

GLOSSARY

The chapter number follows the definition.

- 80/20 rule** In behavioral market segmentation, the rule of thumb that 20 percent of a company's products or customers account for 80 percent of revenues or profits. (7)
- ad valorem duty** A duty that is expressed as a percentage of the value of goods. (8)
- adaptation approach** Management's use of highly localized marketing programs in different country markets. (1)
- adopter categories** In the adoption process developed by Everett Rogers, a typology of buyers at different stages of the "adoption" or product life cycle. The categories are innovators, early majority, late majority, and laggards. (4)
- adoption process** A model developed by Everett Rogers that describes the "adoption" or purchase decision process. The stages consist of awareness, interest, evaluation, trial, and adoption. (4)
- advertising** Any sponsored, paid message that is communicated through a nonpersonal channel. Advertising is one of the four variables in the promotion mix. (13)
- advertising appeal** The communications approach that relates to the motives of the target audience. (13)
- advertising organization** A corporation or holding company that includes one or more "core" advertising agencies, as well as units specializing in direct marketing, marketing services, public relations, or research. (13)
- advocacy advertising** A form of corporate advertising in which a company presents its point of view on a particular issue. (13)
- aesthetics** A shared sense within a culture of what is beautiful as opposed to ugly and what represents good taste as opposed to tastelessness. (4)
- agent** An intermediary who negotiates transactions between two or more parties but does not take title to the goods being purchased or sold. (12)
- Andean Community** A customs union comprised of Bolivia, Colombia, Ecuador, Peru, and Venezuela. (3)
- antidumping duties** Duties imposed on products whose prices government officials deem too low. (8)
- arbitration** A negotiation process between two or more parties to settle a dispute outside of the court system. (5)
- art direction** The visual presentation of an advertisement. (13)
- art director** An ad agency "creative" with general responsibility for the overall look of an advertisement. The art director chooses graphics, pictures, type styles, and other visual elements. (13)
- Association of Southeast Asian Nations (ASEAN)** A trade bloc comprised of Brunei, Cambodia, Indonesia, Malaysia, Laos, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. (3)
- attitude** In culture, a learned tendency to respond in a consistent way to a given object or entity. (4)
- balance of payments** The record of all economic transactions between the residents of a country and the rest of the world. (2)
- barter** The least complex and oldest form of bilateral, nonmonetized countertrade consisting of a direct exchange of goods or services between two parties. (11)
- behavioral market segmentation** The process of performing market segmentation utilizing user status, usage rate, or some other measure of product consumption. (7)
- belief** In culture, an organized pattern or knowledge that an individual holds to be true about the world. (4)
- benefit segmentation** The process of segmenting markets on the basis of the benefits sought by buyers. (7)
- big emerging markets (BEMs)** Countries that have experienced rapid economic growth and represent significant marketing opportunities. (2)
- big idea** A concept that can serve as the basis for a memorable, effective advertising message. (13)
- bill of exchange** A written order from one party directing a second party to pay to the order of a third party. (8)
- Bluetooth** Technology that permits access to the Internet from a cell phone when the user is within the range of a hot spot. (17)

- brand** A representation of a promise by a particular company about a particular product; a complex bundle of images and experiences in the customer's mind. (10)
- brand equity** The reflection of the brand's value to a company as an intangible asset. (10)
- brand extensions** A strategy that uses an established brand name as an umbrella when entering new businesses or developing new product lines that represent new categories to the company. (10)
- brand image** A single, but often complex, mental image about both the physical product and the company that markets it. (10)
- bribery** The corrupt business practice of demanding or offering some type of consideration—typically cash payment—when negotiating a cross-border deal. (5)
- broadband** A digital communication system with sufficient capacity to carry multiple voice, data, or video channels simultaneously. (17)
- business-to-business marketing** Marketing products and services to other companies and organizations. Contrasts with business-to-consumer (b-to-c or B2C) marketing. (12)
- call centers** Sophisticated telephone operations that provide customer support and other services to in-bound callers from around the world. May also provide outsourcing services such as telemarketing. (8)
- call option** The right to buy a specified amount of foreign currency at a fixed price, up to the option's expiration date. (2)
- capital account** In a country's balance of payments, the record of all long-term direct investment, portfolio investment, and other short- and long-term capital flows. (2)
- capital requirements** Costs that can be seen as fixed capital, as in manufacturing facilities, or working capital, as in financing R&D, advertising, field sales and service, customer credit, and inventories. (15)
- CARICOM (Caribbean Community and Common Market)** Formed in 1973, it is a free trade area whose members include Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. (3)
- cartel** A group of separate companies or countries that collectively set prices, control output, or take other actions to maximize profits. (5)
- category killer** A store that specializes in a particular product category and offers a vast selection at low prices. (12)
- Central American Integration System** A customs union comprised of El Salvador, Honduras, Guatemala, Nicaragua, Costa Rica, and Panama. (3)
- centrally planned capitalism** An economic system characterized by command resource allocation and private resource ownership. (2)
- centrally planned socialism** An economic system characterized by command resource allocation and state resource ownership. (2)
- CFR (cost and freight)** A contract in which the seller is not responsible for risk or loss at any point outside the factory. (11)
- chaebol** In South Korea, a type of corporate alliance group composed of dozens of companies and centered around a central bank or holding company and dominated by a founding family. (9)
- channel of distribution** An organized network of agencies and institutions that, in combination, perform all the activities required to link producers with users to accomplish the marketing task. (12)
- characteristics of innovations** In Roger's diffusion of innovation framework, five factors that affect the rate at which buyers accept a new product: relative advantage, compatibility, complexity, divisibility, and communicability. (4)
- cherry picking** In distribution, a situation in which a channel intermediary such as a distributor only accepts new lines from manufacturers whose products and brands already enjoy strong demand. (12)
- CIF (cost, insurance, freight) named port of destination** The Incoterm for a contract requiring the seller to retain responsibility and liability for goods until they have physically passed over the rail of a ship. (11)
- click-through rate** The percentage of visitors to an Internet site who click on an advertisement link presented on the computer screen. (17)
- cluster analysis** In market research, a quantitative data analysis technique that groups variables into clusters that maximize within-group similarities and between-group differences. Can be used in psychographic segmentation. (6)
- co-branding** A variation of tiered branding in which two or more different company or product brands are featured prominently on product packaging or in advertising. (10)
- collaborating with competitors** Seeking competitive advantage by utilizing know-how developed by other companies. (15)
- collaborative agreements** Linkages between companies from different countries for the purpose of pursuing common goals. (9)

- collectivism** In Hofstede's social values typology, the extent to which group cohesiveness and harmony are emphasized in a culture. A shared concern for the well-being of all members of society is also evident. (4)
- combination branding** A strategy in which a corporate name is combined with a product brand name; also called tiered or umbrella branding. (10)
- common agricultural policy (CAP)** Legislation adopted by European countries after World War II to aid and protect the interests of farmers. (8)
- common external tariff (CET)** A tariff agreed upon by members of a preferential trading bloc. Implementation of a CET marks the transition from a free trade area to a customs union. (3)
- common market** A preferential trade agreement that builds on the foundation of economic integration provided by a free trade area and a customs union. (3)
- Common Market of the South (Mercosur)** A customs union comprised of Argentina, Brazil, Paraguay, Uruguay, and Chile. (3)
- common-law country** A country in which the legal system relies on past judicial decisions (cases) to resolve disputes. (5)
- comparability** The degree to which research results from different countries can be used to make valid comparisons. (6)
- compensation trading (buyback)** A countertrade deal typically involving the sale of plant equipment or technology licensing in which the seller or licensor agrees to take payment in the form of the products produced using the equipment or technology for a specified number of years. (11)
- competitive advantage** The result of a match between a firm's distinctive competencies and the factors critical for creating superior customer value in an industry. (1)
- competitor response** The reaction of existing competitors to a new entrant's arrival in an industry or market. (15)
- concentrated global marketing** The target market strategy that calls for creating a marketing mix to reach a niche segment of global consumers. (7)
- confiscation** Governmental seizure of a company's assets without compensation. (5)
- conjoint analysis** In market research, a quantitative data analysis technique that can be used to gain insights into the combination of product features that will be attractive to potential buyers. (6)
- consumer panel** Primary data collection using a sample of consumers or households whose behavior is tracked over time; frequently used for television audience measurement. (6)
- consumer sales promotions** Promotion designed to make consumers aware of a new product, to stimulate nonusers to sample an existing product, or to increase overall consumer demand. (14)
- containerization** In physical distribution, the practice of loading long-haul truck or ocean-going freight into steel boxes measuring 20 feet, 40 feet, or longer. (12)
- continuous innovation** A product that is "new and improved" but requires little R&D expenditure to develop, causes minimal disruption of existing consumption patterns, and requires the least amount of learning on the part of buyers. (10)
- contract manufacturing** A licensing arrangement in which a global company provides technical specifications to a subcontractor or local manufacturer. (9)
- convenience stores** A form of retail distribution that offers some of the same products as supermarkets, but the merchandise mix is limited to high turnover convenience products. (12)
- convergence** The aspect of the digital revolution that pertains to the merging, overlapping, or coming together of previously distinct industries or product categories. (17)
- cooperative exporter** An export organization of a manufacturing company retained by other independent manufacturers to sell their products in some or all foreign markets. (8)
- copy** The words that are the spoken or written communication elements in advertisements. (13)
- copyright** The establishment of ownership of a written, recorded, performed, or filmed creative work. (5)
- copywriter** An advertising agency "creative" who is responsible for developing the headlines, subheads, and body copy used in print advertising and the scripts for broadcast ads. (13)
- corporate advertising** Advertising that is not designed to directly stimulate demand for a specific product. Image advertising and advocacy advertising are two types of corporate advertising. (13)
- cost-based pricing** Pricing based on an analysis of internal costs (e.g., material, labor, etc.) and external costs. (11)
- cost-based transfer pricing** A transfer pricing policy that uses costs as a basis for setting prices in intra-corporate transfers. (11)
- cost focus** In Porter's generic strategies framework, one of four options for building competitive advantage. When a firm that serves a small (niche)

- market has a lower cost structure than its competitors, it can offer customers the lowest prices in the industry. (15)
- cost leadership advantage** A broad market strategy based on a firm's position as the industry's low-cost producer. (15)
- cost-plus pricing** The price that results from adding the additional costs and expenses not directly related to the manufacturing cost to the full-cost price. (11)
- counterfeiting** The unauthorized copying and production of a product. (5)
- counterpurchase** A monetized countertrade deal in which the seller agrees to purchase products of equivalent value that it must then sell in order to realize revenue from the original deal. (11)
- countertrade** An export transaction in which a sale results in product flowing in one direction to a buyer, and a separate stream of products and services, often flowing in the opposite direction. (11)
- countervailing duties (CVDs)** Additional duties levied to offset subsidies granted in the exporting country. (8)
- country-of-origin effect** Perceptions of, or attitudes toward, products or brands on the basis of the country of origin or manufacture. (10)
- coupon** A sales promotion tool consisting of a printed certificate that entitles the bearer to a price reduction or some other value-enhancing consideration when purchasing a particular product or service. (14)
- creative** In an advertising agency, a person who is responsible for developing the appropriate advertising appeal, selling proposition, and creative execution of an advertisement. (13)
- creative execution** In advertising, the way an appeal or selling proposition is presented. Creative execution is the "how," and creative strategy is the "what." (13)
- creative strategy** A statement or concept of what a particular advertising message or campaign will say. (13)
- culture** A society's ways of living are transmitted from one generation to another. Culture's manifestations include attitudes, beliefs, values, aesthetics, dietary customs, and language. (4)
- current account** A record of all recurring trade in merchandise and services, private gifts, and public aid transactions between countries. (2)
- customer relationship management (CRM)** The process of storing and analyzing data collected from customer "touchpoints" for the purpose of identifying a firm's best customers and serving their needs as efficiently, effectively, and profitably as possible. (6)
- customer strategy** A sales representative's plan for collecting and analyzing information about the needs of each customer or prospect. (14)
- customs procedures** Procedures that are considered restrictive if they are administered in a way that makes compliance difficult and expensive. (8)
- customs union** A preferential trade bloc whose members agree to seek a greater degree of economic integration than is provided by a free trade agreement. In addition to reducing tariffs and quotas, a customs union is characterized by a common external tariff (CET). (3)
- data warehouse** A database, part of a company's MIS, that is used to support management decision making. (6)
- delivered duty paid** A type of contract in which the seller has agreed to deliver the goods to the buyer at the place he or she names in the country of import, with all costs, including duties, paid. (11)
- demand conditions** Conditions that determine the rate and nature of improvement and innovations by the firms in the nation. (15)
- demographic segmentation** The process of segmenting markets on the basis of measurable characteristics such as country income, population, age, or some other measure. (7)
- department store** A category of retail operations characterized by multiple sections or areas under one roof, each representing a distinct merchandise line and staffed with a limited number of salespeople. (12)
- devaluation** The decline in value of a currency relative to other currencies. (2)
- developed countries** Countries that can be assigned to the high-income category. (2)
- developing countries** Countries that can be assigned to the upper ranks of the low-income category, the lower-middle income category, or the upper-middle-income category. (2)
- differentiated global marketing** A strategy that calls for targeting two or more distinct market segments with multiple marketing mix offerings. (7)
- differentiation** In Porter's generic strategies framework, one of four options for building competitive advantage. Differentiation advantage is present when a firm serves a broad market and its products are perceived as unique; this allows the firm to charge premium prices compared with the competition. (15)

- diffusion of innovations** A framework developed by Everett Rogers to explain the way that new products are adopted by a culture over time. Framework includes the five stage innovation adoption process, characteristics of innovations, and innovation adopter categories. (4)
- digital revolution** The paradigm shift resulting from technological advances allowing for the digitization (i.e., conversion to binary code) of analogue sources of information, sounds, and images. (17)
- direct mail** A direct marketing technique that uses the postal service as a vehicle for delivering an offer to prospects targeted by the marketer. (14)
- direct marketing** Any communication with a consumer or business recipient that is designed to generate a response in the form of an order, a request for further information, and/or a visit to a store or other place of business. (14)
- direct perception** In environmental scanning, the reliance on immediate sensory input (e.g., seeing, hearing, tasting) to supplement documentary information sources. (6)
- discontinuous innovation** A new product that, upon its success, creates new markets and new consumption patterns. (10)
- discount stores** A category of retail operations that emphasizes low merchandise prices. (12)
- discriminatory exchange rate policies** Policies that distort trade in much the same way as selective import duties and export subsidies. (8)
- discriminatory procurement policies** Policies that can take the form of government rules and administrative regulations, as well as formal or informal company policies that discriminate against foreign suppliers. (8)
- disruptive technology** A technology that redefines product or industry performance and enables new markets to emerge. (17)
- distribution** One of the four Ps of the marketing mix; the physical flow of goods through channels. (12)
- distribution center** A facility designed to efficiently receive goods from suppliers and then fill orders for individual stores or customers. (12)
- distribution channels** A barrier to entry into an industry created by the need to create and establish new channels. (12)
- distributor** A wholesale channel intermediary that typically carries product lines or brands on a selective basis. (13)
- domestic company** A company that limits the geographic scope of its resource commitment and marketing activities to opportunities in the home country. (1)
- domestic market** A company's "home turf," generally the country or countries in which the organization's headquarters is located. (1)
- double diamond model** A framework for understanding national competitive advantage in terms of a "double diamond" instead of the single diamond found in Michael Porter's national advantage model. (15)
- dumping** The sale of a product in an export market at a price lower than that normally charged in the domestic market or country of origin. (8)
- duties** Rate schedule; can sometimes be thought of as a tax that punishes individuals for making choices of which their government disapproves. (8)
- dynamically continuous innovation** An intermediate category of newness that is less disruptive and requires less learning on the part of consumers. (10)
- Economic Community of West African States (ECOWAS)** An association of 16 nations that includes Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo. (3)
- economic union** A highly evolved form of cross-border economic integration involving reduced tariffs and quotas; a common external tariff; reduced restrictions on the movement of labor and capital; and the creation of unified economic policies and institutions such as a central bank. (3)
- economies of scale** The decline in per-unit product costs as the absolute volume of production per period increases. In Porter's five forces model, one of the eight barriers to entry that determine the potential threat of new industry entrants. (15)
- efficient consumer response (ECR)** An MIS tool that enables retailers to work more closely with vendors to facilitate stock replenishment. (6)
- electronic data interchange (EDI)** An MIS tool that allows a company's business units to submit orders, issue invoices, and transact business electronically with other company units as well as outside companies. (6)
- electronic point of sale (EPOS)** Purchase data gathered by checkout scanners that help retailers identify product sales patterns and the extent to which consumer preferences vary with geography. (6)
- emic analysis** Global market research that analyzes a country in terms of its local system of meanings and values. (6)
- emotional appeal** In advertising, an appeal intended to evoke a feeling response (as opposed to

- an intellectual response) that will direct purchase behavior. (13)
- environmental scanning** Gathering information about global markets. Two modes can be used: surveillance and search. (6)
- environmental sensitivity** A measure of the extent to which products must be adapted to the culture-specific needs of different country markets. Generally, consumer products show a higher degree of environmental sensitivity than industrial products. (4)
- EPRG framework** A developmental framework for analyzing organizations in terms of four successive management orientations: ethnocentric, polycentric, regiocentric, and geocentric. (1)
- equity stake** Market entry strategy involving foreign direct investment for the purpose of establishing partial ownership of a business. (9)
- ethnocentric orientation** The first level in the EPRG framework: the conscious or unconscious belief that one's home country is superior. (1)
- ethnocentric pricing** The practice of extending a product's home-country price to all country markets. Also known as extension pricing policy. (11)
- etic analysis** Global market research that analyzes a country from an outside perspective. (6)
- euro** The single European currency. (3)
- euro zone** Austria, Belgium, Finland, Ireland, the Netherlands, France, Germany, Greece, Italy, Luxembourg, Portugal, and Spain. (3)
- expanded Triad** The dominant economic centers of the world: the Pacific region, North America, and Europe. (2)
- expatriate** An employee who is sent from his or her home country to work abroad. (14)
- export broker** A broker who receives a fee for bringing together the seller and the overseas buyer. (8)
- export commission representative** Representative assigned to all or some foreign markets by the manufacturer. (8)
- export distributor** An individual or organization that has the exclusive right to sell a manufacturer's products in all or some markets outside the country of origin. (8)
- export management company (EMC)** Term used to designate an independent export firm that acts as the export department for more than one manufacturer. (8)
- export marketing** Exporting using the product offered in the home market as a starting point and modifying it as needed to meet the preferences of international target markets. (8)
- export merchants** Merchants who seek out needs in foreign markets and make purchases in world markets to fill these needs. (8)
- export selling** Exporting without tailoring the product, the price, or the promotional material to suit individual country requirements. (8)
- exporting** Selling or marketing goods or services to buyers located outside the home country. (8)
- express warranty** A written guarantee that assures a buyer that he or she is getting what was paid for or provides recourse in the event that a product's performance falls short of expectations. (10)
- expropriation** Governmental seizure of a company's assets in exchange for compensation that is generally lower than market value. (5)
- extension approach** Management's use of domestic country marketing programs and strategies when entering new country markets. (1)
- ex-works** A type of contract in which the seller places goods at the disposal of the buyer at the time specified in the contract. (11)
- factor analysis** In market research, a computerized quantitative data analysis technique that is used to perform data reduction. Responses from questionnaires that contain multiple items about a product's benefits serve as input; the computer generates factor loadings that can be used to create a perceptual map. (6)
- factor conditions** A country's endowment with resources. (15)
- FAS (free alongside ship) named port of destination** The Incoterm for a contract that calls for the seller to place goods alongside, or available to, the vessel or other mode of transportation and pay all charges up to that point. (11)
- femininity** In Hofstede's social values framework, the extent to which the social roles of men and women overlap in a culture. (4)
- first-mover advantage** Orthodox marketing wisdom suggesting that the first company to enter a country market has the best chance of becoming the market leader. (7)
- flagship model** A model of competitive advantage developed by Alan Rugman that describes how networked business systems can create competitive advantage in global industries. (15)
- FOB (free on board)** The Incoterm for a contract in which the responsibility and liability of the seller do not end until the goods have actually been placed aboard a ship. (11)
- focus** The concentration of resources on a core business or competence. (1)

- focused differentiation** In Porter's generic strategies framework, one of four options for building competitive advantage. When a firm serves a small (niche) market and its products are perceived as unique, the firm can charge premium prices. (15)
- focus group** Primary data collection method involving a trained moderator who facilitates discussion among the members of a group at a specially equipped research facility. (6)
- foreign consumer culture positioning** A positioning strategy that seeks to differentiate a product, brand, or company by associating it with its country or culture of origin. (7)
- Foreign Corrupt Practices Act (FCPA)** A law that makes it illegal for U.S. corporations to bribe an official of a foreign government or political party to obtain or retain business. (5)
- foreign direct investment** The market entry strategy in which companies invest in or acquire plants, equipment, or other assets outside the home country. (9)
- foreign purchasing agents** Purchasing agents who operate on behalf of, and are remunerated by, an overseas customer. (8)
- forward market** A mechanism for buying and selling currencies at a preset price for future delivery. (2)
- franchising** A contract between a parent company franchisor and franchisee that allows the franchisee to operate a business developed by the franchisor in return for a fee and adherence to franchise-wide policies and practices. (9)
- free trade agreement (FTA)** An agreement that leads to the creation of a free trade area (also abbreviated FTA). A free trade agreement represents a relatively low level of economic integration. (3)
- free trade area (FTA)** A preferential trading bloc whose members have signed a free trade agreement (also abbreviated FTA) that entails reducing or eliminating tariffs and quotas. (3)
- free trade zone** A geographical entity that may include a manufacturing facility and a warehouse. (8)
- freight forwarders** Specialists in traffic operations, customs clearance, and shipping tariffs and schedules. (8)
- full-service advertising agency** An advertising agency that provides services such as market research, media buying, and direct marketing in addition to creative campaign development. (13)
- General Agreement on Tariffs and Trade (GATT)** The organization established at the end of World War II to promote free trade; also, the treaty signed by member nations. (3)
- generic strategies** Michael Porter's model describing four different options for achieving competitive advantage: cost leadership, differentiation, cost focus, focused differentiation. (15)
- geocentric orientation** The fourth level in the EPRG framework: the understanding that the company should seek market opportunities throughout the world. Management also recognizes that country markets may be characterized by both similarities and differences. (1)
- geocentric pricing** The practice of using both extension and adaptation pricing policies in different country markets. (11)
- geographical structure** A pattern of organization in which the operational responsibility for a geographical area of the world is assigned to line managers; the corporate headquarters retains responsibility for worldwide planning and control. (16)
- global advertising** An advertising message whose art, copy, headlines, photographs, tag lines, and other elements have been developed expressly for their worldwide suitability. (13)
- global brand** A brand that has the same name and a similar image and positioning throughout the world. (10)
- global brand leadership** The act of allocating brand-building resources globally with the goal of creating global synergies and developing a global brand strategy that coordinates and leverages country brand strategies. (10)
- global company** A company exhibiting a geocentric orientation that pursues marketing opportunities in all parts of the world using one of two strategies: either serving world markets by exporting goods manufactured in the home-country market or by sourcing products from a variety of different countries with the primary goal of serving the home-country market. Global operations are integrated and coordinated. (1)
- global competition** A success strategy in which a firm takes a global view of competition and sets about maximizing profits worldwide, rather than on a country-by-country basis. (15)
- global consumer culture positioning** A positioning strategy that seeks to differentiate a product, brand, or company as a symbol of, or associated with, global culture or a global market segment. (7)
- global elite** A global market segment comprised of well-traveled, affluent consumers who spend heavily on prestige or luxury products and brands that convey an image of exclusivity. (7)
- global industry** An industry in which competitive advantage can be achieved by integrating and leveraging operations on a worldwide scale. (1)

- global marketing** The commitment of organizational resources to pursuing global market opportunities and responding to environmental threats in the global marketplace. (1)
- global marketing strategy (GMS)** A firm's blueprint for pursuing global market opportunities that addresses four issues: whether a standardization approach or localization approach will be used; whether key marketing activities will be concentrated in relatively few countries or widely dispersed around the globe; guidelines for coordinating marketing activities around the globe; and the scope of global market participation. (1)
- global market research** The project-specific gathering and analysis of data on a global basis or in one or more markets outside the home country. (6)
- global market segmentation** The process of identifying specific segments of potential customers with homogeneous attributes who are likely to exhibit similar buying behavior irrespective of their country of residence. (7)
- global positioning system (GPS)** A digital communication system that uses satellite feeds to determine the geographic position of a mobile device. (17)
- global product** A product that satisfies the wants and needs of buyers in all parts of the world. (10)
- global retailing** Engaging in or owning retail operations in multiple national markets. (12)
- global strategic partnerships (GSP)** A sophisticated market entry strategy via an alliance with one or more business partners for the purpose of serving the global market. (9)
- global teens** A global market segment comprised of persons 12 to 19 years old whose shared interest in fashion, music, and youth lifestyle issues shapes purchase behavior. (7)
- government policy** A barrier to entry into an industry created by the policies instituted by the government. In Porter's five forces model, one of the eight barriers to entry that determine the potential threat of new industry entrants. (15)
- gray market goods** Products that are exported from one country to another without authorization from the trademark owner. (11)
- greenfield investment** A market entry strategy that entails foreign direct investment in a factory, retail outlet, or some other form of new operations in a target country. (9)
- Group of Seven (G7)** Seven nations—the United States, Japan, Germany, France, Great Britain, Canada, and Italy—whose representatives meet regularly to deal with global economic issues. (2)
- Gulf Cooperation Council (GCC)** An association of oil-producing states that includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. (3)
- Harmonized Tariff System (HTS)** A system in which importers and exporters have to determine the correct classification number for a given product or service that will cross borders. (8)
- hedging** An investment made to protect a company from possible financial losses due to fluctuating currency exchange rates. (2)
- high-context culture** A culture in which a great deal of information and meaning resides in the context of communication, including the background, associations, and basic values of the communicators. (4)
- high-income country** A country in which per capita GNP is \$9,266 or greater. (2)
- hot spot** Any location that offers Wi-Fi access (e.g., hotels, airports, coffee shops, restaurants, etc.). (17)
- hypercompetition** A strategy framework developed by Richard D'Aveni that views competition and the quest for competitive advantage in terms of the dynamic maneuvering and strategic interactions of firms in an industry. (15)
- hypermarket** A category of retail operations characterized by very large scale facilities that combine elements of discount store, supermarket, and warehouse club approaches. (12)
- image advertising** A type of corporate advertising that informs the public about a major event, such as a name change, merger, etc. (13)
- importing** Purchasing goods or services from companies located outside the home country. (8)
- incipient market** A market in which demand will materialize if particular economic, political, or sociocultural trends continue. (6)
- Incoterms** Internationally accepted terms of trade that impact prices. (11)
- Index of Economic Freedom** A league table of country rankings based on key economic variables such as trade policy, taxation policy, government consumption, monetary policy, capital flows and foreign investment, etc. (2)
- individualism** In Hofstede's social values typology, the extent to which each member of society is primarily concerned with his or her interests and those of the immediate family. (4)
- infomercial** A form of paid television programming in which a particular product is demonstrated, explained, and offered for sale to viewers who call a toll-free number shown on the screen. (14)

- information technology (IT)** An organization's processes for creating, storing, exchanging, using, and managing information. (6)
- innovation adopter categories** In Rogers' diffusion of innovation framework, a way of classifying buyers in terms of their receptivity to new products: innovators, early adopters, early majority, late majority, laggards. (4)
- innovation adoption process** In Rogers' diffusion of innovation framework, a five-stage hierarchy that a person goes through when deciding to buy a new product: awareness, interest, evaluation, trial, and adoption. (4)
- integrated circuit (IC)** The silicon chip that gave modern form to the transistor and represented a milestone in the digital revolution. (17)
- integrated marketing communications (IMC)** An approach to the promotion element of the marketing mix that values coordination and integration of a company's marketing communication strategy. (13)
- intellectual property protection** The aspect of a country's legal environment pertaining to patent, trademark, and copyright protection. (5)
- intermodal transportation** The aspect of physical distribution that involves transferring shipping containers between land and water transportation modes. (12)
- international brand** A brand that is available throughout a particular world region. (10)
- international company** A company that pursues market opportunities outside the home country via an extension strategy. (1)
- international division structure** A pattern of organization design in which the executive in charge of the international division has a direct reporting relationship to corporate staff. (16)
- Internet** A network of computer networks across which e-mail and other digital files can be sent. (17)
- intranet** An electronic system that allows authorized company personnel or outsiders to share information electronically in a secure fashion while reducing the amount of paper generated. (6)
- invention** A demanding but potentially rewarding product strategy for reaching mass markets in less-developed countries. (10)
- inventory management** The aspect of physical distribution that seeks to ensure that sufficient quantities of goods are available to meet demand or fulfill orders without incurring the extra costs associated with high inventory levels. (12)
- Islamic law** A legal system used in the Middle East that is based on a comprehensive code known as the sharia. (5)
- joint venture** A market entry strategy in which two companies share ownership of a newly created business entity. (9)
- jurisdiction** The aspect of a country's legal environment that deals with a court's authority to rule on particular types of controversies arising outside of a nation's borders or exercise power over individuals or entities from different countries. (5)
- keiretsu** In Japan, an enterprise alliance consisting of businesses that are joined together in mutually reinforcing ways. (9)
- latent market** An undiscovered market segment in which demand for a product would materialize if an appropriate product were offered. (6)
- law of one price** A market in which all customers have access to the best product at the best price. (11)
- layers of advantage** A strategy for creating competitive advantage by building a wide portfolio of advantages. (15)
- leader** Someone whose job is to direct the efforts and creativity of everyone in the company toward a global effort that best uses organizational resources to exploit global opportunities. (16)
- lean production** An extremely effective, efficient, and streamlined manufacturing system such as the Toyota Production System. (16)
- least-developed countries (LDCs)** Terminology adopted by the United Nations to refer to the 50 countries that rank lowest in per capita GNP. (2)
- legal environment** A nation's system of laws, courts, attorneys, legal customs, and practices. (5)
- letter of credit (L/C)** A payment method in export/import in which a bank substitutes its creditworthiness for that of the buyer. (8)
- leverage** Some type of advantage—for example, experience transfers, leverage, or scale economies—that a company enjoys by accumulating experience in multiple country markets. (1)
- licensing** A contractual market entry strategy whereby one company makes an asset available to another company in exchange for royalties or some other form of compensation. (9)
- line extension** A variation of an existing product such as a new flavor or new design. (10)
- local brand** A brand that is available in a single country market. (10)

- local consumer culture positioning** A positioning strategy that seeks to differentiate a product, brand, or company in terms of its association with local culture, local production, or local consumption. (7)
- localization (adaptation) approach** The pursuit of global market opportunities using an adaptation strategy of significant marketing mix variation in different countries. (1)
- logistics management** The management process that integrates the activities of various suppliers and distribution intermediaries to ensure an efficient flow of goods through a firm's supply chain. (12)
- long-term orientation (LTO)** The fifth dimension in Hofstede's social values framework, LTO is a reflection of a society's concern with immediate gratification versus persistence and thrift over the long term. (4)
- loose bricks** A strategy for creating competitive advantage by taking advantage of a competitor whose attention is narrowly focused on a market segment or geographic area to the exclusion of others. (15)
- low-context culture** A culture in which messages and knowledge are more explicit and words carry most of the information in communication. (4)
- low-income country** A country with per capita GNP of less than \$755. (2)
- lower-middle-income country** A country with GNP per capita between \$756 and \$2,995. (2)
- Maastricht Treaty** The 1991 treaty that set the stage for the transition from the European monetary system to an economic and monetary union. (3)
- management information system (MIS)** A system that provides managers and other decision makers with a continuous flow of information about company operations. (6)
- manufacturers' export representatives** Combination export management firms. (8)
- maquiladora** A program that allows manufacturing, assembly, or processing plants to import materials, components, and equipment duty-free; in return they use Mexican labor. (2)
- marginal-cost pricing** A pricing strategy that sets the selling price equal to the variable costs of producing one additional unit of output. (11)
- market** People or organizations with needs and wants and both the ability and willingness to buy. (2)
- market-based transfer price** A transfer pricing policy that sets prices for intracorporate transactions at levels that are competitive in the global market. (11)
- market capitalism** An economic system characterized by market allocation of resources and private resource ownership. (2)
- market entry strategy** The manner in which company management decides to pursue market opportunities outside the home country. (9)
- market expansion strategy** The particular combination of product-market and geographic alternatives that management chooses when expanding company operations outside the home country. (9)
- market holding** A pricing strategy that allows management to maintain market share; prices are adjusted up or down as competitive or economic conditions change. (11)
- market penetration** A pricing strategy that calls for setting price levels that are low enough to quickly build market share. (11)
- market penetration pricing policy** A pricing strategy of setting price levels that are low enough to quickly build market share. (11)
- market skimming** A pricing strategy designed to reach customers willing to pay a premium price for a particular brand or for a specialized product. (11)
- market socialism** An economic system characterized by limited market resource allocation within an overall environment of state ownership. (2)
- marketing mix** Product, price, place, and promotion—the four Ps. (1)
- marketing model drivers** Key elements or factors that must be taken into account when evaluating countries as potential target markets. (7)
- marketing research** The project-specific, systematic gathering of data in the search scanning mode. (6)
- masculinity** In Hofstede's social values framework, the extent to which a culture's male population is expected to be assertive, competitive, and concerned with material success. (4)
- Maslow's needs hierarchy** A classic framework for understanding how human motivation is linked to needs. (10)
- matrix organization** A pattern of organization design in which management's task is to achieve an organizational balance that brings together different perspectives and skills to accomplish the organization's objectives. (16)
- merchandise trade surplus** A figure in a country's balance of payments showing that the value of the country's exports of manufactured goods exceeds the value of its imports of manufactured goods. (2)
- mixed allocation system** A system containing elements of both market and command allocation systems. (2)
- mobile commerce (m-commerce)** Conducting commercial transactions using wireless handheld devices such as personal digital assistants (PDAs) and cell phones. (17)

- most favored nation (MFN)** A privileged trading status in which a GATT signatory nation agrees to apply its favorable tariff or lowest tariff rate to all nations that are also signatories to GATT. (8)
- multidimensional scaling (MDS)** In market research, a quantitative data analysis technique that can be used to create perceptual maps. MDS helps marketers gain insights into consumer perceptions when a large number of products or brands are available. (6)
- multinational company** A company that pursues market opportunities outside the home country market via an adaptation strategy (i.e., different product, price, place, and/or promotion strategy than used in the domestic market). In a typical multinational, country managers are granted considerable autonomy; there is little integration or coordination of marketing activities across different country markets. (1)
- multisegment targeting** A marketing strategy that entails targeting two or more distinct market segments with multiple marketing mix offerings. (7)
- national advantage** Strategy guru Michael E. Porter's competitive advantage framework for analysis at the nation-state level. The degree to which a nation develops competitive advantage depends on four elements: factor conditions, demand conditions, the presence of related and supporting industries, and the nature of firm strategy. (15)
- nationalization** Broad transfer of industry management and ownership in a particular country from the private sector to the government. (5)
- negotiated transfer price** A transfer pricing policy that establishes prices for intracorporate transactions on the basis of the organization's affiliations. (11)
- newly industrializing economies (NIEs)** Upper-middle-income countries with high rates of economic growth. (2)
- niche** A single segment of the global market. (7)
- nontariff barriers (NTBs)** Any restriction besides taxation that restricts or prevents the flow of goods across borders, ranging from "buy local" campaigns to bureaucratic obstacles that make it difficult for companies to gain access to some individual country and regional markets. (1)
- normal trade relations (NTR)** A trading status under WTO rules that entitles a country to low tariff rates. (8)
- North American Free Trade Agreement (NAFTA)** A free trade area encompassing Canada, the United States, and Mexico. (3)
- observation** A method of primary data collection using trained observers who watch and record the behavior of actual or prospective customers. (6)
- offset** A countertrade deal in which a government recoups hard-currency expenditures by requiring some form of cooperation by the seller, such as importing products or transferring technology. (11)
- one-to-one marketing** An updated framework for direct marketing that calls for treating each customer in a distinct way based on his or her previous purchase history or past interactions with the company. (14)
- order processing** The aspect of physical distribution that includes order entry, order handling, and order delivery. (12)
- organic growth** In global retailing, a market expansion strategy whereby a company uses its own resources to open a store on a greenfield site or to acquire one or more existing retail facilities or sites from another company. (12)
- Organization for Economic Cooperation and Development (OECD)** A group of 30 nations that work together to aid in the development of economic systems based on market capitalism and pluralistic democracy. (2)
- organizing** The goal of creating a structure that enables the company to respond to significant differences in international market environments and to extend valuable corporate knowledge. (16)
- outlet mall** A grouping of outlet stores. (12)
- outlet store** A category of retail operations that allows marketers of well-known consumer brands to dispose of excess inventory, out-of-date merchandise, or factory seconds. (12)
- outsourcing** Shifting jobs or work assignments to another company to cut costs. When the work moves abroad to a low-wage country, such as India or China, the term *offshoring* is sometimes used. (8)
- ownership** A market entry strategy that involves foreign direct investment for the purpose of acquiring or merging with another company. (9)
- paid search advertising** An Internet communication tactic in which companies pay to have their ads appear when users type certain search terms. (17)
- parallel importing** The act of importing goods from one country to another without authorization from the trademark owner. Parallel import schemes exploit price differentials between country markets. (11)
- patent** A formal legal document that gives an inventor the exclusive right to make, use, and sell an invention for a specified period of time. (5)

- pattern advertising** A communication strategy that calls for developing a basic panregional or global concept for which copy, artwork, or other elements can be adapted as required for individual country markets. (13)
- personal interview** Primary data collection via interactive communication (e.g., face-to-face, telephone, etc.) that allows interviewers to ask “why”-type questions. (6)
- personal selling** One of four variables in the promotion mix; face-to-face communication between a prospective buyer and a company sales representative. (14)
- personal selling philosophy** A sales representative’s commitment to the marketing concept coupled with a willingness to adopt the role of problem solver or partner in helping customers. The first step in the Strategic/Consultative Selling Model. (14)
- physical distribution** All activities involved in moving finished goods from manufacturers to customers. Includes order processing, warehousing, inventory management, and transportation. (12)
- piggyback marketing** A distribution strategy in which one manufacturer obtains product distribution by utilizing another company’s channels. (12)
- platform** A core product design element or component that can be quickly and cheaply adapted to various country markets. (10)
- political environment** The set of governmental institutions, political parties, and organizations that are the expression of the people in the nations of the world. (5)
- political risk** The risk of a change in political environment or government policy that would adversely affect a company’s ability to operate effectively and profitably. (5)
- polycentric orientation** The second level in the EPRG framework: the view that each country in which a company does business is unique. In global marketing, this orientation results in high levels of marketing mix adaptation, often implemented by autonomous local managers in each country market. (1)
- polycentric pricing** The practice of setting different price levels for a given product in different country markets. Also known as adaptation pricing policy. (11)
- positioning** The act of differentiating a product or brand in the minds of customers or prospects relative to competing products or brands. (7)
- positioning by benefit** A positioning strategy that seeks to differentiate a company, product, or brand in terms of one or more specific benefits (e.g., reliability) offered to buyers. (7)
- positioning by competition** A positioning strategy that seeks to differentiate a company, product, or brand by comparing it. (7)
- positioning by quality/price** A positioning strategy that seeks to differentiate a product, brand, or company in terms of expensiveness/exclusivity, acceptable quality/good value, etc. (7)
- positioning by use or user** A positioning strategy that seeks to differentiate a product by associating it with users whose expertise or accomplishments potential buyers admire. (7)
- power distance** In Hofstede’s social values typology, the cultural dimension that reflects the extent to which it is acceptable for power to be distributed unequally in a society. (4)
- preferential tariff** A reduced tariff rate applied to imports from certain countries. (8)
- preferential trade agreement** A trade agreement between a relatively small number of signatory nations, often on a regional or subregional basis. Different levels of economic integration can characterize such trade agreements. (3)
- presentation plan** In personal selling, the heart of the presentation strategy. The plan has six stages: approach, presentation, demonstration, negotiation, closing, and servicing the sale. (14)
- presentation strategy** Setting objectives for each sales call and establishing a presentation plan to meet those objectives. (14)
- price discrimination** The practice of setting different prices when selling the same quantity of like-quality goods to different buyers. (11)
- price escalation** The increase in an imported product’s price due to expenses associated with transportation, currency fluctuations, etc. (11)
- price fixing** Secret agreements between representatives of two or more companies to set prices. (11)
- price transparency** Euro-denominated prices for goods and services that enable consumers and organizational buyers to comparison shop across Europe. (11)
- primary data** In market research, data gathered through research pertaining to the particular problem, decision, or issue under study. (6)
- private international law** The body of law that applies to disputes arising from commercial transactions between companies of different nations. (5)
- product** One of the four Ps of the marketing mix: a good, service, or idea with tangible and/or intangible attributes that collectively create value for a buyer or user. (10)
- product adaptation–communication extension strategy** A strategy of extending, without change, the basic

- home-market communications strategy while adapting the product to local use or preference conditions. (10)
- product-communication adaptation** A dual-adaptation strategy that uses a combination of marketing conditions. (10)
- product-communication extension** A strategy for pursuing opportunities outside the home market. (10)
- product differentiation** A product's perceived uniqueness that can serve as a barrier to entry in an industry. In Porter's five forces model, one of the eight barriers to entry that determine the potential threat of new industry entrants. (15)
- product extension-communication adaptation strategy** The strategy of marketing an identical product by adapting the marketing communications program. (10)
- product invention** In global marketing, developing new products with the world market in mind. (10)
- product market** A market defined in terms of a particular product category (e.g., in the automotive industry, "the SUV market," "the sports car market," etc.). (7)
- product placement** A marketing communication tool that involves a company paying a fee to have one or more products and brand names appear in popular television programs, movies, and other types of performances. (14)
- product saturation level** The percentage of customers or households that own a product in a particular country market; a measure of market opportunity. (2)
- product strategy** In personal selling, a sales representative's plan for selecting and positioning products that will satisfy customer needs. The third step in the Strategic/Consultative Selling Model. (14)
- product transformation** When a product that has been introduced into multiple country markets via a product extension-communication adaptation strategy serves a different function or use than originally intended. (10)
- pro forma invoice** A document that sets an export/import transaction into motion. The pro forma specifies the amount and the means by which an exporter wants to be paid; also specifies the items to be purchased. (8)
- psychographic segmentation** The process of assigning people to market segments on the basis of their attitudes, interests, opinions, and lifestyles. (7)
- public international law** The body of international law that pertains to noncommercial disputes between nations. (5)
- publicity** Communication about a company or product for which the company does not pay. (13)
- public relations (PR)** One of four variables in the promotion mix. Within an organization, the department or function responsible for evaluating public opinion about, and attitudes toward, the organization and its products and brands. PR personnel also are responsible for fostering goodwill, understanding, and acceptance among a company's various constituents and the public. (13)
- purchasing power parity (PPP)** A concept that permits adjustment of national income measurements in various countries to reflect what a unit of each country's currency can actually buy. (2)
- put option** The right to sell a specified number of foreign currency units at a fixed price, up to the option's expiration date. (2)
- quota** Government-imposed limit or restriction on the number of units or the total value of a particular product or product category that can be imported. (8)
- rational appeal** In advertising, an appeal to the target audience's logic and intellect. (13)
- reactivity** The tendency of research subjects to behave differently because they are being studied. (6)
- regiocentric orientation** The third level in the EPRG framework: the view that similarities as well as differences characterize specific regions of the world. In global marketing, a regiocentric orientation is evident when a company develops an integrated strategy for a particular geographic area. (1)
- regional management center** A pattern of organization in which there is an area or regional headquarters as a management layer between the country organization and the international division headquarters. (16)
- regional or worldwide product division structure** A pattern of organization in which international responsibility shifts from a corporate international division to the product division international departments, which, in turn, shift to total divisional organization. (16)
- regulatory environment** Governmental and non-governmental agencies and organizations that enforce laws or establish guidelines for conducting business. (5)
- relationship strategy** In personal selling, a sales representative's game plan for establishing and maintaining high-quality relationships with prospects and customers. The second step in the Strategic/Consultative Selling Model. (14)
- restrictive administrative and technical regulations** Regulations that can create barriers to trade; it may take the form of antidumping, size, or safety and health regulations. (8)
- ringtone** A digital sound file that is an instrumental version of a song or composition. (17)

- ring tune** A digital sound file of a song or composition featuring the original recording artist. (17)
- rules of engagement** A strategy for creating competitive advantage that involves breaking these rules and refusing to play by the rules set by industry leaders. (15)
- rules of origin** A system of certification that verifies the country of origin of a shipment of goods. (3)
- sales agent** An agent who works under contract rather than as a full-time employee. (14)
- sales force automation (SFA)** An information technology tool that automates lead assignment, contact follow-up, and other routine tasks associated with personal selling. (6)
- sales promotion** One of the four elements of the promotion mix. A paid, short-term communication program that adds tangible value to a product or brand. (14)
- sampling** A sales promotion technique that provides potential customers with the opportunity to try a product or service at no cost. (14)
- search** The environmental scanning mode characterized by a formal information-gathering activity. (6)
- secondary data** Existing data in personal files, published sources, and databases. (6)
- self-reference criterion (SRC)** The unconscious human tendency to interpret the world in terms of one's own cultural experience and values. (4)
- selling proposition** In advertising, the promise or claim that captures the reason for buying the product or the benefit that product ownership confers. (13)
- short message service (SMS)** A globally accepted wireless standard for sending alphanumeric messages of up to 160 characters. (17)
- single-column tariff** A schedule of duties in which the rate applies to imports from all countries on the same basis; the simplest type of tariff. (8)
- social values typology** A study by Dutch organizational anthropologist Geert Hofstede that classifies national cultures according to five dimensions: individualism versus collectivism, masculinity versus femininity, power distance, uncertainty avoidance, and long-term orientation versus short-term orientation. (4)
- sourcing decision** A strategic decision that determines whether a company makes a product itself or buys products from other manufacturers as well as where it makes or buys. (8)
- Southern African Development Community (SADC)** An association whose member states are Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. (3)
- sovereignty** A country's supreme and independent political authority. (5)
- spam** Unsolicited "junk" e-mail received via the Internet; often sent to a large number of people to promote products or services. (17)
- specialty retailer** A category of retail operations characterized by a more narrow focus than a department store and offering a relatively narrow merchandise mix aimed at a particular target market. (12)
- specific duty** A duty expressed as a specific amount of currency per unit of weight, volume, length, or other unit of measurement. (8)
- sponsorship** A form of marketing communication that involves payment of a fee by a company to have its name associated with a particular event, team or athletic association, or sports facility. (14)
- spreadsheet** A software application in the form of an electronic ledger that automatically recalculates changes made to figures entered in rows and columns. (17)
- standardized (extension) approach** The pursuit of a global market opportunity using an extension strategy of minimal marketing mix variation in different countries. (1)
- standardized global marketing** A target market strategy that calls for creating the same marketing mix for a broad mass market of potential buyers. (7)
- strategic alliance** A partnership among two or more firms created to minimize risk while maximizing leverage in the marketplace. (9)
- Strategic/Consultative Selling Model** A five-step framework for approaching the personal selling task: personal selling philosophy, relationship strategy, product strategy, customer strategy, and presentation strategy. (14)
- strategic intent** A competitive advantage framework developed by strategy experts Gary Hamel and C. K. Prahalad. (15)
- streaming media** The transmission of combined audio and video content via a broadband network. (17)
- streaming video** A sequence of moving images sent in compressed form via the Internet and displayed on a computer screen. (17)
- subculture** Within a culture, a small group of people with their own shared subset of attitudes, beliefs, and values. (4)
- supercenter** A category of retail operations that combines elements of discount stores and supermarkets in a space that occupies about half the size of a hypermarket. (12)

- supermarket** A category of retail operations characterized by a departmentalized, single-story retail establishment that offers a variety of food and nonfood items on a self-service basis. (12)
- supply chain** A group of firms that perform support activities by generating raw materials, converting them into components of finished goods, and making them available to buyers. (12)
- survey research** Primary data collection via questionnaire-based studies designed to generate qualitative responses, quantitative responses, or both. (6)
- switching costs** A barrier to entry into an industry created by the need to change suppliers and products. In Porter's five forces model, one of the eight barriers to entry that determine the potential threat of new industry entrants. (15)
- switch trading** A transaction in which a professional switch trader, switch trading house, or bank steps into a simple barter arrangement or other countertrade arrangement in which one of the parties is not willing to accept all the goods received in the transaction. (11)
- targeting** The process of evaluating market segments and focusing marketing efforts on a country, region, or group of people. (7)
- tariffs** The rules, rate schedules (duties), and regulations of individual countries affecting goods that are imported. (8)
- telematics** A car's ability to exchange information about the vehicle's location or mechanical performance via a wireless Internet connection. (17)
- temporary surcharge** Surcharges introduced from time to time to provide additional protection for local industry and, in particular, in response to balance-of-payments deficits. (8)
- tiered branding** A strategy in which a corporate name is combined with a product brand name; also called combination or umbrella branding. (10)
- trade deficit** A negative number in the balance of payments showing that the value of a country's imports exceeds the value of its exports. (2)
- trade mission** A state- or federally sponsored show outside the home country organized around a product, a group of products, an industry, or an activity at which company personnel can learn about new markets as well as competitors. (8)
- trade sales promotion** Promotion designed to increase product availability in distribution channels. (14)
- trade show** A gathering of company representatives organized around a product, a group of products, or an industry, at which company personnel can meet with prospective customers and gather competitor intelligence. (8)
- trade surplus** A positive number in the balance of payments showing that the value of a country's exports exceeds the value of its imports. (2)
- trademark** A distinctive mark, motto, device, or emblem that a manufacturer affixes to a particular product or package to distinguish it from goods produced by other manufacturers. (5)
- transaction exposure** In global finance, the type of risk that is created when a company's sales or purchases of products or services are denominated in a foreign currency. (11)
- transfer pricing** The pricing of goods, services, and intangible property bought and sold by operating units or divisions of a company doing business with an affiliate in another jurisdiction. (2)
- transistor** A "solid state amplifier" that replaced vacuum tubes in electronics products; it was a milestone in the digital revolution. (17)
- transnational company** A company exhibiting a geocentric orientation that pursues marketing opportunities in all parts of the world. However, a transnational company differs from a global company by fully integrating and coordinating two strategies: both sourcing products from a variety of different countries and serving multiple country markets across most world regions. (1)
- transportation** The aspect of physical distribution that involves moving or transferring goods from one location to another. (12)
- transportation mode** In physical distribution, the particular means by which goods are shipped. The six main transportation modes are rail, water, truck, air, pipeline, and Internet. (12)
- Triad** The three regions of Japan, Western Europe, and the United States, which represented the dominant economic centers of the world. (2)
- two-column tariff** General duties plus special duties indicating reduced rates determined by tariff negotiations with other countries. (8)
- uncertainty avoidance** In Hofstede's social values framework, the extent to which members of a culture are uncomfortable with unclear, ambiguous, or unstructured situations. (4)
- upper-middle-income country** A country with GNP per capita between \$2,996 and \$9,266. (2)
- usage rate** In behavioral market segmentation, an assessment of the extent to which a person uses a product or service. (7)
- user status** In behavioral market segmentation, an assessment of whether a person is a present user, potential user, nonuser, former user, etc. (7)
- value** A customer's perception of a firm's product or service offering in terms of the ratio of benefits

(product, place, promotion) relative to price. This ratio can be represented by the value equation: $V = B/P$. (1)

value chain The various activities that a company performs (e.g., research and development, manufacturing, marketing, physical distribution, and logistics) in order to create value for customers. (1)

value equation $V = B/P$, where V stands for "perceived value," B stands for "product, price, and place," and P stands for "price." (1)

value network The cost structure in a particular industry that dictates the margins needed to achieve profitability. A broadly-defined industry (e.g., computers) may have parallel value networks, each with its own metrics of value. (17)

values In culture, enduring beliefs or feelings that a specific mode of conduct is personally or socially preferable to another mode of conduct. (4)

variable import levies A system of levies applied to certain categories of imported agricultural products. (8)

warehouse club A form of retailing that offers low merchandise prices in a no-frills format. Consumers typically pay a nominal fee to join the club and gain entrance to the store. (12)

warehousing The aspect of physical distribution that involves the storage of goods. (12)

wireless connectivity Technology that allows a computer, cell phone, PDA, or other digital device to access the Internet without using a cable connection. (17)

wireless fidelity (Wi-Fi) Technology based on a low-power radio signal that permits access to the Internet from a laptop computer or PDA when the user is within range of a base station transmitter ("hot spot"). (17)

World Trade Organization (WTO) The successor to the General Agreement on Tariffs and Trade. (3)