

# Table of Contents

|  |           |
|--|-----------|
| <b>Instructions for the navigation of Katalog E .....</b>            | <b>20</b> |
| <b>A Manifestations of trade.....</b>                                | <b>21</b> |
| <b>1 Overlapping terms.....</b>                                      | <b>22</b> |
| Barter economy .....   | 22        |
| Branch mixing.....   | 22        |
| Commercial agent – Commercial representative – Mercantile agent..... | 22        |
| Distance trading .....   | 24        |
| Domestic trade – Foreign trade.....                                  | 24        |
| Electronic business .....  | 25        |
| Electronic commerce.....   | 25        |
| Intermediary .....   | 27        |
| Mercantile custom – Trade term .....                                 | 27        |
| Mobile commerce.....   | 29        |
| Organisational form of trade (Type of business in trade).....        | 30        |
| Specialised trade.....   | 31        |
| Second-hand trade.....   | 31        |
| Trade as a function .....  | 31        |
| Trade as an institution.....   | 32        |
| Trading function.....  | 32        |
| Virtual organisational form (Virtual type of business).....          | 33        |

|  |               |
|--|---------------|
| <b>2 Wholesaling and foreign trade .....</b>                                       | <b>34</b>     |
| Assortment wholesaler .....  | 34            |
| Buying-up trade .....  | 34            |
| Cash and carry company – Cash and carry wholesaler –<br>Cash and carry market..... | 34            |
| Commercial Representative Centre .....   | 35            |
| Drop shipment business.....  | 35            |
| Global trade.....  | 36            |
| Incoterms.....   | 36            |
| Organisational form of wholesaling (Type of business in wholesaling) ..            | 36            |
| Production supply trade .....  | 37            |
| Rack jobber .....  | 37            |
| Specialist wholesaler.....   | 37            |
| Transit trade .....  | 37            |
| Wholesale centre.....  | 38            |
| Wholesaling as a function .....  | 38            |
| Wholesaling as an institution.....   | 39            |
| Works trading company .....  | 39            |
| <br><b>3 Retail trade .....</b>  | <br><b>40</b> |
| Boutique .....   | 40            |
| Brand shop .....   | 40            |
| Catalogue showroom .....   | 40            |
| Collective orderer .....   | 41            |
| Consumer market.....   | 41            |
| Convenience store .....  | 41            |
| Craft trade .....  | 42            |

|  |    |
|--|----|
| Department store (in German: in terms of Kaufhaus) .....                     | 42 |
| Department store (in German: in terms of Warenhaus).....                     | 42 |
| Discounter .....   | 43 |
| Drive-in principle – Drive-in store .....                                    | 43 |
| Drugstore.....   | 43 |
| Drugstore chemist .....  | 44 |
| Duty-free shop.....  | 44 |
| Electronic shopping .....  | 44 |
| Factory outlet.....  | 45 |
| Farm sale .....  | 45 |
| Flagship store .....   | 45 |
| Home delivery .....  | 46 |
| Home shopping .....  | 46 |
| Hypermarket.....   | 46 |
| Internal and staff sale .....  | 46 |
| Itinerant selling .....  | 47 |
| Job-lot seller .....   | 47 |
| Kiosk.....   | 47 |
| Mail order trade .....   | 48 |
| Multi-level marketing system.....  | 48 |
| Off-price store.....   | 49 |
| Online shop .....  | 49 |
| Organisational form of retail trade (Type of business in retail trade) ..... | 49 |
| Petrol station shop.....   | 50 |
| Pop-up store.....  | 50 |
| Preselection.....  | 51 |
| Retail trade as a function .....   | 51 |

|   |           |
|---|-----------|
| Retail trade as an institution .....                | 51        |
| Sales van.....                                      | 51        |
| Scanning – Scanner – Scanner POS.....               | 52        |
| Self-service.....                                   | 53        |
| Shop-in-shop system .....                           | 53        |
| Specialist dealer.....                              | 53        |
| Specialist discount store .....                     | 54        |
| Specialist market.....                              | 54        |
| Specialist shop .....                               | 55        |
| Staff purchasing .....                              | 55        |
| Store erosion .....                                 | 55        |
| Supermarket.....                                    | 55        |
| Teleshopping – Teleselling .....                    | 56        |
| Trading down.....                                   | 56        |
| Trading up .....                                    | 57        |
| TV shopping .....                                   | 57        |
| Vending machine sales .....                         | 58        |
| <b>4 Cooperations .....</b>                         | <b>59</b> |
| Advertising cooperative .....                       | 59        |
| Anchor store (Anchor tenant).....                   | 59        |
| Block-exemption regulation.....                     | 59        |
| Branched company .....                              | 60        |
| Commission goods/trade .....                        | 60        |
| Concession shop.....                                | 60        |
| Contract marketing.....                             | 61        |
| Contractual dealer – Contractual dealer system..... | 61        |

|  |           |
|--|-----------|
| Cooperation.....                                 | 62        |
| Cooperative group.....                           | 62        |
| Direct sales – indirect sales .....              | 63        |
| Direct selling.....                              | 63        |
| Distributional restraints.....                   | 64        |
| Franchise system.....                            | 65        |
| Sales channel.....                               | 66        |
| Sales restraints.....                            | 66        |
| Selective distribution .....                     | 67        |
| Shop-in-Shop .....                               | 67        |
| Sole distribution – Exclusive distribution.....  | 67        |
| Subsidiary enterprises in the trade.....         | 68        |
| Trading system.....                              | 68        |
| Universal distribution .....                     | 69        |
| Verticalisation .....                            | 69        |
| Voluntary chain.....                             | 70        |
| <b>5 Other forms of trading .....</b>            | <b>71</b> |
| Annual market .....                              | 71        |
| Concealed auction .....                          | 71        |
| Electronic mall.....                             | 71        |
| Electronic marketplace – Online marketplace..... | 72        |
| Exhibition.....                                  | 74        |
| Factory outlet centre (FOC) .....                | 74        |
| Flea market .....                                | 75        |
| Invitation to tender.....                        | 75        |
| Online auction .....                             | 75        |

|  |           |
|--|-----------|
| Portal .....   | 76        |
| Sales event.....                                     | 76        |
| Sampling – Sample show – Order days.....             | 77        |
| Shopping centre .....                                | 77        |
| Special market.....                                  | 78        |
| Trade fair – Trade show .....                        | 78        |
| Weekly market.....                                   | 78        |
| Wholesale market.....                                | 79        |
| <b>B Market information – Demand .....</b>           | <b>81</b> |
| Advertisement research .....                         | 82        |
| Advertising media research (Media research) .....    | 82        |
| Consumer freedom .....                               | 82        |
| Consumer protection .....                            | 82        |
| Consumer sovereignty .....                           | 83        |
| Customer Lifetime Value.....                         | 83        |
| Demand.....  | 84        |
| Demand power .....                                   | 84        |
| Experience exchange group .....                      | 85        |
| Experience orientation – Experience purchase .....   | 85        |
| Habitual purchase decision (Routine purchase) .....  | 86        |
| Hybrid/Multioptional consumer.....                   | 86        |
| Impulse purchase decision (Impulse purchase).....    | 86        |
| Interplant comparison.....                           | 86        |
| Market potential – Market volume – Market share..... | 87        |
| Market segmentation – Target group .....             | 88        |
| Marketing Information System .....                   | 88        |

|                                       |    |
|---------------------------------------|----|
| Merchandise test.....                 | 89 |
| Mystery shopping.....                 | 89 |
| Need.....                             | 90 |
| Niche market (Untapped market).....   | 90 |
| One-stop shopping.....                | 90 |
| Purchasing power.....                 | 90 |
| Requirements.....                     | 91 |
| Sales research – Market research..... | 91 |
| Shop loyalty.....                     | 92 |
| Shopping tourism.....                 | 92 |
| Smart shopper.....                    | 92 |
| Store test.....                       | 93 |
| Supply power.....                     | 93 |
| Test market – Market test.....        | 93 |
| Trust shopper.....                    | 94 |

**C Sales policy ..... 95**

**1 Sales policy concepts ..... 96**

|  |     |
|--|-----|
| Affiliate marketing.....                                 | 96  |
| Business-to-business/Business-to-consumer marketing..... | 96  |
| Category management.....                                 | 97  |
| Contribution margin.....                                 | 97  |
| Corporate identity.....                                  | 98  |
| Coupons.....   | 99  |
| Customer loyalty.....                                    | 100 |
| Customer management.....                                 | 100 |

|  |     |
|--|-----|
| Customer orientation .....                   | 101 |
| Customer Relationship Management (CRM) ..... | 101 |
| Dealer marketing .....                       | 102 |
| E-mail marketing .....                       | 103 |
| Event marketing .....                        | 103 |
| Free riding .....                            | 104 |
| Guarantee .....                              | 104 |
| Handling charges .....                       | 105 |
| Image .....                                  | 105 |
| Key account management (KAM) .....           | 105 |
| Lifestyle concept.....                       | 106 |
| Loyalty card .....                           | 106 |
| Marketing.....                               | 107 |
| Marketing costs .....                        | 107 |
| Marketing mix .....                          | 108 |
| Multinational marketing .....                | 108 |
| One-to-one marketing .....                   | 108 |
| Online marketing .....                       | 109 |
| Permission marketing.....                    | 109 |
| POS marketing .....                          | 110 |
| Productivity in the trade.....               | 110 |
| Retail branding .....                        | 110 |
| Sales .....                                  | 111 |
| Sales policy .....                           | 111 |
| Stock turnover – Storage period .....        | 111 |
| Turnover .....                               | 112 |

|   |            |
|---|------------|
| <b>2 Product – Assortment – Service .....</b>               | <b>113</b> |
| Assortment .....  | 113        |
| Assortment policy .....                                     | 113        |
| Basic utility value – Additional utility value .....        | 114        |
| Branded article .....                                       | 114        |
| Convenience goods – Shopping goods .....                    | 114        |
| Cross-selling.....  | 115        |
| Customer service .....                                      | 115        |
| Dealer’s brand – Dealer’s branded article.....              | 116        |
| Diversification .....                                       | 116        |
| Fast moving consumer goods (FMCG).....                      | 117        |
| Goods .....   | 117        |
| Incentives .....  | 118        |
| Life cycle .....  | 118        |
| Low-interest product/high-interest product.....             | 119        |
| Manufacturer’s brand – Manufacturer’s branded article ..... | 119        |
| Mark of conformity – Test mark – Quality mark .....         | 119        |
| Mass customisation.....                                     | 119        |
| Merchandise.....  | 120        |
| Me-too product .....  | 120        |
| No-name product – Generic brand.....                        | 121        |
| Online service.....   | 121        |
| Packaging.....  | 121        |
| Planned obsolescence .....                                  | 123        |
| Problem-free goods – Problematic goods.....                 | 123        |
| Product differentiation .....                               | 123        |
| Product innovation.....                                     | 124        |

|  |     |
|--|-----|
| Product range policy .....             | 124 |
| Relaunching .....                      | 124 |
| Requirement group orientation.....     | 124 |
| Resale merchandise .....               | 125 |
| Secondary positioning.....             | 125 |
| Service mark .....                     | 125 |
| Suitability for use.....               | 125 |
| Tie-in offer – Economies of scope..... | 125 |

**3 Prices – Margins – Terms and conditions..... 127**

|   |     |
|---|-----|
| Astronomical price.....                             | 127 |
| Auction price development.....                      | 127 |
| Cash discount.....                                  | 128 |
| Compensatory pricing (calculated compensation)..... | 128 |
| Consumer credit.....                                | 128 |
| Credit card.....                                    | 129 |
| Discount – Bonus .....                              | 130 |
| Dumping price .....                                 | 131 |
| Electronic payment systems .....                    | 131 |
| E-payment.....                                      | 132 |
| Everyday low price (EDLP) .....                     | 133 |
| Inducement.....                                     | 133 |
| Introductory price.....                             | 133 |
| M-payment .....                                     | 133 |
| Markdown.....                                       | 134 |
| Policy of terms and conditions .....                | 134 |
| Power shopping.....                                 | 135 |

|  |            |
|--|------------|
| Price bundling.....                                  | 135        |
| Price differentiation .....                          | 136        |
| Price reasonableness.....                            | 136        |
| Price recommendation .....                           | 136        |
| Price threshold .....                                | 137        |
| Promotional price .....                              | 137        |
| Purchase price – Cost price .....                    | 137        |
| Selling price.....                                   | 138        |
| Special offer .....                                  | 139        |
| Special offer price.....                             | 139        |
| Subscription price.....                              | 139        |
| Tax-free .....                                       | 140        |
| Trade margin .....                                   | 140        |
| Value for money .....                                | 141        |
| <b>4 Sale and distribution .....</b>                 | <b>142</b> |
| Distribution (in German: in terms of Vertrieb) ..... | 142        |
| Merchandising .....                                  | 142        |
| Point of sale – Point of purchase .....              | 143        |
| Sale .....   | 143        |
| Telephone sales .....                                | 143        |
| <b>5 Communication .....</b>                         | <b>144</b> |
| Acquisition .....                                    | 144        |
| Acquisitional potential .....                        | 144        |
| Advertisement – Advertising media.....               | 144        |
| Advertising.....                                     | 144        |

|   |     |
|---|-----|
| Advertising allowance .....                           | 145 |
| Advertising banner .....                              | 145 |
| Advertising costs .....                               | 145 |
| Advertising impact – Advertising effectiveness .....  | 146 |
| Advertising message .....                             | 146 |
| Advertising statistics in electronic commerce .....   | 147 |
| Automatic Call Distribution System .....              | 148 |
| Briefing .....  | 148 |
| Call centre .....                                     | 148 |
| Communication .....                                   | 149 |
| Comparative advertising .....                         | 149 |
| Computer telephony integration .....                  | 150 |
| Consumer advertising – Presold goods .....            | 151 |
| Direct advertising.....                               | 151 |
| Front end management.....                             | 151 |
| Individual advertising – Collective advertising ..... | 152 |
| Kiosk systems .....                                   | 153 |
| Mass communications – Mass media .....                | 153 |
| Media selection .....                                 | 153 |
| Online communication.....                             | 154 |
| Online community.....                                 | 155 |
| Open advertising – Masked advertising.....            | 155 |
| Opinion leader.....                                   | 156 |
| Personal Selling .....                                | 156 |
| Product placement .....                               | 156 |
| Promotional marketing .....                           | 157 |
| Provider ID .....                                     | 157 |

|                                     |     |
|-------------------------------------|-----|
| Public relations (PR) .....         | 158 |
| Pull strategy – Push strategy ..... | 159 |
| Sales promotion .....               | 160 |
| Search engine marketing .....       | 160 |
| Sponsorship .....                   | 161 |
| Testimonial advertising .....       | 161 |

**D Procurement policy and Supply Chain Management ..... 163**

|   |     |
|---|-----|
| Acquisitional distribution.....                                   | 164 |
| Article numbering system (Article identification system).....     | 164 |
| Back end management .....   | 165 |
| Catering.....   | 165 |
| Collaborative Planning, Forecasting and Replenishment (CPFR)..... | 166 |
| Continuous replenishment .....                                    | 166 |
| Disposal logistics.....   | 166 |
| Distribution .....  | 167 |
| Distribution channel.....   | 167 |
| Distribution costs.....   | 167 |
| Efficient Consumer Response (ECR).....                            | 168 |
| Electronic data interchange (EDI) .....                           | 169 |
| Electronic procurement .....                                      | 170 |
| Electronic Product Code (EPC).....                                | 170 |
| Just-in-time.....   | 170 |
| Leasing.....  | 171 |
| Listing fee .....   | 171 |
| Logistics .....   | 172 |
| Logistics costs.....  | 172 |

|  |     |
|--|-----|
| Marketing costs .....                      | 172 |
| Merchandise management system (MMS) .....  | 173 |
| Multichannel management .....              | 173 |
| Operating.....                             | 174 |
| Physical distribution .....                | 174 |
| Procurement.....                           | 175 |
| Procurement channel .....                  | 175 |
| Quick Response .....                       | 175 |
| Radio Frequency Identification (RFID)..... | 175 |
| Supply Chain Management.....               | 176 |
| Trade marketing .....                      | 177 |
| Vendor managed inventory .....             | 177 |
| Vertical marketing.....                    | 177 |

**E Location and regional planning..... 179**

|   |     |
|---|-----|
| Approval procedures for retail projects .....                             | 180 |
| Assortments relevant to city centres .....                                | 180 |
| Business Improvement District (BID) .....                                 | 181 |
| Catchment area.....   | 181 |
| Central place hierarchy .....   | 182 |
| Central Place Theory .....  | 182 |
| Centrality .....  | 183 |
| City marketing .....  | 183 |
| Inter-municipal coordination – Interregional coordination .....           | 184 |
| Land Use Ordinance<br>(in German: in terms of Baunutzungsverordnung)..... | 184 |
| Regional planning.....  | 184 |

|                                 |            |
|---------------------------------|------------|
| Shop .....                      | 185        |
| Shop space – Selling area ..... | 185        |
| Vacancy management .....        | 186        |
| <b>Index .....</b>              | <b>188</b> |