

# Glossary of Service Marketing and Management Terms

This glossary defines key terms used in this book and more generally in service marketing and management. For a broader coverage of marketing terms, see the glossaries in marketing management texts such as Philip Kotler and Kevin Lane Keller, *Marketing Management*, 12/e (Upper Saddle River, NJ: Prentice Hall, 2006) or consult the American Marketing Association's online *Dictionary of Marketing Terms* ([www.marketingpower.com/mg-dictionary.php](http://www.marketingpower.com/mg-dictionary.php)).

You should be aware that not everyone attaches precisely the same meaning to the same term. That's why it's important that you know and can clarify your own understanding when using a particular word or phrase. As often happens in an evolving field, the same terms are sometimes defined and used in different ways by academics and practitioners and among managers in different industries. Even individual companies may attach distinctive meanings to specific terms.

Words and phrases may also mean entirely different things when applied in nonmanagerial contexts. This situation, is of course, typical of language in general. For example, the 3 750-page, two-volume *Shorter Oxford English Dictionary*, 5/e (Oxford, UK, and New York: Oxford University Press, 2003) contains no less than 31 definitions of the word "service," embracing applications from domestic work, waiting in restaurants, and military duty to tennis, legal procedures, and the breeding of farm animals!

## A

**activity-based costing (ABC):** an approach to costing based on identifying the activities being performed and then determining the resources that each consumes.

**adequate service:** minimum level of service that a customer will accept without being dissatisfied.

**advertising:** any paid form of nonpersonal communication by a marketer to inform, educate, or persuade members of target audiences.

**arm's-length transactions:** interactions between customers and service suppliers in which mail or telecommunications minimize the need to meet face to face.

**attitude:** a person's consistently favourable or unfavourable evaluations, feelings, and action tendencies toward an object or idea.

**auction:** a selling procedure managed by a specialist intermediary in which the price is set by allowing prospective purchasers to bid against each other for a product offered by a seller.

**augmented product:** a core product (a good or a service) plus supplementary elements that add value for customers (*see also* **flower of service**).

## B

**backstage (or technical core):** those aspects of service operations that are hidden from customers.

**balking:** a decision by a customer not to join a queue because the wait appears too long.

**banner ads:** small, rectangular boxes on websites that contain text and perhaps a picture to support a brand.

**benchmarking:** comparing an organization's products and processes to those of competitors or leading firms in the same or other industries to find ways to improve performance, quality, and cost effectiveness.

**benefit:** an advantage or gain that customers obtain from performance of a service or use of a physical good.

**benefit-driven pricing:** strategy of relating price to that aspect of the service that directly creates benefits for customers.

**blog:** a publicly accessible "web log" containing frequently updated pages in the form of journals, diaries, news listings, etc.; authors—known as bloggers—typically focus on specific topics.

**blueprint:** a visual map of the sequence of activities required for service delivery that specifies front-stage and backstage elements and the linkages between them.

**boundary-spanning positions:** jobs that straddle the boundary between the external environment, where customers are encountered, and the internal operations of the organization.

**brand:** a name, phrase, design, symbol, or some combination of these elements that identifies a company's services and differentiates it from competitors.

**business model:** means by which an organization generates income from sales and other sources through choice of pricing mechanisms and payors (e.g., user, advertiser or sponsor, other third parties), ideally sufficient to cover costs and create value for its owners. (*Note:* For nonprofits and public agencies, donations and designated tax revenues may be an integral part of the model.)

## C

**chain stores:** two or more outlets under common ownership and control, and selling similar goods and services.

**chase demand strategy:** adjusting the level of capacity to meet the level of demand at any given time.

**churn:** loss of existing customer accounts and the need to replace them with new ones.

**clicks and mortar:** a strategy of offering service through both physical stores and virtual storefronts via websites on the Internet.

**competition-based pricing:** setting prices relative to those charged by competitors.

**competitive advantage:** a firm's ability to perform in ways that competitors cannot or will not match.

**complaint:** a formal expression of dissatisfaction with any aspect of a service experience.

**complaint log:** a detailed record of all customer complaints received by a service provider.

**conjoint analysis:** a research method for determining the utility values that consumers attach to varying levels of a product's attributes.

**consumption:** purchase and use of a service or good.

**control chart:** a chart that graphs quantitative changes in service performance on a specific variable relative to a predefined standard.

**control model of management:** an approach based on clearly defined roles, top-down control systems, a hierarchical organizational structure, and the assumption that management knows best.

**core competency:** a capability that is a source of competitive advantage.

**corporate culture:** shared beliefs, norms, experiences, and stories that characterize an organization.

**corporate design:** consistent application of distinctive colours, symbols, and lettering to give a firm an easily recognizable identity.

**cost leader:** a firm that bases its pricing strategy on achieving the lowest costs in its industry.

**cost-based pricing:** relating the price to be charged for a product to the costs associated with producing, delivering, and marketing it.

**credence attributes:** product characteristics that customers may not be able to evaluate even after purchase and consumption.

**critical incident:** a specific encounter between customer and service provider in which the outcome has proved especially satisfying or dissatisfying for one or both parties.

**critical incident technique (CIT):** a methodology for collecting, categorizing, and analyzing critical incidents that have occurred between customers and service providers.

**CRM system:** information technology (IT) systems and infrastructure that support the implementation and delivery of a customer-relationship management strategy.

**customer contact personnel:** service employees who interact directly with individual customers, either in person or through mail and telecommunications.

**customer equity:** total combined customer lifetime value (*see definition*) of the company's entire customer base.

**customer interface:** all points at which customers interact with a service organization.

**customer lifetime value (CLV):** net present value of the stream of future contributions or profits expected over each customer's purchases during his or her anticipated lifetime as a customer of a specific organization.

**customer relationship management (CRM):** overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

**customer satisfaction:** a short-term emotional reaction to a specific service performance.

**customer training:** training programs offered by service firms to teach customers about complex service products.

**customization:** tailoring service characteristics to meet each customer's specific needs and preferences.

**cyberspace:** a virtual reality without physical existence, in which electronic transactions or communications occur.

## D

**data mining:** extracting useful information about individuals, trends, and segments from often massive amounts of customer data.

**data warehouse:** a comprehensive database containing customer information and transaction data.

**database marketing:** building, maintaining, and using customer databases and other databases for contacting, selling, cross-selling, up-selling, and building customer relationships.

**defection:** a customer's decision to transfer brand loyalty from a current service provider to a competitor.

**delivery channels:** physical and electronic means by which a service firm (sometimes assisted by intermediaries) delivers one or more product elements to its customers.

**demand curve:** A curve that shows the number of units the market will buy at different prices.

**demand cycle:** a period of time during which the level of demand for a service will increase and decrease in a somewhat predictable way before repeating itself.

**demographic segmentation:** dividing the market into groups based on demographic variables such as age, gender, family life cycle, family size, income, occupation, education, religion, or ethnic group.

**desired service:** the "wished for" level of service quality that a customer believes can and should be delivered.

**discounting:** a strategy of reducing the price of an item below the normal level.

**dynamic pricing:** a technique, employed primarily by e-tailers, to charge different customers different prices for the same products, based on information collected about their purchase history, preferences, and price sensitivity.

## E

**e-commerce:** buying, selling, and other marketing processes supported by the Internet (*see also e-tailing*).

**eight (8) Ps:** eight strategic elements, each beginning with P, in the services marketing mix, representing the key ingredients required to create viable strategies for meeting customer needs profitably in a competitive marketplace.

**emotional labour:** expressing socially appropriate (but sometimes false) emotions toward customers during service transactions.

**empowerment:** authorizing employees to find solutions to service problems and make appropriate decisions about responding to customer concerns without having to obtain a supervisor's approval.

**enablement:** providing employees with the skills, tools, and resources they need to use their own discretion confidently and effectively.

**enhancing supplementary services:** supplementary services that may add extra value for customers.

**e-tailing:** retailing through the Internet instead of through physical stores.

**excess capacity:** an organization's capacity to create service output that is not fully utilized.

**excess demand:** demand for a service at a given time that exceeds the organization's ability to meet customer needs.

**expectations:** internal standards that customers use to judge the quality of a service experience.

**experience attributes:** product performance features that customers can evaluate only during service delivery.

**expert systems:** interactive computer programs that mimic a human expert's reasoning to draw conclusions from data, solve problems, and give customized advice.

## F

**facilitating supplementary services:** supplementary services that aid in the use of the core product or are required for service delivery.

**fail point:** a point in a process at which there is a significant risk of problems that can damage service quality (sometimes referred to humorously as an OTSU, short for "opportunity to screw up").

**financial outlays:** all monetary expenditures incurred by customers in purchasing and consuming a service.

**fishbone diagram:** a chart-based technique that relates specific service problems to different categories of underlying causes (also known as a cause-and-effect chart).

**fixed costs:** costs that do not vary with production or sales revenue.

**flat-rate pricing:** quoting a fixed price for a service in advance of delivery.

**flowchart:** a visual representation of the steps involved in delivering service to customers (*see also* **blueprint**).

**flower of service:** a visual framework for understanding the supplementary service elements that surround and add value to the product core (*see also* **augmented product**).

**focus group:** a group, typically consisting of six to eight people and carefully preselected on certain characteristics (e.g., demographics, psychographics, or product ownership), who are convened by researchers for in-depth, moderator-led discussion of specific topics.

**franchise:** A contractual association between a franchiser (typically a manufacturer, wholesaler, or service organization) and independent businesspeople (franchisees), who buy the right to own and operate one or more units in the franchise system.

**frequency program (FPs):** a program designed to reward customers who buy frequently and in substantial amounts.

**front stage:** those aspects of service operations and delivery that are visible or otherwise apparent to customers.

## G

**geographic segmentation:** dividing a market into geographic units such as countries, regions, or cities.

**goods:** physical objects or devices that provide benefits for customers through ownership or use.

## H

**halo effect:** tendency for consumer ratings of one prominent product characteristic to influence ratings for many other attributes of that same product.

**high-contact services:** services that involve significant interaction among customers, service personnel, and equipment and facilities.

**human resource management (HRM):** coordination of tasks related to job design, employee recruitment, selection, training, and motivation; also includes planning and administering other employee-related activities.

## I

**image:** a set of beliefs, ideas, and impressions held regarding an object.

**impersonal communications:** one-way communications directed at target audiences who are not in personal contact with the message source (including advertising, promotions, and public relations).

**information processing:** intangible actions directed at customers' assets.

**information-based services:** all services in which the principal value comes from the transmission of data to customers; also includes mental stimulus processing and information processing (*see definitions*).

**in-process wait:** a wait that occurs during service delivery.

**inputs:** all resources (labour, materials, energy, and capital) required to create service offerings.

**intangibility:** (*see* **mental intangibility** and **physical intangibility**).

**intangible:** something that is experienced and that cannot be touched or preserved.

**integrated marketing communications (IMC):** a concept under which an organization carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.

**internal communications:** all forms of communication from management to employees within an organization.

**internal customers:** employees who receive services from an internal supplier (another employee or department) as a necessary input to performing their own jobs.

**internal marketing:** marketing activities directed internally to employees to train and motivate them and instill a customer focus.

**internal services:** service elements within any type of business that facilitate creation of, or add value to, its final output.

**internet:** a large public web of computer networks that connects users from around the world to each other and to a vast information repository.

**inventory:** for *manufacturing*, physical output stockpiled after production for sale at a later date; for *services*, future output that has not yet been reserved in advance, such as the number of hotel rooms still available for sale on a given day.

**involvement model of management:** an approach based on the assumption that employees are capable of self-direction and, if properly trained, motivated, and informed, can make good decisions concerning service operations and delivery.

**iTV:** (interactive television) procedures that allow viewers to alter the viewing experience by controlling TV program delivery (e.g., TiVo, video on demand) and/or content.

## J

**jaycustomer:** a customer who acts in a thoughtless or abusive way, causing problems for the firm, its employees, and other customers.

## L

**levels of customer contact:** extent to which customers interact physically with the service organization.

**low-contact services:** services that require minimal or no direct contact between customers and the service organization.

**loyalty:** a customer's commitment to continue patronizing a specific firm over an extended period of time.

## M

**market focus:** extent to which a firm serves few or many markets.

**market segmentation:** process of dividing a market into distinct groups within each of which all customers share relevant characteristics that distinguish them from customers in other segments, and respond in similar ways to a given set of marketing efforts.

**marketing communications mix:** full set of communication tools (both paid and unpaid) available to marketers, including advertising, sales promotion, events, public relations and publicity, direct marketing, and personal selling.

**marketing implementation:** process that turns marketing plans into projects and ensures that such projects are executed in a way that accomplishes the plan's stated objectives.

**marketing research:** systematic design, collection, analysis, and reporting of customer and competitor data and findings relevant to a specific marketing situation facing an organization.

**marketplace:** a location in physical space or cyberspace (*see definition*) where suppliers and customers meet to do business.

**mass customization:** offering a service with some individualized product elements to a large number of customers at a relatively low price.

**maximum capacity:** upper limit to a firm's ability to meet customer demand at a particular time.

**medium-contact services:** services that involve only a limited amount of contact between customers and elements of the service organization.

**membership relationship:** a formalized relationship between the firm and a specified customer that may offer special benefits to both parties.

**mental intangibility:** difficulty for customers in visualizing an experience in advance of purchase and

understanding the process and even the nature of the outcome (*see also physical intangibility*).

**mental stimulus processing:** intangible actions directed at people's minds.

**mission statement:** succinct description of what the organization does, its standards and values, whom it serves, and what it intends to accomplish.

**molecular model:** a framework that uses a chemical analogy to describe the structure of service offerings.

**moment of truth:** a point in service delivery at which customers interact with service employees or self-service equipment and the outcome may affect perceptions of service quality.

**mystery shopping:** a research technique that employs individuals posing as ordinary customers to obtain feedback on the service environment and customer-employee interactions.

## N

**needs:** subconscious, deeply felt desires that often concern long-term existence and identity issues.

**net value:** the sum of all perceived benefits (gross value) minus the sum of all perceived outlays.

**nonfinancial outlays:** time expenditures, physical and mental effort, and unwanted sensory experiences associated with searching for, buying, and using a service.

**nonmonetary costs:** (*see nonfinancial outlays*).

## O

**opportunity cost:** potential value of income or other benefits foregone as a result of choosing one course of action instead of other alternatives.

**optimum capacity:** point beyond which a firm's efforts to serve additional customers will lead to a perceived decline in service quality.

**organizational climate:** employees' shared perceptions of the practices, procedures, and types of behaviours that are rewarded and supported in a particular setting.

**organizational culture:** shared values, beliefs, and work styles that are based on an understanding of what is important to the organization and why.

**OTSU ("opportunity to screw up"):** (*see fail point*).

**outputs:** final outcome of the service delivery process as perceived and valued by customers.

## P

**Pareto analysis:** an analytical procedure to identify what proportion of problem events is caused by each of several different factors.

**people:** customers and employees who are involved in service production.

**people processing:** services that involve tangible actions to people's bodies.

**perception:** process by which individuals select, organize, and interpret information to form a meaningful picture of the world.

**perceptual map:** a visual illustration of how customers perceive competing services.

**permission marketing:** a marketing communication strategy that encourages customers to volunteer permission to a company to communicate with them through specified channels so they may learn more

about its products and continue to receive useful information or something else of value to them.

- personal communications:** direct communications between marketers and individual customers that involve two-way dialogue (including face-to-face conversations, phone calls, and email).
- personal selling:** two-way communications between service employees and customers designed to influence the purchase process directly.
- physical effort:** undesired consequences to a customer's body resulting from involvement in the service delivery process.
- physical evidence:** visual or other tangible clues that provide evidence of service quality.
- physical intangibility:** service elements that are not accessible to examination by any of the five senses; (*more narrowly*) elements that cannot be touched or preserved by customers.
- place and time:** management decisions about when, where, and how to deliver services to customers.
- positioning:** establishing a distinctive place in the minds of customers relative to the attributes possessed by or absent from competing products.
- possession processing:** tangible actions to goods and other physical possessions belonging to customers.
- postprocess wait:** a wait that occurs after service delivery has been completed.
- post-encounter stage:** final stage in the service purchase process, in which customers evaluate the service experienced, form their satisfaction/dissatisfaction judgment with the service outcome, and establish future intentions.
- post-transaction survey:** a technique to measure customer satisfaction and perceptions of service quality while a specific service experience is still fresh in the customer's mind.
- predicted service:** level of service quality a customer believes a firm will actually deliver.
- preprocess wait:** a wait before service delivery begins.
- prepurchase stage:** first stage in the service purchase process, in which customers identify alternatives, weigh benefits and risks, and make a purchase decision.
- price and other user outlays:** expenditures of money, time, and effort that customers incur in purchasing and consuming services.
- price bucket:** an allocation of service capacity (e.g., seats) for sale at a particular price.
- price bundling:** charging a base price for a core service plus additional fees for optional supplementary elements.
- price elasticity:** extent to which a change in price leads to a corresponding change in demand in the opposite direction. (Demand is described as *price inelastic* when changes in price have little or no effect on demand.)
- price leader:** a firm that takes the initiative on price changes in its market area and is copied by others.
- process:** a particular method of operations or series of actions, typically involving steps that need to occur in a defined sequence.
- product:** the core output (either a service or a manufactured good) produced by a firm.

- product attributes:** all features (both tangible and intangible) of a good or service that can be evaluated by customers.
- product elements:** all components of the service performance that create value for customers.
- productive capacity:** amount of facilities, equipment, labour, infrastructure, and other assets available to a firm to create output for its customers.
- productivity:** how efficiently service inputs are transformed into outputs that add value for customers.
- promotion and education:** all communication activities and incentives designed to build customer preference for a specific service or service provider.
- psychographic segmentation:** dividing a market into different groups based on personality characteristics, social class, or lifestyle.
- psychological burdens:** undesired mental or emotional states experienced by customers as a result of the service delivery process.
- public relations:** efforts to stimulate positive interest in a company and its products by sending out news releases, holding press conferences, staging special events, and sponsoring newsworthy activities put on by third parties.
- purchase process:** the stages a customer goes through in choosing, consuming, and evaluating a service.

## Q

- quality:** the degree to which a service satisfies customers by consistently meeting their needs, wants, and expectations.
- queue:** a line of people, vehicles, other physical objects, or intangible items waiting their turn to be served or processed.
- queue configuration:** the way in which a waiting line is organized.

## R

- rate fences:** techniques for separating customers so that segments for whom the service offers high value are unable to take advantage of lower-priced offers.
- reciprocal marketing:** a marketing communication tactic in which an online retailer allows paying customers to receive promotions for another online retailer and vice versa, at no upfront cost to either party.
- re-engineering:** analysis and redesign of business processes to create dramatic performance improvements in such areas as cost, quality, speed, and customers' service experiences.
- relationship marketing:** activities aimed at developing long-term, cost-effective links between an organization and its customers for the mutual benefit of both parties.
- reneging:** a decision by a customer to leave a queue before reaching its end because the wait is longer or more burdensome than originally anticipated.
- repositioning:** changing the position a firm holds in a consumer's mind relative to competing services.
- retail displays:** presentations in store windows and other locations of merchandise, service experiences, and benefits.

**retail gravity model:** a mathematical approach to retail site selection that involves calculating the geographic centre of gravity for the target population and then locating a facility to optimize customers' ease of access.

**return on quality:** financial return obtained from investing in service quality improvements.

**revenue management:** a pricing and product-design strategy based on charging different prices to different segments at different times to maximize the revenue that can be derived from a firm's available capacity during a specific time frame (also known as *yield management*).

**role:** a combination of social cues that guides behaviour in a specific setting or context.

**role congruence:** extent to which both customers and employees act out their prescribed roles during a service encounter.

## S

**sales promotion:** a short-term incentive offered to customers and intermediaries to stimulate faster or larger purchase.

**satisfaction:** a person's feelings of pleasure or disappointment resulting from a consumption experience when comparing a product's perceived performance or outcome in relation to his or her expectations.

**script:** a learned sequence of behaviours obtained through personal experience or communication with others.

**search attributes:** product characteristics that consumers can readily evaluate prior to purchase.

**segment:** a group of current or prospective customers who share common characteristics, needs, purchasing behaviour, or consumption patterns.

**sensory burdens:** negative sensations experienced through a customer's five senses during the service delivery process.

**service:** an economic activity offered by one party to another, typically without transfer of ownership, creating value from rental of, or access to, goods, labour, professional skills, facilities, networks, or systems, singly or in combination.

**service blueprint:** (see *blueprint, flowchart*).

**service concept:** what the firm offers, to whom, and through what processes.

**service delivery system:** that part of the total service system during which final "assembly" of the elements takes place and the product is delivered to the customer; it includes the visible elements of the service operation.

**service encounter:** a period of time during which customers interact directly with a service.

**service encounter stage:** the second stage in the service purchase process, in which the required service is delivered through interactions between customers and the service provider.

**service factory:** a physical site where service operations take place.

**service failure:** a perception by customers that one or more specific aspects of service delivery have not met their expectations.

**service focus:** extent to which a firm offers few or many services.

**service guarantee:** a promise that if service delivery fails to meet predefined standards, the customer is entitled to one or more forms of compensation.

**service marketing system:** that part of the total service system in which the firm has any form of contact with its customers, from advertising to billing; it includes contacts made at the point of delivery.

**service model:** an integrative statement that specifies the nature of the service concept (what the firm offers, to whom, and through what processes), the service blueprint (how the concept is delivered to target customers), and the accompanying business model (how revenues will be generated sufficient to cover costs and ensure financial viability).

**service operations system:** that part of the total service system in which inputs are processed and the elements of the service product are created.

**service preview:** a demonstration of how a service works, to educate customers about the roles they are expected to perform in service delivery.

**service quality:** customers' long term, cognitive evaluations of a firm's service delivery.

**service quality information system:** an ongoing service research process that provides timely, useful data to managers about customer satisfaction, expectations, and perceptions of quality.

**service recovery:** systematic efforts by a firm after a service failure to correct a problem and retain a customer's goodwill.

**service sector:** the portion of a nation's economy represented by services of all kinds, including those offered by public and nonprofit organizations.

**service-profit chain:** a strategic framework that links employee satisfaction to performance on service attributes to customer satisfaction, then to customer retention, and finally to profits.

**services marketing mix** (see *eight (8) Ps*).

**servicescape:** the design of any physical location where customers come to place orders and obtain service delivery.

**SERVQUAL:** a pair of standardized 22-item scales that measure customers' expectations and perceptions concerning five dimensions of service quality.

**standardization:** reducing variation in service operations and delivery.

**stickiness:** a website's ability to encourage repeat visits and purchases by providing users with easy navigation, problem-free execution of tasks, and keeping its audience engaged with interactive communication presented in an appealing fashion.

**sustainable competitive advantage:** a position in the marketplace that can't be taken away or minimized by competitors in the short run.

## T

**tangible:** capable of being touched, held, or preserved in physical form over time.

**target market:** a part of the qualified available market with common needs or characteristics that a company decides to serve.

**target segments:** segments selected because their needs and other characteristics fit well with a specific firm's goals and capabilities.

**third-party payments:** payments to cover all or part of the cost of a service or good made by a party other than the user (who may or may not have made the actual purchase decision).

**three-stage model of service consumption:** a framework depicting how consumers move from a prepurchase stage (in which they recognize their needs, search for and evaluate alternative solutions, and make a decision), to a service encounter search (in which they obtain service delivery), and thence a post-encounter stage (in which they evaluate service performance against expectations).

**time expenditures:** time spent by customers during all aspects of the service delivery process.

**total costs:** the sum of the fixed and variable costs for any given level of production.

**transaction:** an event during which an exchange of value takes place between two parties.

## U

**undesirable demand:** requests for service that conflict with the organization's mission, priorities, or capabilities.

## V

**value chain:** the series of departments within a firm or external partners and subcontractors that carry out value-creating activities to design, produce, market, deliver, and support a product or service offering.

**value exchange:** transfer of the benefits and solutions offered by a seller in return for financial and other value offered by a purchaser.

**value net (or value network):** a system of partnerships and alliances that a firm creates to source, augment, and deliver its service offering.

**value proposition:** a specified package of benefits and solutions that a company intends to offer and how it proposes to deliver them to customers, emphasizing key points of difference relative to competing alternatives.

**value-based pricing:** the practice of setting prices based on what customers are willing to pay for the value they believe they will receive.

**variability:** a lack of consistency in inputs and outputs during the service production process.

**variable costs:** costs that depend directly on the volume of production or service transactions.

**viral marketing:** using the internet to create word-of-mouth effects to support marketing efforts.

## W

**wheel of loyalty:** a systematic and integrated approach to targeting, acquiring, developing, and retaining a valuable customer base.

**word of mouth:** positive or negative comments about a service made by one individual (usually a current or former customer) to another.

## Y

**yield:** the average revenue received per unit of capacity offered for sale.

**yield management:** (*see revenue management*).

## Z

**zone of tolerance:** the range within which customers are willing to accept variations in service delivery.