

9.23: 9.22 Key Terms

Table of Definitions

Product	Definition
unsought products	consumer goods that a buyer doesn't anticipate purchasing
actual products	product available for purchase
trademarks (service marks)	symbols that show legal ownership of a brand name or brand mark
tangibles	in terms of the RATER model, the physical appearance of both the facility and its employees
switchers	customers who continually change their purchasing behaviors
supplies and services	goods and services that are typically disposed of and do not contain a tangible value
split loyals	customers who have a consideration set of two or three products or services in a category
specialty products	products that have unique qualities that consumers will make an extra effort to seek out
slow skimming strategy	strategy that sets high prices with low advertising and sales promotion investment
slow penetration pricing strategy	strategy that sets low prices and little promotion to capture market share

Product	Definition
shopping products	products that require more thought from the consumer as they seek the best quality or price
shifting loyals	customers who are loyal to one product or service for a time, then turn their loyalty to a d
services	nonphysical, intangible economic activities
services	intangible solutions that are an exchange between buyer and seller
service-profit chain model	model that establishes relationships between profitability, employee satisfaction
service variability	concept that states the quality of the service depends on who, when, where, and how it is delivered
service perishability	concept that states services cannot be stored in inventory for future use or sale
Service Marketing Triangle	a visual representation of a strategic model that outlines the importance of people
service inseparability	concept where services must be produced and consumed concurrently
service encounter	a consumer's direct contact with a service provider
responsiveness	in terms of the RATER model, promptness and willingness to provide satisfactory and quick ser

Product	Definition
reliability	in terms of the RATER model, the organization's capability to produce an accurate, dependable, a
raw materials	products that a business needs to purchase to make a consumer good
RATER framework of service quality	theoretical model that focuses on the five dimensions of service excellence
rapid skimming strategy	strategy that sets a high price along with extensive advertising and sales promotion
rapid penetration pricing strategy	strategy that sets a lower-price strategy; appropriate when volume sales
profit margins	a widely used financial measure to determine the profitability of a business; considers costs
products	tangible items that are part of an exchange between a buyer and a seller
productivity	the efficiency and output of employees
product modification	alteration of products to fit the market
product mix width	the number of product lines a brand carries
product mix	all the products a company sells
product line stretching	addition of product lines
product line filling	products added to a product line to keep competitors from entering the market

Product	Definition
product line depth	the number of products in a line
product line	a set of products that are similar or complementary
product life cycle	the stages a product goes through, tracking its sales and profitability
product item	a particular good that a company sells
private-label brands	store brands that are similar products to a national brand and labeled privately
possession processing	services in which the service is directed toward the customer's physical possessions
policy gap	in the GAP Model of Service Quality, the difference between managers understanding customer needs
people-based services	tasks in which people, rather than equipment or machinery, play a major role in the de
people processing	services in which the customer is the direct recipient of the service and production, and c
new brands	an entirely different brand entity from a parent company
net profit margin	calculation that deducts all expenses from profitability
national brands	name brands that sell a product or service under its corporate name and identity

Product	Definition
multibrands	new brand names within a company's existing product category
mental stimulus processing	situation in which the services interact with the customer's mind rather than the
maturity stage	part of the product life cycle when sales growth slows and profitability levels off
market modification	an extension of a product to new customers
manufactured materials and parts	products used to create a product
line extensions	products that create new opportunities for an existing product and brand
licensed brands	brands that provide the likeness of their brand as a fee for use
knowledge gap	in the GAP Model of Service Quality, the difference between what customers expect and what man
introduction stage	part of the product life cycle when consumer awareness is building and sales are starting
internal service quality	the perceived level of satisfaction an employee experiences with services offered b
internal service marketing	satisfying employees to motivate them to work as a team to satisfy customers
interactive service marketing	the communication between the service provider and the customer; also called a

Product	Definition
intangible	unable to be seen, tasted, felt, smelled, or heard
information processing	intangible actions directed at a customer's assets, such as insurance or consulting
harvest	to reduce all unnecessary expenses to retain any remaining revenue
hard-core loyals	tried-and-true customers who will generally only purchase one brand in a category
growth stage	part of the product life cycle characterized by increasing sales; stage when copycat brands may
gross profit margin	comparison of profit before expenses to total revenue
GAP Model of Service Quality	theoretical marketing model that helps to identify the gaps between the perceiv
external value proposition	the value companies promise to deliver to customers post-purchase
external service marketing	the action of promoting or selling services to customers and potential customers
equipment-based services	when machinery or equipment plays the primary role in the service delivery
employee satisfaction	the level of happiness and contentment employees have about their jobs and the work en

Product	Definition
employee retention	an organization's ability to retain its employees and stop employees from leaving
empathy	in terms of the RATER model, focusing on customers attentively to ensure they receive caring and dis
divest	to sell a brand or discontinue a product to protect a portfolio
delivery gap	in the Gap Model of Service Quality, the difference between the experience specification and th
decline stage	part of the product life cycle characterized by a significant decrease in sales and profitability
customer satisfaction	a measurement that determines how happy customers are with a company's products, servi
customer loyalty	an ongoing positive relationship between a customer and a business that drives repeat purch
customer gap	in the Gap Model of Service Quality, the variance between the customer's expectations and their
customer experience	the overarching impression that customers have of a brand
cradle-to-cradle packaging design	product design that eliminates waste from the life cycle of package

Product	Definition
cost of goods sold	expenses directly attributable to the product or service
core product	product solution that the customer is actually buying (convenience, ego, ease, flexibility, etc.)
convenience products	products that consumers can purchase easily, quickly, and without a lot of thoughtful d
communication gap	in the Gap Model of Service Quality, the variance between what is communicated to the cust
co-brand	to bring the equity of two brands together for greater value
capital items	assets valuable to a business that also have tangible value
branding	the process of developing a brand
brand value	the financial asset associated with a brand
brand preference	measure of the degree to which a brand is preferred over others in the category
brand positioning	the way a brand signals emotions in consumers' minds
brand name	the official name of a brand
brand lift	measure of customer and noncustomer perception of a product over time
brand extensions	products that leverage the brand name to new product categories

Product	Definition
brand equity	the additional value that a brand has over a substitute
brand engagement	measure of how deeply the customer identifies emotionally with a brand
brand	an intangible asset with tangible value; made up of promotion efforts and customer meaning
augmented product	a product having unseen aspects essential to customers
assurance	in terms of the RATER model, the degree to which an organization inspires trust in its customers

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