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**zero-rated (UK)** A term for items, such as food and children's clothing, which are subject to a nil rate of VALUE ADDED TAX, at a particular point in time.

**zip code (USA)** An acronym for Zoning Improvement Plan code. The system of postal cyphers (based originally on five figures, but now extended to nine), which identifies a mailing address for easier sorting and dispatching. It is a very important classification for those organizations using DIRECT MARKETING techniques which assume that purchase patterns are (partly) determined by where consumers live. *Compare* POSTCODE; *see also* ACORN.

**Zone A rental** The annual amount to be paid by a retail tenant, in £ per square foot for the first 20 feet back from the shop front (Zone A), which is agreed by the retailer and landlord. The next 20 feet is Zone B (where rental per square foot is half that for

Zone A), and the next 20 feet again is Zone C (where rental per square foot is a quarter that for Zone A).

Thus, for a shop whose front is 30 feet wide, and which goes back 50 feet, where the agreed Zone A rental is £40 per square foot, the following calculation gives the annual rental.

Zone A:

$$\begin{aligned} 30 \times 20 &= 600 \text{ square feet} \\ \text{at } \pounds 40 \text{ per square foot} &= \pounds 24,000 \end{aligned}$$

Zone B:

$$\begin{aligned} 30 \times 20 &= 600 \text{ square feet} \\ \text{at } \pounds 20 \text{ per square foot} &= \pounds 12,000 \end{aligned}$$

Zone C:

$$\begin{aligned} 30 \times 10 &= 300 \text{ square feet} \\ \text{at } \pounds 10 \text{ per square foot} &= \pounds 3,000 \end{aligned}$$

Total rental = £39,000 per annum

**zone pricing** A method of charging for deliveries made up of a factory payment plus a freight rate dependent on the preclassified region to which the goods are to be delivered.