

Sequent Learning Networks

Product Management and Marketing Dictionary

This dictionary of more than 75 terms represents a compilation of information derived from a variety of sources. The purpose of this dictionary is to provide a unique document to those who are concerned with the development, marketing, and management of products & services, especially within the context of Sequent's Product Management Model. This compilation is provided by Sequent Learning Networks in the interest of product management, development, and product marketing professional education. You may learn more about Sequent's training programs by visiting us on the web at www.sequentlearning.com, or by calling us at 1-800-606-2777 or +1 212-673-5454. Note: This is 'version 1' of this dictionary. Send us your definitions to info@sequentlearning.com and we'll expand the list!

Adopter	A term used to define a customer or organization who obtains and uses technologies developed by others. An adopter is sometimes a "user" of a technology or technologies.
Advertisement (or Ad)	A formal, paid for marketing message delivered in writing, verbally, or graphically through a variety of media, including periodicals (print), television, radio, the internet, etc.
Advertising Agency	A business whose purpose is to create, place, and monitor the performance of advertisements.
Average Cost	Average cost of a unit of product is made up of its fixed cost divided by # of units produced, and the variable cost per unit.
Attribute	Describing a capability or feature of a product or service. (CHECK WEBSTER)
Benefit	That which satisfies a given need. It is often used to position a product or service, explain the value proposition, or a competitive advantage.
Brand	That which is created by a business to convey a desired image by a business. It is often the sum total of intellectual property, trademarks, copyrights, packaging, slogans, logo's, or other unique identifiers that creates an impression on the marketplace.
Break-Even Analysis	A calculation to determine how much product a company must sell in order to make back its original investment. As a tool, it measures the impact on various new product or product extension possibilities. It is also a good tool to rank product or marketing investment options.
Brochure	A market communication tool which is usually written and may contain graphics, whose goal is to communicate specific messages to a target customer. It may contain information about the business, its mission, vision, or charter. It may contain information that communicates value, benefits, or other unique information. Brochures can take many forms, including 'product' brochures or 'company' brochures. They are sometimes called 'bi-folds,' 'tri-folds,' or 'slim-jim's.' Brochures done on a single sheet of paper are often called 'flyers.' Flyers that include detailed product specifications and descriptions are sometimes called 'spec sheets.'
Business to Business (B2B)	Refers to trade between businesses or between businesses and distributors.
Business to Consumer (B2C)	Refers to trade or commerce between businesses and consumers, often at the retail level.
Business Case	A business case is a document that acts to justify, both qualitatively and quantitatively, an investment in a product or project and the expected returns from that investment.
Business/Portfolio Plans	Explicit directions for creating or evolving business units or product

Sequent Learning Networks

Product Management and Marketing Dictionary

	lines. Although these plans are ongoing, they are usually developed for and measured against specific time periods.
Buyer	The actual purchaser of a product. A buyer may or may not be the ultimate consumer or user.
Call to action	An action requested or required in response to a marketers promotion or message
Capability	Can be used to describe an aspect of a product or a skill set of a product team member.
Cash Flow	The movement of funds into and out of a company.
Champion (sometimes product champion)	An informal role fulfilled by an individual who takes a powerful, passionate interest in a project, product, or program, with the conviction to see the project to a successful conclusion.
Checklist	A list of work items or tasks that usually serves as a reference to determine whether or not the tasks were completed at a specific milestone. Checklists are used for reviews during the phases of product planning, development, and the launch.
Client	A specific customer with a specific need, often in a relationship involving the delivery of professional services.
Commercialization	A process of converting a technology into a product
Compete	To strive to outperform others. Often in relation to quality, product performance, time, benefits, price, financial performance, etc.
Competitor	A company meeting similar needs by serving the same market segments or targets with similar products.
Competitive Factor	A basis on which to choose between different ways of meeting specific needs. For example, attributes represent competitive factors on which choices are made between competing products.
Competitive Strategy	A broad approach used by corporations or organizations to gain an advantage over competitors.
Concept	An idea for a product or service. As concepts evolve, they are progressively assessed for technical and economic feasibility, and may lead to development and ultimate commercialization.
Core Competency	Specialized skills or experiences of members of a cross-functional team. Core competencies are those that the company believes are critical for its success.
Cost(s)	Costs represent funds expended for materials, labor, or overheads or are incurred in the direct production of sales (revenue). In the profit and loss statement, revenue minus costs equals gross margin.
Culture	Culture refers to the environment, paradigms, beliefs, ideals, actions, skill-sets, or behaviors of an organization.
Customer Centric (sometimes used with 'customer driven')	Having all business activities directed toward understanding customer needs and preferences and in the creation of products and services offering true benefits for those customers.
Customer Relationship Management (CRM)	A business strategy built on a foundation of being customer centric. The central themes include maximizing revenue through the achievement of high levels of customer satisfaction and loyalty and optimal customer interactions at each and every touch point.
Critical Path	Represents a series of tasks that are dependent upon one another. A critical path network is a plan for the execution of a project which consists of activities and their logical relationship to one another.
Critical Path Method (CPM)	A technique used to predict project duration by analyzing which sequence of activities has the least amount of scheduling flexibility. The Critical Path Method is a modeling process that defines all the project's critical activities that must be completed on time. The start and finish dates of activities in

Sequent Learning Networks

Product Management and Marketing Dictionary

	the project are calculated in two passes. The first pass calculates early start and finish dates from the earliest start date forward. The second pass calculates the late start and finish activities from the latest finish date backwards. The difference between the pairs of start and finish dates for each task is the float or slack time for the task. Slack is the amount of time a task can be delayed without delaying the project completion date. By experimenting with different logical sequences and /or durations the optimal project schedule can be determined. (Assoc for Project Mgmt)
Discounted Cash Flow	The effect of a projects influence on the cash flow of the firm over the life of the project. To compensate for funds received in the future being worth less than money earned today the future inflows are discounted to their present day values.
Definition (product)	The description of attributes, functions, or capabilities of a product or service to satisfy the stated or implied needs of a targeted customer or customer segment. Products are described in 'requirements' documents to 'developers' who then create the product for the target audience.
Development organization or Developer	An organization or individual who develops or creates products ("develops" may include new development, modification, reuse, reengineering, maintenance, or any other activity that results in products) for itself or another organization.
Distribution Channel	See "Place"
Elasticity	The degree to which one economic variable changes in response to a change in another economic variable. Elasticity of demand is a way to measure how the change in price may impact the change in demand.
Environmental Analysis	Relating to the collection of, and analysis of information on political, cultural, social, demographic, economic, legal, international and other forces.
Feasibility (phase)	The process of screening ideas for technical, market, and economic feasibility. Often represented in a preliminary business case or other screening document.
Financials	Referring to the basic financial statements (P&L, cash flow, or balance sheet) and the analysis thereof.
Fixed Cost	Costs that stay the same, regardless of the number of units produced
Focus Group	A method of gathering quantitative data on the preferences and beliefs of customers or users through a facilitated interaction (usually in groups) and discussion usually focused on a specific topic or product.
Functions	Organizations such as Marketing, Customer Service, Finance, Development, etc.
Goal (as in a product or market goal)	A specific statement derived from a corporate strategy regarding a desired accomplishment over time.
Gantt Chart	Particular type of bar chart showing planned activity against time.
Image	The concept of impression or perceptions by customers, made by an organization or a product.
Industry	A grouping of companies or competitors who produce and sell similar products and services.
Innovation	A unique, new idea or concept that could result in a new product or service.
Integrated Marketing Strategy	A tightly linked set of strategies that are connected, timed, and coordinated to achieve marketing goals.
Intellectual Property	An intangible right to an idea or process.
Justification	A persuasive argument, often through a business case or similar document, to justify funding for a project.

Sequent Learning Networks

Product Management and Marketing Dictionary

Licensing	A legal process to transfer the rights or intellectual property from one organization to another.
Life Cycle Management	See Product Life Cycle
Lifetime Value	The value of a customer to a business over the entire lifespan or time that a customer could do business with that firm. This is an important measurement in determining optimal target customer groups. Lifetime value is a function of the costs associated with acquiring and maintaining the customer in relation to the amount of business a customer will generate over the time of the relationship. (Customer lifetime value = Revenue received less cost to acquire and maintain)
Market	The set of actual or potential users/customers. (Kotler)
Market Development	Expanding the total market served by 1) entering new segments, 2) converting nonusers, 3) increasing use by present users
Marketing	Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. (Kotler)
Marketing Mix	The combination of tactical and strategic actions designed to optimize a product's performance in its targeted markets. The marketing mix is represented by most sources as the "4 P's," namely Product, Price, Promotion, and Place.
Market Penetration	The rate at which market share is gained over time.
Market Research	The systematic collection, recording and analyzing of data with respect to a particular market, where market refers to a specific user group in a specific geographic area.
Market Segmentation	A method of identifying a group of customers or customer types, within the context of a broad market. These broad groups can then be divided into specific subsets. Both customer types and subsets have similar characteristics and needs. Segments can be identified by examining demographic, psychographic, ethnographic, and geographic dimensions.
Market Share	The percent of total sales achieved by one company selling a specific type of product into a specific segment or sector.
Market Target	A subset of a market segment with a set of characteristics that are closely aligned and represent a focused marketing opportunity for a company.
Marketplace	A real or figurative place where business is transacted.
Marketing Plan	A document describing a business opportunity (linkage to business case) and the strategies to move the product into the marketplace.
Mission (corporate)	The explicitly stated, desired or actual purpose of a company, expressed in a broad, task oriented form such that it will encompass the ultimate boundaries for its operation and ongoing directions.
(New) Product Development	The process utilized to conceive of and create a product and all its supporting documentation and services, including eventual commercialization and introduction into the marketplace with full marketing plans ready to execute selling in all selected channels.
Network Diagram	The network diagram is used as a representation of the critical path method. See Critical Path Method.
Opportunity Cost	The costs associated by giving up one opportunity in favor of another.
Packaging	The manner in which a product is presented to a customer or user. It represents the materials, labels, and messages to position the product and indicate its contents.

Sequent Learning Networks

Product Management and Marketing Dictionary

Paradigm	A frame of reference, often ascribed to a given corporate culture or pattern of experiences. (A pattern, example, or model: Webster)
Perception	Perception is the cognitive impression that is formed of "reality" which in turn influences the individual's actions and behavior toward that object.
Place	Relating to channels of distribution, e.g., retail, wholesale, direct, indirect, etc.
Plan	A detailed path to achieve an objective. Plans can take the following forms: Strategic Plan, Marketing Plan, Product Plan, etc.
Portfolio (product)	A suite of products managed together to maximize the value of the firm. Comprised of new product projects, projects in development, and products in various stages of the life cycle.
Portfolio Management	The process of managing a suite of products and services to maximize returns to the organization.
Positioning	The process of image development through consistent, systematic, and visible reinforcement of desired marketplace perceptions.
Press Conference	A public relations marketing event facilitating communication between organizations and media representatives.
Price/Pricing	The amount of money charged for a product. Pricing is the process of defining value and benefits for a product or service.
Product	A bundle of attributes or features, functions, benefits and uses capable of exchange, usually in tangible or intangible forms. "A term used to describe all goods and services sold" (PDMA Handbook of New Product Development)
Product Data Management (PDM)	The process by which data is managed throughout a product's life cycle. PDM manages the relationships between data elements to provide control of product components during the creation and revision processes. PDM has specific elements to apply process methods. Some of the process features provided by these elements include configuration management, change management, workflow, signoff and document vaulting. PDM allows enterprise wide sharing of timely and accurate information without duplication of data. (various sources)
Product Development	See New Product Development
Product Life Cycle	The sum total of all phases a product goes through, from concept, feasibility, definition, development, launch, and post-launch strategic management (growth, maturity, decline, discontinuance, and market exit) <u>Product Life Cycle Management</u> : Active, ongoing management of all strategic, tactical, financial aspects of a product or product line in order to meet long term objectives for that item.
Product Management	The process of managing products throughout the product life cycle.
Project Management	Planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance
Product Manager's Role	"The overall responsibility of the product manager is to integrate the various segments of a business into a strategically focused whole while maximizing the value of a product by his or her knowledge of changing market needs and championing the processes involved in bringing the product to the served market." Linda Gorchels – <u>The Product Manager's Handbook</u>
Product Plans	Explicit directions for introducing and/or managing single products

Sequent Learning Networks

Product Management and Marketing Dictionary

Product Positioning	The way customers view competitive brands or products or, the manner in which products are presented and described to stakeholders, including internal teams, analysts, and customers.
Product Roadmap	(see Roadmaps)
Promotion Mix	The mix of communication techniques including advertising, personal selling, sales promotion, and public relations/ product publicity available to the marketer to achieve specific goals such as awareness building or lead generation.
Quality Control	An ongoing analysis of operations, to verify goods or service meet specified standards, or to manage product quality and reliability.
Relationship	
Research & Development	The application of knowledge in scientific and engineering arenas to uncover approaches to the development of, as well as actual development or creation of products.
Roadmaps (product)	Long term evolution plans for product lines or products, based on market, competitive and technological drivers.
Royalty	A payment made to an inventor or owner of intellectual property for the right to manufacture or sell a product or service, using the inventors process or intellectual property.
Revenue or Sales	Total funds coming into the firm for goods produced. Usually derived as prices charged x units sold for tangible goods. Often the sum total of the mix of items sold, including products and services.
Strategic Plan	A plan presenting a corporate vision and mission, defines strategic direction, establishes high level organizational goals, and synchronizes activities and structures to achieve those goals.
SWOT	A situation analysis whereby a firm assesses its own strengths, weaknesses, opportunities, and threats (vulnerabilities). SWOT analysis is also an important dimension of competitor analysis.
Tactics	Webster describes this as “the art or skill of employing available means to accomplish and end” or “a system or mode of procedure.”
Value	The sum of benefits received in exchange for payment. That which customers purchase.
Value Chain	The series of steps or sequence of actions by which a product is conceived, created, and made available to customers. It is comprised of R&D, Sourcing, Manufacturing, Operations, Logistics (inbound and outbound), Sales, Distribution, and Customer Service.
Variable Cost	A cost that varies with quantity produced.
Vision	A guiding theme that articulates the nature of the business and its intentions for the future, based upon how management believes the environment will unfold
Work Structures	The specific manner in which the people resources of a company are organized to achieve the goals and objectives through execution of strategic and tactical plans.

Some of the sources for this compilation:

- PDMA Handbook for New Product Development
- Product Manager’s Handbook by Linda Gorchels
- Marketing Management (various editions) by Philip Kotler
- Dictionary of Marketing Terms by Peter Bennett
- Association for Project Management
- Various marketing journals.