Vocabulary

**Augmented product/service:** The basic product and/or service plus any extra or unsolicited benefits to the consumer that may prompt a purchase.

**Benefit variables:** Specific characteristics that distinguish market segments according to the benefits sought by customers.

**Breakdown process (chain-ratio method):** A forecasting method that begins with a large-scope variable and works down to the sales forecast.

**Buildup process:** A forecasting method in which all potential buyers in a target market’s submarkets are identified and the estimated demand is added up.

**Core product/service:** The fundamental benefit or solution sought by customers.

**Customer profile:** A description of potential customers in a target market.

**Demographic variables:** Specific characteristics that describe customers, their purchasing power, their consumption patterns, and other factors.

**Direct forecasting:** A forecasting method in which sales is the estimated variable.

**Indirect forecasting:** A forecasting method in which variables related to sales are used to project future sales.

**Market:** A group of customers or potential customers who have purchasing power and unsatisfied needs.

**Market segmentation:** The division of a market into several smaller groups with similar needs.

**Marketing mix:** The combination of product/service, pricing, promotion, and distribution activities.

**Marketing research:** The gathering, processing, interpreting, and reporting of market information.

**Multi-segment strategy:** A strategy that recognizes different preferences of individual market segments and develops a unique marketing mix for each.

**Primary data:** New market information that is gathered by the firm conducting the research.

**Sales forecast:** A prediction of how much of a product or service will be purchased within a given market during a specified time period.
Secondary data: Market information that has been previously compiled.

Segmentation variables: The parameters used to distinguish one form of market behavior from another.

Single-segment strategy: A strategy that recognizes the existence of several distinct market segments but focuses on only the most profitable segment.

Unsegmented strategy (mass marketing): A strategy that defines the total market as the target market.

Source: