

LC Business – Key Definitions

Advertising



Communication in written or visual form aimed at consumers to persuade them to buy a product or a service.

Channels of distribution



The various routes which are used to transfer goods from manufacturers to wholesalers, to retailers and finally to consumers.

Market segments



The total market for a product can be divided into different groups or market segments whose needs as consumers are different from other groups.

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Marketing mix



These are the four main elements of marketing efforts to sell a product successfully, namely the product design, the pricing of the product, the place through which it will be sold and the promotion of the product (four Ps of marketing).

Niche market



A small segment in an overall market.

Price discrimination



When companies charge different prices to different consumers for the same product in order to maximise their profits.

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Product life cycle



Describes five stages in the life of a product from its introduction to the market to its withdrawal (usually illustrated with a diagram).

Product portfolio



Refers to a range of different products which a company may sell to different markets.

Product positioning



Refers to how a firm will place its product among other competing products in the market in terms of quality, image, price, etc.

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Public relations



Activities of a business aimed at enhancing the image of the firm with its customers and general public. Activities may include press releases, press conferences, sponsoring charity events, company magazines, etc.

Sales promotion



This covers various methods of encouraging people to buy a product, e.g. price reduction, free gift, saving stamps, free samples.

Sponsorship



When companies provide money for sporting or charitable organisations in return for advertising or being publicly associated with their activities.

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Target market



A defined group of consumers at whom a particular product is aimed.

Environmental
audit



An assessment of an organisation to establish the impact of its activities on the environment.

Environmental
Impact
Assessment



An examination and report on the potential effects of any new project or development on the environment.

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Environmental
policy



A set of EU regulations aimed at ensuring that damage to the environment is minimised and that all development is sustainable.

Green taxes



Taxes imposed by governments which are intended to influence producers and consumers to behave in ways which are good for the environment, e.g. the tax on plastic bags has greatly reduced plastic bag pollution.

Non-renewable
resources



Raw materials that cannot be replaced once used, e.g. coal, natural gas.

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'Polluter pays'
principle



When environmental damage has been done, the organisations responsible are made to correct the damage or pay for the necessary work.

Renewable
resource



Raw materials and sources of energy that can be replaced or renewed, allowing production to continue into the future, e.g. vegetable oils, wind power.

Resource audit



A survey in the community area to identify all the resources, human, physical and financial, which can be used for social and economic development of the area.

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Social
responsibility

REVISE
WISE

Refers to the duty of those running a business to look after the wider society in which they operate by being honest, fair, transparent, environmentally considerate and aware of the employees and customers.

Sustainable
development

REVISE
WISE

This refers to economic or business activity that does not adversely affect our capacity to produce goods in the future.

Urban renewal

REVISE
WISE

Refers to the rebuilding of parts of cities which have been in decline.