to determine the base price. (19)

**marquee.** Overhanging structure containing a signboard located at the entrance to the store. It displays information that can be changed. (25)

**mass market.** Overall market or group of people who might buy a product or service. (12)

**mass marketing.** Using one marketing mix of product, price, place, and promotion for a product. (12)

**maturity stage.** Stage of the product life cycle during which product sales are stable. (15)

**medium of exchange.** Concept that money is used in exchange for goods and services. (3)

**memo.** Brief message sent to someone within an organization. (22)

**merchandise approach.** An approach to selling that consists of a conversation that starts with a comment about the product. (26)

**metaphor.** Word or phrase for one thing used in reference to a very different thing in order to suggest a similarity. (17)

**metric.** Standard of measurement. (4)

**mission statement.** Company message to customers about why the business exists. (4)

**mixed economy.** Economy in which both the government and individuals are involved in making economic resource decisions. (6)

**mobile app.** Software application developed for use by mobile devices. (23)

**monetary policy.** Policy that regulates the money supply and interest rates by a central bank. (8)

**money.** Anything of value that is accepted in return for goods or services. (3)

**monopolistic competition.** A large number of small businesses selling similar, but not identical, products at different prices. (11)

**monopoly.** A market structure with one business that has complete control of a market's entire supply of goods or services. (11)

**motion.** A recommendation for action to be taken by the group. (27)

**motivate.** To provide the internal push that results in action. (13)

**motive.** Internal push that causes a person to act. (13)

**movement.** The way the design guides the viewers' eyes over an item or display. (25)

**multicultural society.** Society consisting of people from many cultures. (22)

**multigenerational.** Idea that people of different generations are in the same place, such as living in the same home or working together in the same office. (22)

**multinational corporation.** Corporation that produces and sells products in foreign countries as well as inside its borders. (9)

**multitasking.** Performing several tasks at the same time. (27)

## N

**national brand.** A brand created by a manufacturer for its own products. (17)

**natural resources.** Raw materials found in nature, such as soil, water, minerals, plants, and animals. (6)

**natural risk.** Situation caused by an act of nature. (32)

**need.** Something necessary for survival, such as food, clothing, and shelter. (1)

**net profit.** What is left after all company expenses are subtracted from total revenue. (19)

**net worth.** Value of a company. (28)

**netiquette.** Accepted social and professional guidelines for communicating using the Internet. (5)

**networking.** Process of making connections with people in the work world. (30)

**new product.** A product that is different in some way from existing products. (16)

**niche market.** Piece of the target market that is very narrow and specific. (12)

**nominal GDP.** The GDP in current dollars, calculated without adjusting for inflation. (7)

**nonprice competition.** Competitive advantage based on factors other than price. (11)

**nonprice competition.** Way other than price to win business. (7)

**nonprofit organization.** Organization that is an entity that exists to serve some public purpose. (3)

**nonverbal communication.** Actions, as opposed to words, that send messages. (20)

**North American Industry Classification System (NAICS).** Numerical system used to classify businesses and collect economic statistics. (14)

## O

**objection.** A concern or other reason a customer has for not making a purchase. (26)

**occupation.** Term used for a specific career area, such as advertising or sales. (29)

**oligopoly.** A market structure with a small number of large companies selling the same or similar products. (11)

**operating expenses.** Ongoing expenses that help keep a company functioning. (33)

**operational planning.** Process of determining the day-to-day goals for the company. (28)

**opportunity cost.** Value of the best option you did not choose. (6)

**optimism.** The expectation that things will turn out well. (27)

**option.** A feature that can be added to a product by customer request. (15)

**order bias.** Skewing of results caused by the order in which questions are placed in a survey. (10)

**organizational buyer.** A person who buys products for a business. (14)

**organizational chart.** A diagram of employee positions showing how the positions interact within the chain of command. (28)

**overselling.** Promising more than the product or the business can deliver. (26)

**owner's equity.** Difference between a business' assets and its liabilities. (33)

## P

**packaging.** Something that protects products until customers are ready to use them. (15)

**packing slip.** Document that lists the contents of the box or container. (21)

**parliamentary procedure.** A process for holding a meeting so that the meeting is orderly and democratic. Parliamentary procedure is based on the guidelines in Robert's Rules of Order. (27)

**partner.** Form of ownership in which two or more people own the business. (31)

**partnership.** Relationship between two or more people who join to create a business. (3)

**partnership agreement.** Agreement that details how much each partner will invest, each partner's responsibilities, and how profits are to be shared. (31)

**passive listening.** When the listener hears the message, but does not pay attention to what is being said. (22)

**peak.** Highest point in a business cycle. (8)

**peer pressure.** Social influence exerted on individuals by their peers. (13)

**peer-to-peer lending.** Borrowing money from investors via a website. (33)

**per capita GDP.** The GDP of a nation divided by its population. (7)

**perception.** Mental image a person has about something. (17)

**perfect competition.** Competition that is characterized by a large number of small businesses selling the same products at the same prices. (11)

**periodic inventory-control system.** A system that involves taking a physical count of merchandise at regular periods, such as weekly or monthly. (21)

**perishability.** The idea that services are intangible and cannot be stored for later use. (15)

**perpetual inventory-control system.** Method of counting inventory that shows the quantity on hand at all times. (21)

**personal brand.** The sum of the differences between you and those around you. (17)

**personal selling.** Any direct contact between a salesperson and a customer. (23)

**persuasion.** Logic to change a belief or get people to take a certain action. (23)

**philanthropy.** Promoting the welfare of others—usually through volunteering, protecting resources, or donating money or products. (5)

**phishing.** Use of fraudulent e-mails and copies of legitimate websites to trick people into providing personal, financial, and other data. (3)

**physical inventory.** Actual count of all items in inventory at that time. (21)

**pipeline.** Line of connected pipes that are used for carrying liquids and gases over a long distance. (20)

**place strategy.** Decision about how and where the products will be produced, acquired, shipped, and sold to customers. (4)

**place.** Activities involved in getting a product or service to the end users, and is also known as distribution. (2)

**place utility.** Value that is added when products are available at convenient places. (3)

**plagiarism.** Using the words of someone else without giving credit to the person who wrote them. (28)

**planned obsolescence.** Evaluating and updating current products or adding new ones to replace older ones. (32)

**point-of-purchase display (POP).** Special display usually found near a cash register where goods are purchased. (25)

**point-of-sale (POS) software.** Software that electronically records each sale when it happens by scanning product bar codes. (21)

**portfolio.** Selection of materials that you collect and organize to show your qualifications, skills, and talents. (30)

**possession utility.** Value added when it becomes easier for a customer to acquire a product. (3)

**postsecondary.** A term that means *after high school*. (30)

**posttesting.** Measuring the changes in brand awareness or attitudes toward the brand after a campaign. (24)

**preapproach.** Tasks performed before contact is made with a customer. (26)

- predatory pricing.** Setting very low prices to remove competition, such as foreign companies that price their products below the same domestic ones to drive the domestic companies out of business. (18)
- prejudice.** Feeling of like or dislike for someone, especially when it is not reasonable or logical. (22)
- preselling.** Creating interest and demand for a product before it is available for sale. (23)
- press conference.** Meeting set by a business or organization in which the media is invited to attend. (23)
- press kit.** Packet of information distributed to the media about a new business opening or other major business events. (23)
- press release.** A story featuring useful company information written by the company PR contact. (23)
- pretesting.** Measuring the effectiveness of an ad before it is seen by the general public. (24)
- price.** Amount of money requested or exchanged for a product. (2)
- price ceilings.** When the government sets maximum prices for certain goods and services it thinks are being priced too high. (18)
- price competition.** When a lower price is the main reason for customers to buy from one business over another. (11)
- price discrimination.** When a company sells the same product to different customers at different prices based on personal characteristics. (18)
- price floors.** When the government sets minimum prices for certain goods and services that it thinks are being priced too low. (18)
- price gouging.** Raising prices on certain kinds of goods to an excessively high level during an emergency. (18)
- price strategy.** Business decision about pricing and how prices are set to make a profit. (4)
- price-fixing.** When a group of competitors come together and set a high price for a specific product. (18)
- pricing objectives.** Goals defined in the business and marketing plans for the overall pricing policies of the company. (19)
- primary data.** Pieces of information collected by you or your organization. (10)
- private carrier.** A company that transports its own goods. (20)
- private warehouse.** A warehouse owned by a company for storage of their own goods. (20)
- private-label brand.** Products owned by and created specifically for large retailers. (17)
- pro forma balance sheet.** A statement that reports the assets, liabilities, and owner's equity for a proposed business. (33)
- pro forma cash flow statement.** A statement that reports the anticipated flow of cash into and out of the business. (33)
- pro forma financial statement.** Financial statements based on the best estimate of future revenue and expenses for a new business. (33)
- pro forma income statement.** A statement that projects the financial progress of the business. (33)
- procrastination.** The delay of doing something that should be done now. (27)
- producers.** Business that buy raw materials and equipment, which they use to make products and product components. (14)
- product.** Anything that can be bought or sold. (2)
- product depth.** Number of product items within a product line. (15)
- product item.** Specific model, color, or size of products in a line. (15)
- product line.** Group of closely related products within the product mix. (15)
- product life cycle.** Stages a product or a product category goes through from its beginning to end. (15)
- product manager.** Marketing professional who guides the selection of products and oversees the marketing and sales of those products. (15)
- product mix.** All of the products and services that a business sells. (15)
- product obsolescence.** A product that, over time, becomes out-of-date. (32)
- product planning.** Process of deciding which product elements to include that will appeal to the target market. (15)

**product promotion.** Promoting specific products or services offered by the business. (23)

**product specification sheet.** A sheet that provides product facts including sizes, colors, materials, and weights. (21)

**product strategy.** Decision marketers use to help make about what products a business should sell. (4)

**product trend.** Change in current product features or a new product being developed. (10)

**product width.** Number of product lines a company offers. (15)

**product/service management.** Determining which products a business should offer to meet customer needs. (2) Organizational structure that manages the development, marketing, and sale of a product or products. (15)

**production.** Any activity related to making a product. (3)

**productivity.** Amount of work a person can do in a specific amount of time. (6)

**profession.** Term used for jobs in a business field requiring similar education, training, or skills. (1)

**profit.** Money that a business has left after all the expenses and costs of running the business are paid. (2)

**profit motive.** When business owners earn profits and are motivated to start and expand businesses. (7)

**promotion.** Process of communicating with potential customers in an effort to influence their buying behavior. (2)

**promotion strategy.** Decision about which selling, advertising, sales promotions, and public relations activities to pursue in the promotional mix. (4)

**promotional campaign.** Coordination of marketing communications to achieve a specific goal. (23)

**promotional mix.** Combination of the elements used in a promotional campaign. (4)

**proportion.** Size and space relationship of all items in a display to each other and to the whole display. (25)

**proprietary information.** Information a company wishes to keep private. (28)

**props.** Objects used in a display to support the theme or to physically support the merchandise. (25)

**prototype.** Working model of a new product for testing purposes. (16)

**psychographic segmentation.** Dividing the market by certain preferences or lifestyle choices. (12)

**psychographics.** Data about the preferences or choices of a group of people. (12)

**psychological influences.** Influences that come from within a person or why a person has specific needs and wants. (13)

**psychological pricing.** Pricing techniques that create an image of a product to entice customers to buy (19\_.

**public relations.** Type of promotion that focuses on creating a positive image of a company rather than the product. (2)

**public warehouse.** A warehouse that offers storage space to any company. (20)

**pull promotional concept.** Using promotions to make customers actively seek out the product. (23)

**purchase incentive.** Item that helps persuade a customer to make a purchase, such as rewarding loyal customers with discounts or free products. (2)

**purchase order (PO).** The form a buyer sends to the vendor to officially place an order. (21)

**purchasing agent.** A person who buys goods and services that the company needs internally to operate its business. (14)

**push promotional concept.** Taking the product directly to the customer. (23)

## Q

**qualitative data.** Data that provide insight into what people think about a topic. (10)

**quality.** The degree of a product's excellence usage. (15)

**quality control.** Activity of checking goods as they are produced or received to ensure the quality meets expectations. (21)

**quality service.** Providing service that meets customer needs as well as the standards for customer service set by the company. (26)

**quantitative data.** Data from which conclusions can be drawn. (10)

**quick response (QR) codes.** Bar codes that, when scanned with a smartphone, connect the user to a website or other digital information. (23)

**quota.** Amount of a product imported into a country during a specific period of time. (9)

## R

**radio frequency identification (RFID).** A system that uses computer chips attached to inventory items and radio frequency receivers to track inventory. (21)

**reach.** Number of viewers expected to see an ad. (24)

**reading for detail.** Reading all of the words and phrases and considering their meanings. (22)

**real GDP.** The GDP in constant dollars, calculated with an inflation adjustment. (7)

**receiver.** Person who gets the message. (22)

**receiving barriers.** Events that occur when the receiver says or does something that causes a message to not be received as intended. (22)

**receiving record.** The form on which all merchandise received is listed as it comes into the place of business. (21)

**recession.** Period of great decline in total output, employment, trade, and income. (8)

**reference.** One who is willing to talk with employers about your job qualifications and personal qualities. (30)

**reference group.** A group of people who influence buying decisions. (13)

**relationship selling.** The focus on building long-term relationships with customers. (26)

**release date.** The date a new product is available for sale. (16)

**reorder point.** A control that triggers the time to place an order before the inventory gets too low. (21)

**repackaging.** Using new packaging on the same product, is another common way to create a new product. (16)

**report.** A longer discussion of a topic presented in a structured format. Reports often include references to research. (22)

**repositioning.** Marketing an existing product in a new way to create a new position in the minds of customers to increase sales. (16)

**research sample.** Group of people or target market on which the research is done. (10)

**resellers.** Businesses that buy finished products to resell them to consumers. (14)

**résumé.** Written document that lists your qualifications for a job, including education and work experience. (30)

**retailer channel.** Path of selling goods from the producer to the retailer, then the retailer to the consumer. (20)

**return on investment (ROI).** Ratio that shows the efficiency of an investment by comparing the gains from the investment to its cost. (4)  
Common measure of profitability based on the amount earned from the investment made in the business. (19)

**return on marketing investment (ROMI).** A measurement showing the overall effectiveness of a marketing campaign or yearly budget. (19)

**revenue.** Money that a business takes in for the products or services it sells. (28)

**reverse engineering.** Taking apart an object to see how it was made—usually in order to produce something similar. (16)

**risk.** Possibility of loss, damage, or injury. (32)

**risk assessment.** Process of analyzing a business for possible risks. (32)

**robbery.** Theft involving another person, often by using force or with the threat of violence. (32)

**role.** The part that someone has in a family, society, or other group. Roles come with responsibilities and expectations. (27)

**routine buying decision.** Purchase made quickly and with little thought. (13)

## S

**sales forecast.** Prediction of future sales based on past sales and a market analysis for a specific time period. (28)

**sales-increase factor.** Percentage of expected increase in sales, which is usually a sales goal. (28)

**Sarbanes-Oxley Act.** Law that requires companies to be open and honest in their accounting and reporting practices. (5)

**saturated market.** Occurs when most of the potential customers who need, want, and can afford a product have bought it. (15)

**scannable résumé.** Résumé that is formatted to eliminate typographical elements, such as bold, bullets, italics, and indents. (30)

**scanning.** Moving the eyes quickly down the page to find specific words and phrases. (22)

**scarcity.** Event that occurs when demand is higher than the available resources. (6)

**search engine optimization (SEO).** Process of indexing a website to rank it higher on the list when a search is conducted. (23)

**secondary data.** Data that already exists and can be found in a variety of sources. (10)

**security.** Series of actions taken to prevent crime and protect the safety of people and property. (32)

**selective distribution.** Placement of a product based on selecting specific places where the manufacturer or wholesaler wants the product to be sold. (20)

**self-actualization.** The need to express a person's true self through reaching personal goals and helping others. (13)

**self-assessment.** A tool that helps a person learn about his- or herself, understand personal preferences, and identify strengths and weaknesses. (29, 31)

**self-esteem.** Personal confidence and satisfaction and a way to measure your feelings of success. (29)

**self-motivation.** The inner urge to achieve set goals. (27)

**selling.** All personal communications with customers. (2)

**selling price.** Actual price paid for a product, after any discounts or coupons are deducted. (18)

**sender.** Person who has a message to communicate is the sender. (22)

**sending barriers.** Events that occur when the sender says or does something that causes the receiver to tune out the message. (22)

**service.** Action that is done for you, usually for a fee. (2)

**service approach.** An approach to selling that begins with the phrase "May I help you?" (26)

**service business.** Businesses that provide services to consumers or other businesses. (14)

**service mark.** A mark that identifies a service rather than a product. (17)

**shareware.** Copyrighted software that is available free of charge on a trial basis, then must be purchased for continued use. (5)

**shoplifter.** A person, posing as a customer, who takes goods from the store without paying for them. (32)

**shopping good.** A good that is usually purchased after making the effort to compare price, quality, and style in more than one store. (15)

**short-term goal.** Goal that can be achieved in less than one year. (1)

**signature.** Identification of the person or company paying for the ad. (24)

**situation analysis.** Snapshot of the environment in which a business has been operating over a given time, usually the last 12 to 16 months. (4)

**situational influence.** Influencers from the environment in which the business exists. (14)

**situational influences.** Influences that come from the environment. (13)

**skimming.** Quickly glancing over the entire document to identify the main ideas. (22)

**SMART goals.** Goals that are Specific, Measurable, Attainable, Realistic, and Timely. (1)

**social democracy.** Socialist system of government achieved by democratic means. (6)

**social influences.** Influencers from the society in which a person lives. (13)

**social responsibility.** Behaving with sensitivity to social, environmental, and economic issues. (5)

**social trend.** Pattern of change in society. (10)

**software piracy.** Illegal copying or downloading of software. (5)

**sole proprietor.** The one person who owns a business and is personally responsible for all its debts. (31)

**sole proprietorship.** Business owned by one person. (3)

**spam.** Electronic messages sent in bulk to people who did not give a company permission to e-mail them. (5)

**specialization.** Worker or group of workers who perform a specific task for increased efficiency. (7)

**specialty good.** Unique item that consumer are willing to spend considerable time, effort, and money to buy. (15)

**staffing.** Process of hiring people and matching them to the best position for their talents. (28)

**standard of living.** Financial well being of the average person in a country. (7)

**start-up capital.** Cash used to start the business. (33)

**start-up costs.** Initial expenses necessary to open the doors of a business. (33)

**stereotyping.** Classifying or generalizing about a group of people with a given set of characteristics. (27)

**stock.** Right of ownership in a corporation. (7)  
Percentage of ownership in a corporation. (31)

**stock market.** System for buying and selling stocks or a place where stocks are bought and sold. (7)

**stock market index.** Index that tracks the performance of a specific group of stocks. (7)

**stockholder.** A person who buys shares of stock in a corporation and is an owner. (31)

**stockout.** When stock is running out. (21)

**store image.** Image for the business created through the location, design, and décor of a business. (25)

**store layout.** Floor plan that shows how the space in a store will be used. (25)

**store of value.** Item that can be saved, or stored, and used at a later date while holding its value. (3)

**storefront.** Store exterior that includes the store sign or logo, marquee, display windows, entrances, outdoor lighting, landscaping, and the building itself. (25)

**strategic planning.** Process of determining the long-term goals for the company. (28)

**substitute selling.** Technique of showing products that are different from the originally requested product. (26)

**suggestion selling.** The technique of suggesting additional items to go with merchandise requested by a customer. (26)

**supplier.** A business that sells to organizational buyers. Also known as a vender. (14)

**supply and demand.** Economic principle relating the quantity of products available to meet consumer demand. (6)

**supply chain.** Businesses, people, and activities involved in turning raw materials into products and delivering them to end users. (20)

**supply chain management.** Coordinating the events happening throughout the supply chain. (20)

**supply chain manager.** The person who coordinates and monitors all the activities from the building of the product to delivery to the end user. (20)

**surveillance.** Process of observing everything going on at the business to detect and prevent crimes. (32)

**survey.** Organized study in which people are asked the same questions. (10)

**SWOT analysis.** Strengths, weaknesses, opportunities, and threats the business faces. (4)

## T

**tactical planning.** Process of determining the short-term goals for the company. (28)

**tagline.** Phrase or sentence that summarizes some essential part of the product or business. (17)

**target market.** Specific group of customers whose needs a company will focus on satisfying with its products and services. (2, 12)

**target marketing.** Using unique marketing mixes for different target markets. (12)

**tariff.** Government tax on imported goods. (9)

**team.** Two or more people who work together to achieve a common goal. (27)

**tech prep.** Career preparation program that combines the last two years of high school with two years of postsecondary education. (30)

**technology.** Use of science to invent useful things or to solve problems. (6)

**telemarketing.** Personal selling done over the telephone. (26)

**telephone etiquette.** Using good manners on the telephone. (22)

**template.** Document that already has a basic format that can be used many times. (4)

**test marketing.** Introducing a new product to a small portion of the target market, one city for example, to learn how it will sell. (16)

**texture.** The surface quality of materials. (25)

**time utility.** Value that is added when products are made available at the times that customers need and want them. (3)

**time value of money.** Idea that money is worth more today than it would be in the future. (3)

**total assets.** Cash value of everything a company owns. (19)

**trade agreement.** Document listing the conditions and terms under which goods are imported and exported between countries. (9)

**trade association.** Organization of people in a specific type of business or industry. (10)

**trade character.** Animal, real or fictional person, or object used to advertise a good or service. (17)

**trade credit.** Granting a line of credit to another business for a short period of time to purchase its goods and services. (19) When one business grants a line of credit to another business for the purchase of goods and services. (33)

**trade deficit.** State that occurs when a nation has more imports than exports, which results in a negative balance. (9)

**trade sanction.** Embargo affecting only one or several goods. (9)

**trade show.** Large gathering of businesses for the purpose of displaying products for sale. (16)

**trade surplus.** When a nation has more exports than imports, which results in a positive balance. (9)

**trademark.** Identifier that protects taglines, names, graphics, symbols, or any unique method to identify a product or company. (17)

**trading bloc.** Group of countries that join together to trade as if they were one country. (9)

**traditional economy.** Economy is one in which most citizens have just enough to survive. (6)

**transmission.** Act of sending a message. (22)

**transportation.** The physical movement of products through the channel of distribution. (20)

**trend.** Emerging pattern of change. (10)

**triadic colors.** Three colors that are equally spaced on the color wheel. (25)

**trial run.** Testing the service on a few select customers to make sure that everything runs smoothly. (16)

**trough.** Lowest stage of a business cycle that marks the end of a recession. (8)

**turnover rate.** Number of times inventory has been sold during a time period, usually one year. (21)

**typeface.** A particular style for the printed letters of the alphabet, punctuation, and numbers. (24)

**typography.** Visual aspect of the words printed on a page. (24)

## U

**uncontrollable risk.** Situation that cannot be predicted or covered by purchasing insurance. (32)

**unemployment rate.** Percentage of the civilian labor force that is unemployed. (7)

**uniform resource locator (URL).** The unique address of a document, web page, or website on the Internet. (23)

**uninsurable risk.** A risk that an insurance company will not cover. (32)

**unique selling proposition (USP).** Statement summarizing the features and benefits of a company, how it is different from the competition, or how its products are better than the competition. (4, 11)

**unit of value.** Common measure of what something is worth or what something costs. (3)

**unit pricing.** A price that allows customers to compare the prices based on a standard unit of measure, such as an ounce or a pound. (18)

**unit-control system.** A system that uses a visual determination to decide when more stock is needed. (21)

**unlimited liability.** When an individual is responsible for all the debts and actions of the business. (31)

**usage rate.** How often a customer buys or uses a product or service. (12)

**usage.** The way something is used. (15)

**utility.** Characteristics of a product that satisfies human wants and needs. (3)

## V

**value.** What a person believes in. (12) Relative worth of something. (13) Lightness or darkness of a color and how much white or black is mixed with the hue. (25)

**value proposition.** Idea that the value of the product over others that are similar. (18)

**variability.** The idea that each service is nearly always unique. (15)

**variable.** Something that changes or can be changed. (10)

**variable expense.** An expense that changes based on the activities of the business. (18)

**variable expenses.** Expenses that can change on a monthly basis. (33)

**venture capitalist.** Professional investors or investing groups looking to fund new start-ups or expansions of existing companies. (33)

**verbal communication.** Communication through the spoken word. (22)

**viral marketing.** Information about products that customers or viewers are compelled to pass along to others. (23)

**virtual test market.** Computer simulations of consumers, companies, and market environments. (16)

**vision statement.** Overall goal for the future of the company. (4)

**visual merchandising.** Process of creating floor plans and displays to attract customer attention and encourage purchases. (25)

**volume pricing.** Lowering the list price based on the higher number of units purchased at the same time. (19)

## W

**wages.** Money earned for working. (3)

**want.** Something that a person desires, but could live without, such as a new cell phone or a vacation. (1)

**want ad.** Written advertisement for a job, placed by the company that needs the worker. (30)

**warranty.** A written document stating the quality of a product and promising to correct specific problems that might occur. (15)

**web-based pricing software.** Technology that helps businesses to maximize profit by pricing products correctly. (19)

**weight.** Thickness and slant of the letters. (24)

**white space.** Blank areas on a page where there are no art or copy. (24)

**wholesaler channel.** Path the product takes from the producer, to a wholesaler, and the retailer before reaching the end user. (20)

**word-of-mouth publicity.** Informal conversation people have about their experiences with a business and its products. (13)

**work habits.** The basic, routine actions carried out every day at work. (27)

**work values.** Aspects of work that are most important to a person. (29)

**writing process.** Set of sequential stages for each writing task. The process includes prewriting, writing, post writing, and publishing. (22)

**written communication.** Recording of written words. (22)