evocreative

Marketing Terms: Explained Simply - Part 1

Marketing Strategy & Business Terms

A practical glossary for business owners, founders, and growing teams.

Understand the marketing language that shapes better business decisions.

INTRODUCTION

Marketing Terms Should Create Clarity, Not Confusion

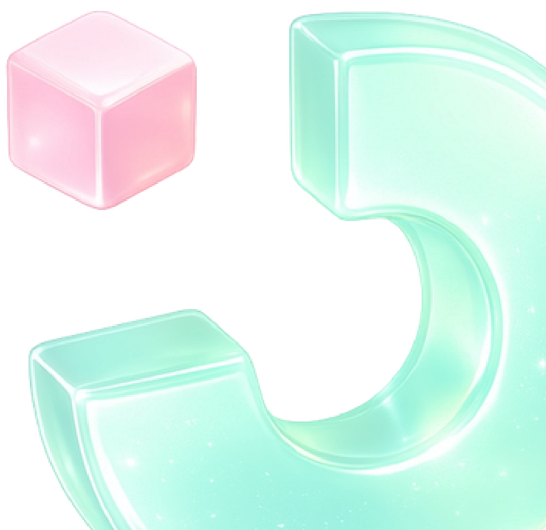
Marketing language is supposed to help teams align, make better decisions, and understand what they are trying to achieve.

But too often, marketing terms create confusion instead.

This guide explains common marketing strategy and business terms in plain English, so you can use it as a quick reference before a strategy meeting, during a website project, when reviewing a proposal, or whenever a marketing term sounds more complicated than it needs to be.

Use this guide to make marketing conversations clearer, more practical, and easier to act on.

TABLE OF CONTENTS



01
Brand & Positioning

These terms explain how a business is seen, remembered, and understood by the market.

Brand

A brand is the overall perception people have of your business. It is shaped by what you say, how you look, how you communicate, how you deliver, and how people feel after interacting with you.

Why it matters: Your brand affects whether people trust you, remember you, and choose you over other options.

Common mistake: Thinking a brand is only a logo, name, or visual identity. Those are part of branding, but the brand is the broader perception.

Branding

Branding is the process of shaping how your business is presented and experienced. It includes elements like your logo, colors, typography, imagery, tone of voice, messaging, and overall visual style.

Why it matters: Good branding helps make your business recognizable, consistent, and easier to understand.

Common mistake: Thinking branding is only about making things look nice. Strong branding should support the strategy behind the business.

Brand Awareness

Brand awareness is the level of familiarity people have with your business. It measures whether your target audience recognizes your name, understands what you do, or remembers you when they need a solution.

Why it matters: People are more likely to consider businesses they already know, recognize, or trust.

Common mistake: Assuming awareness alone is enough. People may know your brand exists, but still not understand why they should choose you.

Messaging

Messaging is the language you use to communicate your value, offer, and point of view. It includes headlines, website copy, sales language, campaign messages, and the way you explain what makes your business relevant.

Why it matters: Strong messaging helps people quickly understand what you do, who it is for, and why it matters.

Common mistake: Writing messaging that sounds polished but does not clearly explain the value of the business.

USP / Unique Selling Proposition

A USP, or Unique Selling Proposition, is the specific thing that makes your business, product, or service different from other options. It should help answer the question: why should someone choose you instead of someone else?

Why it matters: A clear USP helps your business stand out in a crowded market.

Common mistake: Claiming generic strengths like "quality," "service," or "experience" without explaining what makes them meaningfully different.

Brand Strategy

Brand strategy is the long-term plan for how a business wants to be understood, remembered, and positioned in the market. It connects the brand's audience, positioning, messaging, values, personality, and competitive difference.

Why it matters: A clear brand strategy helps make decisions about design, messaging, content, campaigns, and customer experience feel more consistent and intentional.

Common mistake: Treating brand strategy as a visual exercise. Design matters, but brand strategy is about the thinking behind how the business wants to show up and be perceived.

Brand Identity

Brand identity is the collection of visual and verbal elements that represent a brand, such as the logo, colors, typography, imagery, design system, tone of voice, messaging style, and other recognizable assets.

Why it matters: A strong brand identity helps people recognize your business and understand its personality, quality, and positioning more quickly.

Common mistake: Using "brand identity" and "brand" as if they mean the same thing. Brand identity is how the brand is expressed; the brand is the perception people form.

Brand Voice

Brand voice is the consistent personality and style a business uses in its communication across website copy, social media, emails, sales materials, ads, and customer communication.

Why it matters: A clear brand voice makes communication more recognizable, consistent, and aligned with the way the business wants to be perceived.

Common mistake: Changing tone completely from one channel to another. The voice can adapt to the context, but it should still feel like the same brand.

Value Proposition

A value proposition is the clear reason someone should choose your product, service, or company. It explains the value you provide, who it is for, and what problem or need it addresses.

Why it matters: A strong value proposition helps people understand why your offer is relevant and worth considering.

Common mistake: Making the value proposition too vague, such as "we help businesses grow," without explaining the specific value or outcome.

Positioning

Positioning is how your business is placed in the mind of your target audience compared to other options. It explains what you do, who you serve, why you are different, and why people should care.

Why it matters: Clear positioning makes your messaging, website, content, and sales conversations much easier to understand.

Common mistake: Confusing positioning with a slogan. A slogan may express positioning, but it is not the positioning itself.

02

Strategy & Planning

These terms explain the difference between direction, planning, execution, and market approach.

Marketing Strategy

A marketing strategy is the overall direction for how your business will reach the right audience, communicate value, and support business goals. It defines who you are targeting, how you want to be positioned, what makes you different, and where marketing should focus.

Why it matters: A clear strategy helps your team make better decisions about campaigns, content, channels, budget, and priorities.

Common mistake: Treating a marketing strategy as a list of tasks. A strategy explains the direction behind the tasks.

Marketing Plan

A marketing plan is the practical action plan for executing your marketing strategy. It usually includes campaigns, channels, timelines, budgets, content, responsibilities, and specific activities.

Why it matters: A plan turns strategy into action and helps teams stay organized.

Common mistake: Creating a plan before the strategy is clear. Without strategy, the plan can become a disconnected list of activities.

Go-to-Market / GTM

A go-to-market strategy is the plan for launching or bringing a product, service, or offer to a specific market. It usually defines the target audience, positioning, messaging, channels, sales approach, and launch activities.

Why it matters: A strong GTM strategy helps businesses launch with focus instead of simply putting something out and hoping people respond.

Common mistake: Thinking GTM only applies to new products. It can also apply to new markets, new services, new audiences, or major repositioning.

Market Position

Market position is where your business sits in the market compared to competitors and alternatives. It reflects how customers understand your offer, value, pricing, quality, specialization, and relevance.

Why it matters: A clear market position helps people understand where you fit and why they should consider you over other options.

Common mistake: Assuming your market position is only what you say about yourself. It is also shaped by how customers compare you to other choices.

Competitive Advantage

Competitive advantage is the reason your business is better placed to win in the market than competitors or alternatives. It can come from expertise, product quality, pricing, service, speed, relationships, technology, brand, or a unique approach.

Why it matters: A clear competitive advantage helps guide positioning, messaging, sales conversations, and strategic decisions.

Common mistake: Claiming advantages that are too generic, such as “better quality” or “great service,” without showing why they are genuinely different or valuable.

Marketing Mix / 4 Ps

The 4 Ps are Product, Price, Place, and Promotion. They are a classic framework for thinking about what you offer, how it is priced, where it is sold, and how it is promoted.

Why it matters: The 4 Ps help businesses look beyond promotion and think about the full offer.

Common mistake: Thinking marketing is only about promotion. Product, pricing, and distribution are also part of the marketing equation.

Marketing Mix / 7 Ps

The 7 Ps expand the traditional 4 Ps by adding People, Process, and Physical Evidence. This is especially useful for service-based businesses where the customer experience depends on people, delivery, and trust signals.

Why it matters: The 7 Ps help service businesses think about the full customer experience, not just advertising or promotion.

Common mistake: Ignoring the experience around the service. How something is delivered can be just as important as what is being sold.

Pricing Strategy

Pricing strategy is the approach a business uses to set prices based on value, market position, customer expectations, costs, and competition. It is not just about choosing a number.

Why it matters: Pricing affects perception, profitability, positioning, and growth.

Common mistake: Setting prices only by copying competitors or adding a margin to costs, without considering perceived value or positioning.

03

Audience & Market

These terms help define who the business is trying to reach and which market opportunities matter most.

ICP / Ideal Customer Profile

An ICP describes the type of customer or company that is the best fit for your business. It focuses on characteristics like industry, size, needs, budget, maturity, and fit.

Why it matters: A clear ICP helps you focus marketing and sales on the customers most likely to benefit from your offer and become valuable clients.

Common mistake: Defining the ICP too broadly. "Anyone who could buy from us" is not an ideal customer profile.

Buyer Persona

A buyer persona is a profile of the individual person involved in the buying decision. It usually includes their role, goals, challenges, motivations, objections, and decision-making context.

Why it matters: Buyer personas help make messaging, content, and sales conversations more relevant to the people you are trying to influence.

Common mistake: Confusing buyer personas with demographics only. Job title, age, or location are not enough without understanding motivations and concerns.

Segmentation

Segmentation is the process of dividing a larger market or audience into smaller groups based on shared characteristics. These groups can be based on industry, needs, behavior, location, company size, or buying stage.

Why it matters: Segmentation helps businesses avoid generic messaging and create more relevant campaigns for different groups.

Common mistake: Creating too many segments without a clear strategy for how to serve or communicate with each one.

Target Audience

A target audience is the group of people or organizations your marketing is intended to reach. It is broader than an ICP and can include different segments or buyer types.

Why it matters: Knowing your target audience helps shape your message, channels, content, and offers.

Common mistake: Making the target audience too broad. If you try to speak to everyone, your message often becomes too vague.

TAM / Total Addressable Market

TAM, or Total Addressable Market, is the total potential market demand for a product or service. It estimates how large the opportunity could be if you reached the entire market.

Why it matters: TAM helps businesses understand market size, growth potential, and whether an opportunity is large enough to pursue.

Common mistake: Treating TAM as a realistic sales forecast. TAM shows the total opportunity, not what you are likely to capture.

B2B

B2B means business-to-business. It describes companies that sell products or services to other businesses.

Why it matters: B2B marketing often involves longer sales cycles, multiple decision-makers, and a stronger need for trust, education, and proof.

Common mistake: Forgetting that B2B buyers are still people. Even when selling to companies, human motivations and concerns matter.

B2C

B2C means business-to-consumer. It describes companies that sell products or services directly to individual consumers.

Why it matters: B2C marketing often focuses on individual needs, emotions, convenience, lifestyle, price, and brand preference.

Common mistake: Assuming B2C is always simple or impulsive. Many consumer decisions still involve research, comparison, and trust.

D2C

D2C means direct-to-consumer. It describes brands that sell directly to customers without relying mainly on traditional retailers or intermediaries.

Why it matters: D2C gives brands more control over customer relationships, data, experience, and margins.

Common mistake: Thinking D2C is only an ecommerce model. It is also a customer relationship and distribution strategy.

04
Funnel & Demand

These terms explain how people discover, evaluate, and eventually buy from a business.

Customer Journey

The customer journey is the path someone takes from first becoming aware of a problem or brand to eventually making a decision and becoming a customer. It can include awareness, consideration, decision, purchase, onboarding, retention, and advocacy.

Why it matters: Understanding the journey helps you create the right content, message, and experience for each stage.

Common mistake: Assuming the journey is always linear. Real customers often move back and forth between stages.

Demand Generation

Demand generation is the process of creating awareness, interest, trust, and demand before someone is actively ready to buy. It helps more of the right people understand the problem, recognize your value, and remember your business.

Why it matters: Demand generation builds future buyers and supports long-term growth.

Common mistake: Expecting every demand generation activity to produce immediate leads. Some of its value is built over time.

Demand Capture

Demand capture is the process of converting people who already have intent and are actively looking for a solution. It often includes SEO, paid search, landing pages, comparison content, forms, and sales conversations.

Why it matters: Demand capture helps turn existing interest into enquiries, leads, and customers.

Common mistake: Relying only on demand capture. If you only focus on people already in-market, you may miss the chance to build future demand.

Lead Generation

Lead generation is the process of attracting and capturing contact details from potential customers. This can happen through forms, downloads, webinars, demos, consultations, or other conversion points.

Why it matters: Lead generation gives sales or marketing teams people to follow up with.

Common mistake: Measuring success only by lead quantity. More leads are not always better if they are low-quality or not ready to buy.

Lead Nurturing

Lead nurturing is the process of building a relationship with potential customers over time. It often uses email, content, retargeting, calls, or other touchpoints to educate and guide people toward a decision.

Why it matters: Not every lead is ready to buy immediately. Nurturing helps keep your business relevant until the timing is right.

Common mistake: Sending generic follow-ups that do not match the person's interests, needs, or stage in the buying process.

Marketing Funnel

A marketing funnel is a model that shows the stages people move through before becoming customers. A common version includes awareness, consideration, and decision.

Why it matters: The funnel helps organize marketing activity by stage and understand what people need before they convert.

Common mistake: Treating the funnel as perfectly linear. In reality, people may skip stages, return to earlier stages, or interact with many touchpoints.

TOFU / MOFU / BOFU

TOFU (Top of Funnel) is the awareness stage. MOFU (Middle of Funnel) is the consideration stage. BOFU (Bottom of Funnel) is the decision stage. Each stage requires different content and messaging.

Why it matters: Matching content to funnel stage helps move people forward without pushing too hard or too early.

Common mistake: Skipping the middle. Many businesses create awareness content and sales content but nothing in between to build trust and educate.

Flywheel

The flywheel is a model that focuses on creating momentum through customer experience, retention, referrals, and advocacy. Instead of seeing marketing as ending at the sale, it treats happy customers as a source of future growth.

Why it matters: A strong customer experience can create repeat business, referrals, reviews, and word-of-mouth.

Common mistake: Focusing only on acquisition while ignoring retention and customer experience.

05

Revenue & Growth

These terms connect marketing activity to business performance, customer value, and growth.

Revenue

Revenue is the total income a business earns from selling its products or services before subtracting costs or expenses.

Why it matters: Revenue is the starting point for understanding business performance and growth.

Common mistake: Confusing revenue with profit. High revenue does not always mean the business is profitable.

MRR / Monthly Recurring Revenue

MRR is the predictable revenue a business earns every month from subscriptions or ongoing contracts. It is commonly used by SaaS and subscription-based businesses.

Why it matters: MRR helps businesses forecast income, measure growth, and understand retention.

Common mistake: Including one-time payments or variable fees in MRR. It should only reflect predictable, recurring income.

ARR / Annual Recurring Revenue

ARR is the annualized version of MRR. It represents the predictable revenue a business expects to earn over a full year from recurring sources.

Why it matters: ARR is useful for long-term planning, investor reporting, and understanding annual growth trends.

Common mistake: Assuming ARR will stay constant. It changes as customers churn, upgrade, or downgrade.

LTV / Customer Lifetime Value

LTV estimates the total revenue a business can expect from a single customer over the entire duration of their relationship.

Why it matters: LTV helps businesses understand how much they can afford to spend on acquiring and retaining customers.

Common mistake: Calculating LTV without accounting for churn, discounts, or support costs that reduce actual value.

CAC / Customer Acquisition Cost

CAC is the average cost of acquiring a new customer. It includes marketing spend, sales costs, tools, and any other expenses involved in converting someone into a paying customer.

Why it matters: Knowing your CAC helps you understand whether your growth is sustainable and profitable.

Common mistake: Ignoring hidden costs like sales team time, onboarding, or tool subscriptions when calculating CAC.

LTV:CAC Ratio

The LTV:CAC ratio compares how much a customer is worth over time to how much it costs to acquire them. A healthy ratio is typically 3:1 or higher.

Why it matters: This ratio helps businesses understand whether their growth model is sustainable.

Common mistake: Optimizing only for lower CAC without considering whether cheaper acquisition channels bring lower-quality customers.

Churn

Churn is the rate at which customers stop using your product or cancel their subscription over a given period.

Why it matters: High churn can undermine growth even when acquisition is strong. Reducing churn is often more efficient than increasing acquisition.

Common mistake: Focusing only on new customer acquisition while ignoring why existing customers are leaving.

Retention

Retention is the ability of a business to keep its customers over time. It is the opposite of churn and measures how many customers continue using your product or service.

Why it matters: Retained customers are typically more profitable, more likely to refer others, and less expensive to serve.

Common mistake: Assuming retention happens automatically. It usually requires deliberate effort in onboarding, support, and ongoing value delivery.

NRR / Net Revenue Retention

NRR measures how much revenue you retain from existing customers over a period, including expansions, contractions, and churn. An NRR above 100% means existing customers are spending more over time.

Why it matters: NRR shows whether your business can grow even without acquiring new customers.

Common mistake: Ignoring NRR in favor of new sales. A business with low NRR is constantly replacing lost revenue.

ROI / Return on Investment

ROI measures the return generated relative to the cost of an investment. In marketing, it compares the revenue or value created by a campaign to the amount spent on it.

Why it matters: ROI helps businesses evaluate which activities are worth continuing, scaling, or stopping.

Common mistake: Expecting immediate ROI from every marketing activity. Some investments, like brand building, take longer to show returns.

KPI / Key Performance Indicator

A KPI, or Key Performance Indicator, is a metric used to track progress toward a specific business or marketing goal.

Why it matters: KPIs help teams understand whether their marketing activity is moving in the right direction.

Common mistake: Tracking too many metrics or choosing KPIs that do not connect clearly to business goals. Not every metric is a KPI, and not every KPI proves ROI.

About Evocreative

Evocreative is a creative agency helping growing businesses build clearer brands, stronger websites, and more effective marketing foundations.

We work with companies that need their strategy, design, content, and digital presence to feel more aligned and easier to understand.

This guide is part of our Marketing Terms, Explained Simply content series, created to help business owners, founders, and teams make better marketing decisions without unnecessary jargon.

Need Help Turning Marketing Clarity Into Action?

Understanding the terms is useful.

Applying them to your brand, website, content, and campaigns is where the real work begins.

If your business needs clearer positioning, stronger messaging, or a website that better explains what you do, Evocreative can help.

Talk to Evocreative

evolve@evocreative.com

Marketing terms should create clarity, not confusion.