

market segmentation

the way in which a business divides its potential market into different demographic groups or segments

mission statement

a concise outline of the overall activities and aims of a business and contains its philosophies, goals, ambitions and statements about business culture

objective

a specific description of what the business needs to do to achieve a particular goal; convert goals into effective action plans

operational plans

the ongoing plans that deal with the day-to-day functions necessary to achieve business goals and objectives

outsourcing

contracting with other businesses to supply some of the key business functions or inputs needed for production

penetration pricing

a pricing strategy that involves setting the price of a new product lower than the prices of competing products

price points

psychological pricing strategies based on customers' perception of value for money

product differentiation

the differences between products of competing businesses as perceived by consumers; is based on features including quality of service, price and product image

product life cycle

the four stages that a product goes through from its launch on the market to its removal, and its associated levels of sales, volume, and market share

situational analysis

an analysis that allows a business to understand its internal and external; situation, its customer base, markets and what the business is capable of achieving

skimming

a pricing strategy that involves setting a high price while demand is high price while demand for the product is high and before competitors enter the market

small to medium enterprises

very small (1-9 employees), small (10-49), medium (50-149) and large (150+)

strategic plan

a long-term general plan that outlines the vision and future direction for the business

tactical plans

more detailed plans that translate the goals and objectives from the strategic plan into actions and tasks for the short to medium term

target market

the specific segment of the total market at which the product is aimed

team approach

where groups of workers interact in the workplace to achieve a common business goal

total market

comprises all the people who want to buy a particular product

trend analysis

a tool used by management to gauge past economic history and prepare for future events

variable costs

the costs of inputs that vary as output varies

vision statement

outlines what a business wants to be or achieve through operations