

Business, Sales & Marketing

Glossary of Terms

Industry Roles

Buyer: A buyer is a customer or client who purchases goods or services from a business. It also refers to individuals who purchase items from wholesalers for a business.

Category Manager: A category manager is a professional who is responsible for the planning, execution and management of a product category within a company. The role of a category manager is to develop and implement strategies that will grow the category and improve the profitability of the products within it. They can adopt short- to long-term plans for marketing new products or a range of products within a new category.

Procurement: Procurement is the corporate function that has governance over purchasing decisions for a company. Activities of the procurement function include strategic vendor evaluation and selection, competitive bidding, contract negotiation and purchasing.

Replenishment: Replenishment is a process that is set in place to ensure every product that gets sold at the store is restocked, so that the store does not get into an out-of-stock situation while the products are available at the warehouse.

Trade Marketing

Endcap: In retail marketing, an endcap or end cap is a display for a product placed at the end of an aisle. It is perceived to give a brand a competitive advantage.

POP: A point of purchase (POP) is a term used by marketers and retailers when planning the placement of consumer products, such as product displays strategically placed in a grocery store aisle or advertised in a weekly flyer.

MCB: This term is abbreviation for "Manufacturer Charge Backs" and simply refers to promotional allowances that are "charged" back to the manufacturer.

OI: "Off-Invoice" discounts are deducted straight from an invoice with a distributor, and occur during specified promotional periods. Typically, off-invoice discount amounts are around 15% of the regular case sales price, and occur in 2-3 separate months per year.

Marketing Strategy Grid/Plan: An actionable marketing and promotional plan is a tool that puts all of your marketing tasks and due dates in one place. Your marketing plan states your overall objectives when it comes to target demographic, pricing and ultimately promotion. You are going to be running a tight budget and so ask yourself, what is the least expensive way that the strategy can be achieved at each step of the process.

Co-op Spend: Co-op stands for cooperative marketing dollars, where Members and Suppliers share the cost of advertising to increase business. These could come in the form of flyers, event booth sponsors, digital assets, spiffs, co-branded swag etc. Co-op advertising is a strategy where product manufacturers or distributors pay a portion of advertising costs for a retailer to advertise their products. Sometimes, these manufacturers pay the entire cost and provide several marketing materials for the retailer to use. For example, a denim manufacturer may provide posters to their retailers and pay the costs to advertise their products on social media. This collaborative effort

often focuses on a specific product with the goal of getting more people to shop at the retail location and purchase that product.

Pricing

SRP (MSRP): Suggested retail price/ manufacturer suggested retail price.

EDLP: Every Day Low Price, is a pricing strategy in which firms promise consumers consistently low prices on products without having to wait for sales events. In such a pricing strategy, a firm sets a low price and maintains it over a long time-horizon (given that product costs remain unchanged).

MSRP: Manufacturer's suggested retail price (MSRP) is the price that the maker of a product recommends for it in customer-facing retail stores. A MSRP is commonly 2.5 to 3 times a wholesale price. Typically, retail establishments set their list price at or below the MSRP.

MAP: MAP stands for Minimum Advertised Price. Brands create MAP policies to outline the minimum price that retailers can advertise their products. Brands often set minimum advertised prices at a level that will allow retailers to make a decent profit. A MAP policy is used to ensure an even playing field amongst retailers that want to drive margin or volume, whilst ensuring that the brand's product is not devalued by a constant price-war.

Case Discount: A cheaper price than usual, offered to customers when they buy a case (= box) of something rather than just one thing.

Volume Deal/Discount: Volume discount refers to the usage of discounted prices to incentivize an individual or a business to purchase a particular good in a large quantity at one go. When a customer purchases a product in multiple units or a large enough quantity at once, the seller rewards the buyer by selling at a reduced price for each group of goods purchased.

Loss Leader: A loss leader (also leader) is a pricing strategy where a product is sold at a price below its market cost to stimulate other sales of more profitable goods or services. With this sales promotion/marketing strategy, a "leader" is any popular article, i.e., sold at a low price to attract customers.

Intro Deal: a discount or free gift, made to interest consumers in the purchase of a new product, or a product that has been changed or improved, and is being reintroduced.

Margin/profit margin: The difference between cost (including or excluding operating overheads) and selling price of a product or service. Percentage margin is generally deemed to be the difference between cost and selling price, divided by the selling price ex tax (ex.- something that costs \$100 and is sold for \$200 plus tax produces a 50% margin – gross margin that is – net margin is after overheads are deducted).

Manufacturer Charge Back (MCB): A charge from the distributor to supplier for cost incurred at the retailer level (discounts, promotions and demos).

Off Invoice (OI): A discount given at time of invoicing Pipeline: The sales pipeline represents the movement of sales from brand-new leads to deals that are about to close.

Packaging Info

Gross Weight: Total weight of an article inclusive of the weight of the container and packaging.

Net Weight: Net weight is the weight of an item/product without the addition of the packaging or container weight.

Global Trade Item Number (GTIN): is an identifier for trade items. Such identifiers are used to look up product information in a database which may belong to a retailer, manufacturer, collector, researcher, or other entity. The uniqueness and universality of the identifier is useful in establishing which product in one database corresponds to which product in another database, especially across organizational boundaries.

UPC: The Universal Product Code (UPC) is a unique 12-digit number assigned to each individual product sold in stores and online. It is used to identify and track products as they are sold, shipped, and received.

NPN: Natural Product Number - Once Health Canada has assessed a product and decided it is safe, effective and of high quality, it issues a product license along with an eight-digit Natural Product Number (NPN), which must appear on the label.

Sales Roles

Account Manager: An Account Manager is in charge of making sure each department meets the needs of their clients and customers. They handle customer complaints, find solutions to their issues, and maintain a positive relationship between both parties for future business ventures.

Sales Manager: A sales manager job description usually includes building and leading a team of salespeople to help drive revenue. Sales managers must motivate their teams to generate leads, build client relationships, set targets to hit or exceed revenue forecasts, and ultimately meet customer needs.

Sales Representative: Sales Representatives sell products, goods, and services to new and existing customers. They build relationships with customers, pitch products or services, negotiate sales prices, contact customers throughout the sales process, and answer any questions customers have about the product.

Inside Sales: Sourcing new sales opportunities through inbound lead follow-up and outbound cold calls and emails. Understanding customer needs and requirements. Routing qualified opportunities to the appropriate sales executives for further development and closure.

Sales Tactics

Cold Calls: Cold calling is a form of sales solicitation from businesses to customers who've never interacted with the salesperson making the call. It generally refers to phone-based conversations (hence cold calling) but technically covers in-person door-to-door interactions, too.

Organic: Organic marketing tactics include optimizing your web content to rank higher in online searches, social media marketing, and email campaigns.

Planogram: This is a visual representation that shows how merchandise should be arranged on store shelves in order to drive more sales. It's a model that indicates the best placement and positioning of your merchandise. Remember that product positioning can influence consumers' purchases, so planning how they're displayed and organized can maximize sales. Planograms can also guide and assist in store mapping and they enable retailers use space more effectively.

Point-Of-Purchase (POP): Marketing materials or advertising placed next to the merchandise it is promoting. These items are generally located at the checkout area or other location where the purchase decision is made.

Request for Credit Sales forecasts (RFC): Also called sales projections, these are the predictions that salespeople and sales managers are required to make about future business levels, necessary for their own organization to plan and budget everything from stock levels, production, staffing levels, to advertising and promotion, financial performance and market strategies.

Slack-off Program: A program for frozen goods to be sold as guaranteed sale fresh or dry grocery.

Sales Processes

Lead: A sales lead is a potential sales contact, individual or organization that expresses an interest in your goods or services. Leads are typically obtained through the referral of an existing customer or through a direct response to advertising or publicity. Leads are at the top of the sales funnel but as yet to be qualified.

Opportunity: A sales opportunity is a qualified prospect that has a high likelihood of becoming a paying customer.

Key Performance Indicator (KPI): A measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs at multiple levels to evaluate their success at reaching targets.

Unique Selling Proposition/ USP: A Unique Selling Proposition (USP) is a specific characteristic that makes one product, company or person stand out from the competition.