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وزارة التعليم العالي والبحث العلمي

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قسم الجذع مشترك

Unit : BASIC Marketing terms and advertising

Lecture : Basic Terms in Marketing and Advertising

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Basic Terms in Marketing and Advertising

I Marketing

Below mentioned is the list of most commonly used marketing that can be seen freely everywhere in the world. These marketing terms are used in the same way all over the world.

Consumer

In business perspective a person who directly derives the utility of the product is referred to as a consumer.

Customer

Customer is that individual who decides the purchasing of a particular product in the market. There are two types of customers which are as follows:

Internal Customer: Those customers of the organization who work in it are regarded as internal customers.

External Customer: All those customers that are outsiders of the organization like, individuals, business people etc. are referred to as external customers.

Consumer Market

The selling of goods and services to consumers. is called the consumer market.

Business Market

The selling of goods and services to customers who are experienced in evaluation of offerings of competitors is covered in the area of business markets.

Global Market

Global Market is the selling of goods and services beyond the frontier borders.

Non Profit and Governmental Markets

Key marketing terms include non profit and governmental markets which may take the form of missions, universities, charitable organizations etc.

Task Environment

So following elements are included in the task environment which assists in the manufacturing distribution and promotion.

Distributors – Suppliers- Dealers - Immediate actors

Broad Environment

In broader environment following elements are considered:

Natural environment -Economic environment-Demographic environment-Political-legal environment-Technological environment-Socio-cultural environment

Marketing Mix

The marketer must decide about the Marketing Mix for the organization. Therefore marketing mix includes the following four elements.

Right Product- Right Price- Right Place- Right Promotion

Although it includes the following decisions.

Direct marketing ; Advertising ; Public relations ; Announcements

II Advertising

has grown in last 10 years and so the terminologies or dictionary in advertising. Let's know the important or basic ones to start talking advertising.

1. Impressions

This used to be a term more appreciated, which means how many times a user saw your ad or banner or any online advertisement. Each time your ad has been viewed counts as an impression.

2. **CTR (Click Through Rate)**

How many users that saw your ad have clicked on it too and visited your website or landing page. The Click Through Rate is calculated as Clicks / Impressions.

Example: Let's say your ad reached 100 impressions, and 10 users also clicked on the ad, it means your CTR is 10%.

3. **Conversion**

Once a user saw your ad, clicked on it and visited your website or any landing page and does any action like buying of any product or registers or downloads depending upon the which action has been considered as a conversion for that campaign, a conversion is calculated.

4. **Call for Action**

It's the most important for the user to take any action. Call for Action is what drives the users to interact with your campaign. Depending on the goals that the advertiser set for the campaign, the Call for Action may be: Request a quote, download a brochure, sign up for a newsletter, and of course- buy a product or book a room online.

5. **CPL (Cost per Lead) / CPA (Cost per Acquisition)**

It's the cost of spending on clicks/conversion.

Example: Let's say your ad drew 100 clicks at 100\$, and you achieved 10 Conversions, then you CPL / CPA is 10\$. The lower the CPL/CPA value means good is the conversion rate.

6. **ROI (Return on Investment)**

The best example to understand ROI is :

Let's say you are promoting your restaurant and the Call for Action is booking an online reservation for dinner. You already know that your profit from every guest is 10\$. In that case, if the CPA is 8\$, which means you spent 8\$ advertising money to get a reservation, then your ROI is positive because you have 2\$ profit on every reservation.

7. **CPM (Cost per mille)**

Commonly used measurement in advertising !!

CPM is also called as CPT i.e cost per thousand, which means we need to pay the cost on every 1000 impressions.

Example: If CPM is \$ 5, it means the cost of 1000 impression is \$ 5.

8. **CPC (Cost per click)**

Just like CPM, CPC is also a measurement used in online advertising, the only difference is this cost is based on clicks and not impressions. If any user is shown the Ad but he doesn't click on it their won't be any cost effect as the cost is based on clicks only.

Example: If CPC is \$ 5, it means every click costs \$5 so 20 clicks then it will cost us \$100.

Also, consider a campaign where payment is based on impressions, not clicks. Impressions are sold for \$10 CPM with a click-through rate (CTR) of 2%.

$1000 \text{ impressions} \times 2\% \text{ CTR} = 20 \text{ click-throughs}$

$\$10 \text{ CPM} / 20 \text{ click-throughs} = \$.50 \text{ per click.}$

9. **CPA (Cost per acquisition)**

It's another word for cost per action and is used interchangeably with this term. CPA measures the advertiser's per conversion cost from start to finish, from the inclusion to the search engine results to creating interesting landing pages that grab the attention of the visitor. This means cost per acquisition measures how much it costs in advertising to convert one person from a visitor to a client for the company.

Action can be different for different campaigns, like for some registration is set as a conversion and for some the buying of any product i.e when a user reaches the 'Thank you page' or maybe downloading anything from the client's page.

10. **CPE (Cost per Engagement)**

A new measure of performance in online advertising. After CPM, CPC, and CPA we have this CPE which has no relation with impression but only with the engagement i.e when any user engages with the brand content.

This measure actually differentiates between quantity and quality.

Engagement can be defined as a user interacting with an ad in any number of ways, including viewing, sharing, voting, commenting, reviewing, playing a game, etc.

CPE campaigns are mainly video campaigns as it initiates used to engage with the creative.

11. CPL (Cost per Lead)

A lead is an initiative in an action.

It is usually a free registration or filling of the form on the creative like mobile number, email Id or name, etc. Once the user fills the detail, a lead is counted!

12. Ad Dimension

The size of a creative measured in pixels. e.g. 728×90 ; 300×250 ; 160×600 etc.

13. Ad Space

The space on a Web page reserved to display advertising.

14. Banner

An online advertisement in the form of a graphic image that typically runs across the top or bottom of a Web page, in the margin, or other space reserved for ads. i.e the Ad Space on the respective web pages.

15. Pop-Under

A window that launches automatically behind the current browser window. It is a type of advertisement like expandable, video Ads are also the type of advertisement.

16. Pop-Up

A window that launches automatically in front of the current browser window.

17. Affiliates

A type of advertising system based on the CPA payment method whereby websites run advertiser's banners for free but get paid on any sales or registrations that result from visitors that click on the banner.

18. Agency

An organization that provides a variety of ad services for advertisers, including helping them design creative and locate the best place to run their advertising campaign. Today there is the number of agencies in the market, e.g Dentsu, WPP Group, Havas, IPG Group, etc.

19. Cookies

Cookies are small files that are sent from a web server to the local user's computer to store information unique to that user. Often used by advertisers to keep track of the number and frequency of advertisements that have been shown to a visitor or by sites to help them determine the number of unique visitors. Cookies can also be used to target advertising, such as targeting advertising based on an individual's user profile on a site.

20. Frequency Capping

A term used to describe the number of times the same advertisement is shown to the same visitor during a particular session or time frame. Frequency Capping is a popular method for ensuring that a single user does not see the same ad too often.

21. Geo targeting

Geo targeting is the practice of targeting ads to web users based on their physical location , e.g. If i want to show to Ad only to US citizen i can target the Geo only to the US so no other user at a different location can see the Ad .

22. Interstitial

An particular type of advertisement that loads between web pages, requiring a user to look at it before getting to the page they meant to go to. It is one of the closest things on the Internet to television commercials.

23. Post Click Tracking – PCT

This is used to track if a user performs an action after clicking on a banner, such as completing a registration page or purchasing an item. It is done with the use of a cookie placed in the browser that is read by a tracking pixel on a page (such as an order confirmation page or a “thank you for signing up” page).

24. RON

Run of network (RON) means a banner will run on all the network i.e it has the potential to appear on any page of any site that is part of an ad network. This type of buy is not targeted to any specific

choice, it tends to be the least expensive type of advertisement that can be purchased. Custom targeting is quite costly than RON.

25. Leaderboard is a standard size of an online banner (advertisement) of size (w) 729 x (h) 90 (in pixels).

26. MPU (Mid page Unit)

MPU (Mid Page Unit) or medium rectangle is a banner (advertisement) size of (w) 300 x (h) 250 (in pixels).

27. Skyscraper

Ad Dimension 120×600. Commonly used on the side of pages.

28. ATF – “Above the fold ” of a web page.

29. BTF – “Below the fold ” of a web page.

30. Insertion Order

It's a formal contract binding between both the buyer and seller of inventory

31. Ad Tags

HTML code produced by your ad server that displays the corresponding creatives.

32. Pacing

Pacing is how fast the purchased impressions are delivered , like if the pacing is **AGGRESSIVE** , it means the impressions are to be delivered in a fast pace while if the pacing is **GOVERNED** , it means the impressions are to be delivered in some pattern and also in slow mode.

33. Out-clause

Out-clause is the amount of time you have to cancel an insertion order.