

Published on behalf of the Institute of
Marketing and the CAM Foundation

Glossary of Marketing Terms

Norman A Hart and
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SECOND EDITION

GLOSSARY OF MARKETING TERMS

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PREFACE

This work is an attempt to set down in one volume a complete range of marketing and associated terms, and to provide a short explanation of each. It may be that in many instances a descriptive, rather than definitive, explanation is given. This, for the most part, is because there have never existed universally accepted definitions; rather there has evolved a number of alternative interpretations, sometimes in direct conflict with one another.

In this Glossary, there are over 2000 terms which should be of value to people practising (and learning) the marketing functions, as well as those of their colleagues who have to be able to interpret and apply the bewildering jargon which is often presented. It must also be acknowledged that a number of terms which the authors felt merited inclusion are not strictly marketing terms, having been borrowed from other disciplines. However, in these cases, the terms have been selected upon the basis of frequent use and benefit in marketing operations and discussions.

In commissioning this book, the Institute of Marketing and the Communication, Advertising and Marketing Education (CAM) Foundation were well aware of the need for authenticity in what would be a pioneer work. Clearly, their sponsorship provides an implied seal of approval. Whilst the authors are in fact wholly responsible for the definitions, the views have been sought of all the leading trade and professional associations, and due regard has been paid to their frequently helpful comments.

The breadth of marketing and its related subjects has led to the inclusion of terms which cover a wide span of activities—research, management, export, packaging, advertising, raw materials, selling, public relations, law and so on. As a result, the terms when put into alphabetical order present an apparently confusing disarray.

Nevertheless, the intention is to provide a comprehensive range, conveniently located to meet the needs of the practising marketing man. The authors will certainly welcome any advice they may receive regarding content and coverage which could help to improve future editions.

Lastly, whilst we have both underestimated the magnitude of the task, we have derived a small pleasure from collecting together in a serious work, definitions of such odd-sounding but interesting terms as 'scamp', 'bleed', 'cold-calling', 'rears', 'shell scheme', 'knocking copy', and many others. It is hoped we have been able to make the useful contribution to the marketing vocabulary which is needed for the professional practice of marketing.

Norman Hart
John Stapleton

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Also our thanks to the dozens of people who have read the text and who have given many valuable comments and criticisms and in particular, to Eileen Stapleton and Trudy Hart, for once again unravelling a very complex manuscript and reproducing it in presentable typed form. We feel that one person has to be singled out for our especial gratitude; it is Ted Jenner, formerly the Institute of Marketing's Director of Diploma Studies. Sharing our determination to achieve a high standard of authority and competence for the work, he has given advice and detailed comments which have been invaluable at all stages.

Finally, thanks are above all due to our wives, not only for assisting throughout but especially bearing with us during the time taken in preparing this book.

N.A.H.
J.S.

A

ABC Audit Bureau of Circulation Ltd. An independent body supported by advertisers, advertising agencies, and media owners, which issues audited circulation figures for subscribing publications. Circulation figures lacking an ABC certificate may not be accurate.

Above-the-line advertising Any form of advertising for which a commission or fee is payable to a recognized advertising agency operating on behalf of its client(s). Usually press, television, radio, cinema, and posters, sometimes referred to as Theme Advertising. *See* Recognition. *See also* Below-the-line advertising.

Absorption Assignment of all costs, both fixed and variable, to goods and/or services provided.

Accelerated motion The apparently increased speed of movement obtained by projecting at normal speed a film that has been taken at less than normal speed when shooting.

Accelerator Relatively small change in demand for consumer goods resulting in a comparatively substantial change in demand for capital plant supplying these goods.

Accommodation bill Bill of Exchange signed by one person to accommodate another. By signing, the person concerned becomes a *guarantor* but receives no payment. He becomes liable if the acceptor fails to pay by the due date.

Accordian fold Small, usually inexpensive, leaflet having alternate folds – accordian like – so that it will pull out into one broadsheet. Often used as give-away or hand-out for sales promotion purposes.

Account (1) In sales, an invoice. (2) In advertising, a client of an advertising or other agency, that is to say, an

Account conflict

organization providing a service in consideration of which an income is derived; hence, the term account.

Account conflict Situation in which an advertising agency or other outside service house is offered a business opportunity which is similar to that of an existing client or account. An advertising agency handling an automobile account could not thus take on another competing and therefore conflicting client in the same field. The problem can be overcome only partially by having a number of separate account groups. A more satisfactory solution is for there to be a separate company with no more than a financial connection.

Account executive An executive in an advertising agency, or other such organization, responsible for the overall managing of a client's requirements. Sometimes known as Account Supervisor, Account Manager, or Account Director, the different titles indicating degrees of responsibility.

Account group Sub-unit of an advertising agency, handling a group of clients or accounts. May be fully or partly selfcontained.

Acetate Thin plastic transparent sheet, originally cellulose acetate, used in graphics as an overlay on layouts or artwork.

Acquisition Purchase of other companies, or manufacturing rights, as a way of expanding a company's activities or increasing its share of a market. Also may be a means of diversification without the risks accompanying the development of a new product; or countering competition with greater certainty than by mounting a direct campaign. *See* Diversification.

Across-the-network Schedule for a particular advertiser or programme series that specifies transmission simultaneously from all the transmitters constituting the network.

Activity sampling An observational technique, using discontinuous tests to estimate the incidence of any defined activity.

Adaptation Use of a basic idea, as in an advertisement, for other media, e.g. posters, point of sale, literature. Also to adapt an advertisement to another shape or size.

Added value Increase in value acquired by materials, components, or other commodities (including labour for example) as a result of any input, whether processing, assembling, handling, distributing, or any other marketing activity.

Address line Part of advertisement or promotional material which contains the address of the advertiser, or the address to which any inquiries should be sent. *See* Base line.

Ad hoc As and when required. Often refers to occasional market surveys.

Administered prices Price levels established by an industry or group of companies within an industry, forming either a monopoly or a cartel. The practice of Resale Price Maintenance was stopped in the UK during 1963, rendering the 'administration of prices' illegal.

Ad valorem According to value. Usually applied to rates, taxes, duty and levies etc.

Advance freight Freight dues paid in advance. Enables an importer to take immediate delivery of shipment following endorsement of a bill of lading.

Advertisement department Part of a publishing or other organization in the communications business concerned with selling advertising space or time, either to an agency or direct to a client.

Advertisement manager Executive responsible for selling advertising on behalf of a publisher, television, radio station or display contractor. Also responsible for

Advertiser

managing the advertisement department. Not to be confused with an *Advertising manager*.

Advertiser Organization or person on whose behalf an advertisement appears, and who ultimately pays the bill.

Advertising Use of paid-for space in a publication, for instance, or time on television, radio or cinema, usually as a means of persuading people to take a particular course of action, or to reach a point of view. May also be taken to include posters and other outdoor advertising. *See Above-the-line or Below-the-line advertising. See also Publicity.*

Advertising agency Business organization set up to provide a service to clients ranging across booking advertising space, designing advertisements and producing them, devising media schedules, commissioning research, providing consultancy, and any associated marketing service. Origin was as agent of a publisher by whom a commission was payable. This system of remuneration still survives in the case of most advertising agencies.

Advertising budget Sum of money set aside for spending on an advertising campaign. Sometimes represents total sum available to cover all advertising expenditure including overheads. Alternatively referred to as 'Advertising appropriation'. *See also Budget and Task method.*

Advertising campaign *See Campaign.*

Advertising commission *See Media commission. See also Agency commission.*

Advertising manager Executive responsible for planning and implementing his company's advertising, also for managing the advertising department. Alternatively, may be known as *Publicity manager, Sales promotion manager, Marketing services manager.*

Advertising medium Vehicle of communication which provides for some form of advertising, e.g. the press,

television, radio and transport services. Alternatively, a communication channel designed specifically for the purpose of advertising, e.g. direct mail, exhibition, poster site, and some printed publications, e.g. catalogues.

Advertising novelty Cheap, possibly gimmicky, gift carrying advertising message, brand name or symbol. Typical examples are key rings, ball pens, scribble pads, stick or pin-on badges.

Advertising rates Basic charges made by advertising media for use of their services or facilities. *See* Rate card.

Advertising regulations Conditions imposed upon advertising by media owners, trade associations, or government. *See* Voluntary controls.

Advertising schedule Programme of planned advertisement insertions, showing detailed costs, timing, nature of media and the bookings to be reserved. *See* Media schedule.

Advertising scheme *See* Scheme advertising.

Advertising Standards Authority *See* ASA.

Advertising strategy The overall plan of an advertising campaign. *See* Marketing strategy.

Advertising theme *See* Theme advertising.

Aerosol Pressurized canister containing a liquid (or cream) which is ejected, usually in the form of a vapour, on the operation of a valve connected to a press button.

'Affordable' method One of a variety of ways of arriving at an advertising budget, on the basis of what a company can afford, rather than what task has to be achieved. *See* Task method.

Affreightment, Contracts of Contracts for the carriage of goods by sea. Standard contracts are shown in bills of lading.

After date Date of payment after that shown on a bill of lading.

After-sales service

After-sales service Service of carrying out repairs, maintenance and the supply of advice or spares after a sale has been transacted; also with a view to further sales. The provision of the service is usually essential to the sale of the product.

After sight A bill of exchange drawn after sight, becomes payable after acceptance, fixing a date of acceptance from acceptor.

Against all risks Term used in marine insurance meaning insured against all generally accepted risks.

Agency bills Bills of exchange drawn on and accepted by the UK branches of foreign banks, usually in London.

Agency commission See Media commission.

Agent (1) Person or organization with express or implied authority to act for another (the principal) in order to establish a contractual relationship between the principal and any third party. Also can act as legal representative. Advertising agencies are an important exception to this role, acting as principals for the services they purchase on behalf of their clients. (2) Term may be used in a general sense indicating the person or organization representing another.

Agent's lien Where the agent legally possesses goods still owned by its principal, it is said to have a lien for monies due from the principal.

Agent's torts Principal is jointly and severally liable for his agent's torts where the agent has been acting for him in the normal course of its agency or upon the instructions of the principal. An advertising agency is an exception.

Aggregate demand Expression of total demand for goods and services within a national economy, usually divided into consumer, industrial, public purchases and exports.

AIDA A mnemonic for Attention, Interest, Desire, Action, denoting the progressive steps of customer reaction

in the process of making a sale. Dates from the late 19th century.

Aided recall Prompting respondents by inducing association of ideas to help recall, particularly of television or cinema viewing. *See* Recall.

Air brush Device which sprays atomized dye or paint in a controlled manner. Used for retouching photographs and for producing artwork.

Air date Normally refers to date of first transmission of a commercial or campaign via a broadcasting service.

Air time Amount of time devoted or allocated to an advertisement on radio or television. May also refer to actual time of transmission.

Airway bill May also be known as Air consignment note. Is used as a contract of carriage by air.

Algorithm Rule for the solution of a problem in a finite number of steps, e.g. a full statement of an arithmetical procedure for evaluating Sin X to a stated precision (BS 3527).

Allonge Attachment to a bill of lading allowing for the inclusion of extra endorsement.

Amongst matter Position of an advertisement, where it is situated amongst editorial material.

Amortization Accounting procedure for extinguishing initial investment in new product launch over a period of years. Also relates to depreciation of plant and equipment.

Analysis Resolution into simple elements, e.g. summary of data into tabulated form. May take the form of a chart or diagram.

Animation Movement added to static objects, especially in relation to cartoons.

Annuals Periodicals which are published once a year, usually in the form of reference books.

Anonymous product testing Tests in which different

Answer print

basic products are all presented in a common anonymous form, e.g. a plain pack. This complements the Pseudo product test in evaluating a consumer's ability to perceive intrinsic product differences.

Answer print The first print of an edited colour film.

Appeal Basis of a selling proposition or advertising message designed to match a 'customers' want', i.e. the appeal identifies what customers desire and what the product or service concerned can supply.

Appreciation (1) Increase in value of asset, e.g. following excess of demand over supply. (2) Summing up or appraisal of a situation or problem.

Appropriation Used in advertising to refer to the total sum of money set aside for all parts of the advertising mix. Equally, there can be appropriations for other parts of marketing or general business activity. Sometimes referred to as Advertising budget.

Artwork Pictorial or illustrative part of an advertisement, or publication, in its finished form ready for blockmaking or production, e.g. a retouched and masked photograph.

'Arbitrary' method Method of arriving at an advertising budget unrelated to calculation and without reference to the task to be achieved. (*See* Task method.) Arbitrary method (*as also* Affordable method) is still a commonplace means of determining how much should be spent on advertising.

Area sample Number of people or organizations, part of a research study, situated in any particular geographical area. *See also* Sample (2).

Arithmetic mean *See* Average.

Arousal method *See* Galvanometric response.

Array Organized display of a set of observations in a statistical analysis.

Art buyer Person responsible for purchasing artwork or photography, usually in advertising agency.

Art director Individual charged with the task of overseeing the transforming of a creative idea into visual form.

Artists' medium Material used by artist for his particular visual expression, e.g. pencil, ink, paint, photography.

ASA Advertising Standards Authority. An independent body set up and paid for by the advertising industry to ensure that its system of self-regulation works in the public interest. The Authority has an independent chairman. Its members are appointed by him to serve as individuals and not as representatives of any section or interest. Half of its members must be from outside advertising. The Authority maintains close contact with central and local government departments, consumer organizations, and trade associations and deals with complaints received through them or direct from the public.

Ascender Stroke, in typography, rising above the x height of a lower case letter, e.g. h, b, k.

Atmosphere Qualitative or subjective value of a medium or publication for advertising purposes.

Atomistic evaluation Evaluation of specific elements or steps in advertising, particularly using indices of advertising effectiveness. *See* Holistic evaluation.

Attention value Extent to which an advertisement can secure the initial attention of a reader, sometimes expressed in quantitative form in Starch or other page-traffic studies. *See* Starch ratings.

Attitude State of mind reflecting a negative or positive personal view about an object or concept; a state of indifference indicates a mid-point between these opposites.

Attitude change

Attitude change Extent to which an attitude varies, usually as a result of external stimuli.

Attitude research An investigation, often by personal interview or group discussion, into the attitude of people towards an organization or its products.

Attrition Gradual wearing away of an individual's loyalty to a product or organization, attributable largely to competitive claims and promotions. May occur with advancing age but can often lead to a change of purchasing behaviour for no very apparent reason.

Audience Group of people exposed to any of the media, but more usually associated with television, radio, or cinema. Audience is a passive word and does not necessarily imply 'attention' to an advertisement. *See* Reach.

Audience composition Classification of audiences by particular characteristics, usually demographic.

Audience data Information relating to size and/or nature of an audience.

Audience duplication *See* Duplication.

Audience flow Gain or loss of audience during a programme.

Audience research *See* Media research.

Audiovisual Any form or combination of visual (ciné film, transparency or video) and sound (record, tape, cassette, optical or magnetic sound track).

Audiovisual sales aids Equipment incorporating facilities for communicating by sight and sound, used by salesmen to simulate an actual demonstration.

Audit Formal examination of accounts or management resources.

Audit Bureau of Circulation (ABC) Industry body formed to monitor and authenticate circulation of publications.

Automatic selling Form of distribution outlet in which goods are retailed through some automatic device such as a vending machine. Also in use by banks for dispensing money and garages for petrol.

Average Usual or normal; most often refers to 'mean' or arithmetic average, the formula for which is:

$$m = \frac{x_1 + x_2 + x_3 \dots x_n}{n}$$

where 'm' is the mean. The mean is unfortunately not always representative of each item in a series and, in such cases, other forms of average, such as the mode or median may be used.

Average cost pricing Pricing policy where an average price is established over a product range based on average cost.

Average frequency Average opportunities to see a commercial announcement among those who are reached at all, i.e. gross reach divided by net reach.

Average propensity to consume That part of national income devoted, on average, by the nation's individuals to consumption of goods and services.

Average revenue Total revenue divided by number of units sold.

B

Back bench Senior editorial executives in a newspaper.

Back cover In advertising, the back cover of a magazine usually available at premium rates for advertising. Special rates apply to both inside and outside back covers. *See* Front cover.

Back-door selling Direct sales approach to the real

Back freight

decision-maker, by-passing the purchasing department which might otherwise act as a barrier.

Back freight Additional charges payable due to freight not being collected within a reasonable time at the port of discharge. Often includes master handling goods at owner's expense and may include transferring goods to another port. May refer to charges for goods to consignor.

Background (1) Secondary information relating to a marketing campaign. (2) Remoter part of an illustration or advertisement layout. (3) Sound effect or musical strain in a broadcast or film.

Backed note An authority, endorsed by broker, to master of ship arranging the loading of goods for shipment.

Back-to-back credit Credit provided to a buyer by finance house acting as contact between foreign buyers and sellers, particularly where the seller does not disclose identity. The terms embodied in the credit reflect the terms of the original sale.

Bad debts Accounts going out of business and still owing money to suppliers. Also an item in financial accounts referring to actual amount of monies so lost, or written off.

Bag Open ended container for wrapping goods usually at the point of sale. Made from paper or plastic, and sometimes including paperboard for added protection. Often bearing distinctive printing indicating origin, and advertising goods or services.

Balance of payments Details of credit and debit transactions of one country against all foreign countries and international institutions. Government control over balance of payments usually affects international marketing policies.

Balance of trade Nation's balance of payments for visibles on current account. *See* Invisible Exports.