

Marketing

MARKET LEADER



Business English

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This unit looks at a new approach to marketing.

BEFORE YOU READ

Discuss these questions.

- 1 What types of advertising do you like and dislike? What irritates and amuses you?
- 2 How do you avoid advertising you don't want, e.g. TV ads, pop-ups, spam, etc.?
- 3 More people today have broadband and DVDs and use mobile phones. How do you think these developments are affecting:
 - companies' marketing strategies?
 - the work of advertising agencies?

READING

A Understanding the main points

Read the article on the opposite page and answer these questions.

- 1 After reading the article, can you summarise what 'holistic marketing' is? Compare your ideas with other students.
- 2 What two factors have made companies interested in this new approach to marketing?
- 3 Why isn't traditional TV and Internet advertising as effective as before?
- 4 Marketers have reacted to this trend in two ways. What are they?
- 5 How has a more holistic way of looking at advertising changed the way advertising agencies work?
- 6 According to the writer, many companies will be slow to move to holistic marketing. Why is this? Choose two explanations.
 - a) Holistic marketing can involve several departments, which makes managing marketing budgets very complex.
 - b) They see holistic marketing as a fashion that will pass.
 - c) There is a lack of accepted tools for measuring the effectiveness of new marketing activities.
 - d) Most advertising agencies don't yet have the right skills and expertise.

B Understanding details

Read the article again and answer these questions.

- 1 The writer gives an example of how consumers are avoiding advertising on the television. What is it?
- 2 The writer gives two examples of alternative places where advertisers can put advertisements. What are they?
- 3 What example does the writer use to illustrate how advertising agencies can give customers a better experience?
- 4 According to the writer, holistic marketing will make allocating marketing budgets more difficult. What example does he give to illustrate this point?

The case for holistic marketing



by Gary Silverman

A In big companies, marketing departments are adopting 'holistic marketing' – a term that expresses the growing desire of companies to use a greater variety of marketing methods to communicate with their customers. The move into holistic marketing reflects two developments. Companies are losing confidence in television commercials. They are also growing more interested in the Internet and other alternative ways of advertising.

B Technological advances are giving consumers the power to avoid advertising. For example, DVDs are making it easier for people to record programmes and fast-forward

past television commercials, while software helps them block Internet pop-up advertisements and unwanted e-mails.

C Marketers have responded in two ways. They are looking for new places to put advertisements, such as ads on displays on bus shelters or on mobile phone screens. And they are beginning to see any contact with a consumer as a marketing opportunity. The idea is to engage the customer wherever the customer happens to be – a holistic approach to marketing, in other words.

D As a result, advertising agencies are not just thinking about television commercials these days. They are trying to figure out ways to give

a better customer experience; for example, how staff should answer the telephone when customers call to ask for information or make a complaint. They are also looking for ways to make the shopping experience more interesting, and bring new excitement and innovation to product packaging and store display.

E Although many marketers see the advantages of a holistic approach to their marketing, many may be slow to adopt it because of practical complications.

F Money for marketing comes from marketing budgets. But in the new world of holistic marketing, the lines between marketing and other business activities are blurring. In addition to marketing, other departments in a company also have a role, which makes allocating marketing budgets difficult. A website, for instance, could be seen as a form of Internet advertising, but websites also function as virtual stores. So money for building a site could equally go to a marketing or product development department.

G To make the situation more complicated, companies are finding it difficult to compare the impact of new kinds of marketing activity. In holistic marketing, advertisers are no longer interested in simply reaching customers, but in engaging them. The challenge is how to measure the impact of marketing messages – how well customers are paying attention to their marketing messages.

H There are companies working with measurement tools that help with this task, but until there is general acceptance of these tools, companies may find it difficult to justify any change in how they allocate marketing budgets. 'With some new media, it is much more difficult to put these budgets together,' says Alan Rutherford, Global Media Director at Unilever.

FT

VOCABULARY

A Understanding expressions

Choose the best explanation for each phrase from the article.

- 1 *'Companies are losing confidence in television commercials.'* (lines 8–10)
 - a) They don't think that TV adverts are as good as before.
 - b) They no longer believe that TV adverts produce good results.
- 2 *'... engage the customer ...'* (lines 29–30)
 - a) get the interest of the customer and keep it
 - b) have more conversations with the customer
- 3 *'... the lines between marketing and other business activities are blurring.'* (lines 53–55)
 - a) The differences between marketing and other business activities are less clear.
 - b) There is a big difference between marketing and other business activities.

B Word search

- 1 Find words or phrases in the article which fit these meanings.
 - a) starting to do something new (paragraph A)
 - b) thinking about the whole of something, not just dealing with particular aspects (paragraph A)
 - c) improvements (paragraph B)
 - d) try to prevent something from happening (paragraph B)
 - e) stop something happening completely (paragraph B)
 - f) possibility (paragraph C)
 - g) think about a problem until you have a solution (paragraph D)
 - h) plans showing the money available (paragraph F)
 - i) giving someone their share of the total amount (paragraph F)
 - j) give a good reason for something (paragraph H)
- 2 Find two other words in the article with the same meaning as *advertisements*.

C Word partnerships

- 1 Match these words to make noun–noun partnerships from the article.

1 holistic	a) commercials
2 television	b) marketing
3 marketing	c) advertising
4 customer	d) activity
5 Internet	e) agencies
6 advertising	f) experience
- 2 Find five other noun–noun partnerships starting with the word *marketing* (paragraphs A, C, F and G).

- 3 The writer illustrates some of his points with practical examples. Complete the three phrases he uses to introduce them.

- 1 , DVDs are making it easier to record programmes ... (lines 15–17)
- 2 They are looking for new places to put advertisements, ads on displays on bus shelters ... (lines 23–25)
- 3 A website, , could be seen as a form of Internet advertising, ... (lines 59–61)

D Sentence completion

Use the word partnerships from Exercises C1 and C2 to complete this extract.

C e ¹ is central to a new approach to marketing, known as h m ². Marketers and a a ³ are looking for exciting new ways of engaging the customers, using a mix of new media and m m ⁴. Even companies with small m b ⁵ can do a lot.

E Prepositions

Use the prepositions in the box to complete these sentences.

in in of to with

- 1 There is growing interest Internet advertising.
- 2 Companies have lost confidence television advertising.
- 3 More and more companies see the advantage a more holistic approach marketing.
- 4 Marketers need to view any contact customers as a marketing opportunity

OVER TO YOU

- 1 Do you agree with the writer's view that a more holistic approach to marketing is the way forward for marketers and advertising agencies?
- 2 Write a short report making the case for or against a more holistic approach to marketing in your company. Include practical examples to support your points.
- 3 According to the writer, advertisers are 'beginning to see any contact with a consumer as a marketing opportunity'. Are there any risks in such an approach? How do you think customers and prospective customers will react?

This unit looks at marketing strategies for surviving in difficult economic times.

BEFORE YOU READ

Discuss these questions.

- How does an economic slowdown affect consumers' purchasing habits? Is it the same for business customers?
- What can a company do to survive in difficult economic conditions? Make notes for each of these points.
 - market research
 - advertising spend
 - distribution
 - pricing
 - product portfolios
- In difficult times, marketing budgets often get cut. Is this a good idea? Why? / Why not?

READING

A Understanding the main points

Read the article on the opposite page and answer these questions.

- What is the purpose of the article? Choose the best option.
 - to inform readers about the challenges of surviving in difficult times
 - to give readers guidelines about how to survive
 - to persuade readers to change their marketing strategy
- What gives you this impression?
- These are the headings for the main ideas in the article (1–6). Choose one of the headings for each idea.

Adjust pricing tactics

Adjust product portfolios

Focus on market share

Support distributors

Research the customer

Maintain marketing spend

1

B Understanding details

Read the article again and answer these questions.

- The writer gives five examples of how consumer behaviour can change in difficult economic conditions. What are they? (paragraph B)
- The article includes four suggestions that will help companies get the best results with a reduced advertising budget. What are they? (paragraph E)
- How can companies make sure their distributors continue to stock their full range? (paragraph G)
- What short-term pricing tactics does the writer suggest to make products more attractive to customers? (paragraph H)

Surviving tough marketing times

by John Quelch



A Companies should keep these points in mind when making marketing plans for difficult economic conditions.

1
B Don't cut the budget for market research. You need to know more than ever how consumers are reacting to a downturn. Consumers take longer searching for consumer products and negotiate harder for price reductions. They are more willing to delay purchases, trade down to less expensive models or buy less.

C Must-have features of yesterday are today's can-live-withouts. Brands that

are trusted are especially valued and can still launch products successfully, but interest in new brands and categories declines.

2
D This is not the time to cut back on advertising. It is well documented that brands that increase advertising during an economic slowdown, when competitors are reducing their advertising, can improve market share and profits. And they can do this at lower cost than during good economic times.

E Brands may be able to negotiate better advertising rates. If you have to reduce your marketing spend, try to maintain the frequency of advertisements by changing from 30- to 15-second advertisements, replacing radio with television advertising, or increasing the use of direct marketing, which gives more immediate sales impact.

3
F Marketers must recalculate demand for each item in their product lines as consumers trade down to models that are good value, such as cars with fewer options. In tough times, multi-purpose goods have advantages over specialised products, and weaker items in product lines should be cut. Gimmicks are out; reliability, safety and performance are in.

4
G Carrying large amounts of stock is risky. So offer financing and better

returns policies to motivate distributors to carry your full product line. This is particularly true with new products that are still unproven. Be careful about moving to low-priced distribution channels. This can damage existing relationships with distributors and the image of your brand. However, it may be also a good time to drop weaker distributors.

5
H Customers will be looking around for the best deals. It may not be necessary to cut list prices, but you may need to offer more temporary price promotions, such as special offers or reductions. It may also be useful to give better discounts for quantity.

6
I In all but a few technology categories where prospects for future growth are strong, companies are in competition for market share and, in some cases, survival. To stay competitive, look carefully at your cost structure. This will ensure that any cuts or consolidation activities save the most money with the least impact on customers.

J Successful companies do not abandon their marketing strategies in times of economic uncertainty, they just need to adapt them.

FT

C Understanding meaning

Choose the best explanation for these ideas from the article.

1 *Must-have features of yesterday are today's can-live-withouts.* (lines 14–15)

- a) People buy too many products which don't have the right features.
- b) Many product features that people thought were essential are no longer wanted.
- c) People can live without products, even the ones that have the right features.

2 *Gimmicks are out; things like reliability, safety and performance are in.* (lines 49–50)

- a) Products that have no real value are no longer fashionable; instead, the popular products are ones that offer real value.
- b) People no longer want fashionable products; they only want serious products.
- c) Reliability, safety and performance have become the new fashions when buying products.

VOCABULARY

A Definitions

Match these words from the article (1–9) with their meanings (a–i).

- | | |
|-----------------|--|
| 1 categories | a) reductions in the usual price |
| 2 rates | b) groups of products that are all of the same type |
| 3 demand | c) the systems you use getting for getting goods to customers |
| 4 returns | d) goods returned because they are faulty or not wanted |
| 5 promotions | e) activities intended to help sell a product |
| 6 discounts | f) bringing together separate activities into one larger whole |
| 7 channels | g) the need that people have for particular goods and services |
| 8 consolidation | h) the possibility that something will happen |
| 9 prospects | i) basic charges for a service |

B Word partnerships

Match these words to make noun–noun partnerships from the article.

- | | |
|-----------------|---------------|
| 1 advertising | a) share |
| 2 market | b) lines |
| 3 marketing | c) promotions |
| 4 distribution | d) prices |
| 5 product | e) activities |
| 6 list | f) rates |
| 7 price | g) spend |
| 8 consolidation | h) channels |

C Sentence completion

Use words and phrases from Exercises A and B to complete these sentences.

- D.....^a for the last three months was only slightly down. So for this year, the l..... p.....^b for all our p..... l.....^c should stay the same, but we should offer attractive p..... p.....^d, for example, special offers and a d.....^e of 10% for orders placed in January.
- A..... r.....^a have become more competitive, so we should be able to reduce our m..... s.....^b without cutting the amount of advertising we do.
- Specialist shops and our website are the main d..... c..... for our hand-made chocolates.
- For all c.....^a in the automotive sector, the p.....^b for next year are not good and they can expect much lower sales.

D Word search

- 1 Find words in the article which fit these meanings.
 - a) buy a cheaper kind of thing than before (paragraph B)
 - b) thought to be good (paragraph C)
 - c) considered important (paragraph C)
 - d) worth the money you pay for it (paragraph F)
 - e) have a bad effect on something (paragraph G)
 - f) only needed for a short time (paragraph H)
 - g) stop doing something because it's too difficult (paragraph I)
- 2 Find four other phrases in the article that mean 'difficult economic situation' (paragraphs B, D, F and J).

E Language of decrease

- 1 Find four verbs in paragraphs B–D that express the idea of becoming or making something smaller, e.g. *decrease*. Then add at least two other verbs that have a similar meaning.
- 2 Complete these sentences with verbs from Exercise 1 in the correct form.
 - 1 Our sales by 25 per cent over the last 12 months.
 - 2 staff numbers will help save money, but will damage the company long term.
 - 3 It would be a big mistake to on all promotional spending.
 - 4 What other areas of expenditure could we

OVER TO YOU

- 1 Do you agree with the writer's advice for surviving an economic downturn. Why? / Why not?
- 2 Write a short report for the Marketing Manager of medium-sized company, giving your top eight guidelines for surviving a recession.
- 3 Present your ideas to key staff in the marketing team.
- 4 You have heard that your boss intends to cut back on all advertising until conditions improve. Write an e-mail advising against this and suggesting an alternative approach.

This unit looks at the importance of brands and some of the challenges they face.

BEFORE YOU READ

Discuss these questions.

- 1 What advantages do strong brands give a company?
- 2 What challenges do brands face today?
- 3 Think of a brand that has made mistakes but recovered. What mistakes were made? What did it do to recover?

READING**A Understanding the main points**

Read the article on the opposite page and say whether these statements are true (T) or false (F). Correct the false ones.

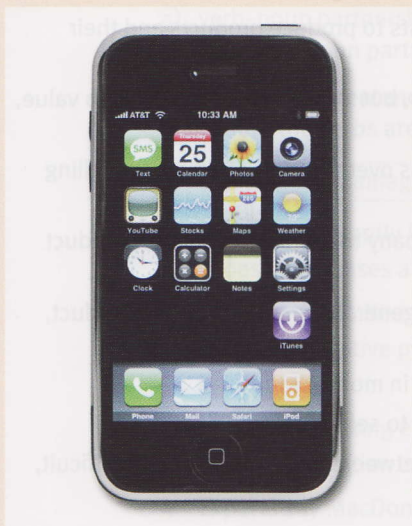
- 1 Too much focus on short-term profits is a dangerous strategy when developing brands.
- 2 Google has become the top brand in its category in a very short time.
- 3 According to the writer, it is impossible for brands to recover when things go wrong.
- 4 The writer thinks brands are less important now than before.
- 5 It has become easier for brands to move into foreign markets.
- 6 The most serious problem that brands face today is how to deal with the illegal copying and reproduction of their brands.
- 7 According to the writer, the main benefits of having a strong brand are financial.

B Understanding details

Read the article again and answer these questions.

- 1 Which brand does the writer mention as an example of:
 - 1 a top new brand?
 - 2 a brand that took bad strategic decisions?
 - 3 a brand that lost its position as a top brand but has got it back?
 - 4 a brand that has been very successful all over the world?
 - 5 a brand whose reputation has helped to attract high-quality graduates?
- 2 Which industries are mentioned as examples of industries affected by illegal copying?
- 3 The writer gives three benefits of developing strong brands. What are they?

The challenge of keeping brands strong



by John Gapper

A A corporate brand, like a human reputation, is something of great value. But there is always a temptation to do something for short-term profit that can damage a brand in the long term. Many companies have given in to this temptation and reduced the quality of their products or stretched their brands unwisely. They then spend years trying to repair the damage. This gives those companies that manage to resist the temptation the chance to develop brands that have huge value both to customers and shareholders.

B Google is an example of an outstanding brand. The Internet

domain name google.com was only registered in September 1997. But, less than 10 years later, Google's determination to become the top search-and-information service allowed it to outstrip Yahoo. And it did this at the cost of not putting display advertisements on its home page.

C There have been many examples of brands that have been damaged by strategic errors, for example Levi's, with its unsuccessful move into suits. The good news is that well-established brands can recover when things go wrong. One example is Apple. It lost its direction after the departure of Steve Jobs, its co-founder, but regained its position with his return. Apple's expansion out of computers into audio and visual products was extremely important in its revival.

D Without question, brands are more important than ever before. More companies now consist essentially of intangible assets such as patents plus the value of their brands. 'In today's world, the advantages of innovation do not last as long, and there are fewer things that protect companies from competition. As other things become equal, they are left with brands,' says the Executive Vice-President of Millward Brown Optimor.

E The lowering of trade barriers, plus advances in technology and globalisation, makes it easier for brands to cross borders. Buyers of mobile phones around the world now expect handsets made by Nokia,

Samsung, Motorola or other global brands, and local brands find it difficult to compete. Luxury-goods companies like LVMH have been very successful in expanding national brands across borders and transforming them into global brands.

F But brands face challenges. One has come from manufacturers of generic products in industries such as pharmaceuticals and the food industry. Although drugs companies invest billions in research, they also feel the need to use marketing to respond to generic competition. Even over-the-counter medicines such as painkillers are carefully branded.

G Another challenge is the ease with which products can be pirated. It is difficult for Western motor manufacturers to stop their cars and trucks being copied. It is even harder for entertainment companies to stop music and films being digitally reproduced over the Internet and on CDs and DVDs.

H Despite these challenges, companies that build strong brands have big advantages over competitors. They allow companies to increase their revenues and margins. There are other benefits too. For example, a top brand like Microsoft can recruit the best graduates from business schools and keep them longer.

FT

C Understanding meaning

Answer these questions.

- The writer says, 'But there is always a *temptation to do something for short-term profit ...*' (lines 3–4). Which sentence best describes what he is saying?
 - Companies always want to try things they shouldn't do because they can see quick profits.
 - Companies are always looking for new ways of making immediate profits.
- The writer says, 'Another challenge is *the ease with which products can be pirated.*' (lines 73–74). Which explanation best describes the phrase in italics?
 - It's very easy to steal other companies products and sell them to others.
 - It's easy to illegally copy and sell other companies' products.

VOCABULARY

A Definitions

Match these words and phrases from the article (1–8) with their meanings (a–h).

- | | |
|--------------------------|--|
| 1 stretched their brands | a) difference between what it costs to produce products and their selling price |
| 2 intangible assets | b) something that a business has, but is not physical, so hard to value, e.g. a brand name |
| 3 patents | c) money that a company receives over a period of time from selling good or services |
| 4 value | d) legal documents giving a company the right to sell a new product or invention |
| 5 trade barriers | e) a product that is sold under a general name for a type of product, rather than a brand name |
| 6 generic products | f) how much something is worth in money |
| 7 revenues | g) used a successful brand name to sell other product types |
| 8 margins | h) something that makes trade between two countries more difficult, e.g. import taxes |

B Word search

Find words or phrases in the article which fit these meanings.

- 1 big and important (paragraph A; two words)
- 2 cause harm to something (paragraph A)
- 3 done with poor judgment (paragraph A)
- 4 extremely good (paragraph B)
- 5 be more successful than others (paragraph B)
- 6 got back something after losing it (paragraph C)
- 7 the process of becoming strong again (paragraph C)
- 8 move into other countries (paragraph E)
- 9 changing completely (paragraph E)

C Word partnerships

Match the verbs (1–5) with the nouns (a–e) they go with in the article.

- | | |
|------------|-------------------------|
| 1 damage | a) its position |
| 2 outstrip | b) a brand |
| 3 lose | c) challenges |
| 4 regain | d) a competitor (Yahoo) |
| 5 face | e) direction |

D Vocabulary development

- 1 Make a list of word partnerships from the article with the word *brand(s)*. Organise them into two groups.
 - a) verb–noun partnerships, e.g. *damage a brand*
 - b) adjective–noun partnerships, e.g. *outstanding brand*
- 2 Complete these sentences about company recovery using the words and phrases in the box. Make sure the verbs are in the correct form.

challenges damage lose direction recover stretch regain repair revival

- 1 Samsonite recently launched designer luggage and has plans for a range of high-end men's shoes, sunglasses and stationary. Is this a good strategy, or is it the brand too far?
- 2 In the late 90s, Nike faced criticism about poor working conditions in its supplier factories in Asia. The negative publicity severely its brand, and it took several years to its reputation.
- 3 Despite marketing efforts to turn the brand around, Levi Strauss has still not managed to its former position as a top brand.
- 4 Experts say MacDonald's in the USA was mainly due to the diversification of its menu and longer restaurant hours.
- 5 Expanding in the USA was a bad strategic decision, and it will take time for the business to
- 6 Following the departure of Steve Jobs, Apple ; but since his return, the company has gone from strength to strength.
- 7 One of the biggest that pharmaceutical brands face is competition from generic products.

OVER TO YOU

- 1 Choose a company that has stretched its brand successfully or stretched it unwisely. Research your chosen company, then present your analysis of why the strategy worked / didn't work.
- 2 Discuss how companies can protect their brands against piracy when expanding globally.
- 3 According to the writer, *Luxury goods companies like LVMH have been very successful in expanding national brands across borders and transforming them into global brands*. Why do you think they have been so successful?

Developing a brand identity that lasts

This unit looks at the importance of creating a strong brand identity, drawing on the example of Duracell.

BEFORE YOU READ

Discuss these questions.

- 1 Think of two brands that have a memorable name, logo and design.
 - What makes them work for you?
 - What image and message do they communicate to their customers?
- 2 What are the advantages of having a strong brand name, logo and design?

READING

A Understanding the main points

Read the article on the opposite page and choose the best option to complete each statement.

- 1 For continued success, it *is / isn't* enough to focus marketing on creating a strong brand.
- 2 Duracell *has achieved / is still working towards* its objective of becoming the top brand for batteries.
- 3 The main message the brand wants to convey to consumers is that it *will last a long time / is well designed*.
- 4 The Duracell image and message has *changed a lot / stayed the same* over many years.
- 5 The brand *has / hasn't* succeeded in becoming well known all over the world.
- 6 Duracell's, name, design and message highlight the product's *attractive appearance / benefits for consumers*.

B Understanding details

- 1 Scan the article quickly to find information to complete these notes.

Brand name:	.....	1
Former brand owner:	.....	2
Current brand owner:	.....	3
Launch date:	.....	4
Competitors:	.....	5
Main consumer benefit:	.....	6
Design features:	.....	7

- 2 Read paragraphs F and G carefully and answer these questions.

- 1 How did the brand identity contribute to the brand's growth?
- 2 What three lessons can other companies learn from Duracell about developing a brand identity?

Duracell and its longer-lasting looks



by Meg Carter

A Launching a product is one thing; keeping the product ahead of the competition is the next big challenge. As technology allows manufacturers to match their competitors' latest ideas ever faster, creating a powerful brand and effectively managing it over time is essential to ensure a lasting competitive advantage.

B To be a business success, an idea needs not only to be better than its competitors', it needs to be seen to be better. And it needs to be protected from competition by communicating its strengths and points of difference through visual pointers such as logo, design and packaging.

C In the case of Duracell, now part of the Gillette Company, innovative

branding has helped it maintain its position as the world's leading manufacturer of high-performance alkaline batteries for the best part of 40 years.

D The brand was developed in the US in 1963, when its then parent company, PR Mallory, wanted to introduce a new battery and challenge the dominance of Eveready, the former market leader. PR Mallory used brand consultants Lippincott to create a brand identity for the new battery, and in 1964, Duracell was launched. The battery soon overtook Eveready to become the world's biggest-selling alkaline battery brand – a position the business still maintains in the face of the recent and rapid rise of supermarkets' cheaper, own-label products.

E Lippincott's advertising brief in

1963 was to create a new brand that would help Mallory become market leader and that would also be strong enough to carry new product lines.

F The solution was to position the product as an energy source, and to do this by focusing on the battery's major consumer benefit – its longer life. This inspired the Duracell name, which was created to communicate the concept of endurance, and the product's distinctive black, white and copper design.

The key elements of the Duracell brand identity are the distinctive name and logo, the colour scheme and the brand's positioning as the most enduring alkaline batteries on the market. These three elements provided a platform for future growth as the company extended into related products such as lithium, silver-oxide and zinc-air batteries, as well as lighting products such as torches. It was also powerful enough to turn Duracell into a globally recognised consumer brand. Since its introduction in 1964, the brand identity has been the inspiration for advertising for the brand.

G Duracell offers a number of lessons for brands today. The first is the importance of thinking beyond the product itself. Focusing on the product's benefits rather than the product itself gave Duracell a much stronger position in the international marketplace. The second is the power of a strong brand name. Finally, the design solution created a new 'visual' language that became synonymous with the idea of an enduring source of energy.

FT

VOCABULARY

A Understanding expressions

Choose the best explanation for each phrase from the article.

- 1 ‘... *keeping the product ahead of the competition* ...’ (lines 2–3)
 - a) making sure the product stays competitive
 - b) making sure the product continues to be more successful than other competing products
- 2 ‘... *challenge the dominance of Eveready*...’ (lines 28–29)
 - a) fight against Eveready’s position of power in the market
 - b) question whether Eveready is still a power in the market
- 3 ‘... to communicate *the concept of endurance* ...’ (lines 50–51)
 - a) the idea of lasting over long periods of time
 - b) the idea of being unbreakable

B Definitions

Match these words and phrases from the article (1–9) with their meanings (a–i).

- | | |
|-------------------------|--|
| 1 launching | a) the basis on which something can be developed |
| 2 competitive advantage | b) closely connected to |
| 3 communicating | c) was the motivation for |
| 4 branding | d) became more successful |
| 5 overtook | e) something that helps you be more successful than others |
| 6 inspired | f) how people think about a product in relation to a company’s other products and other competing products |
| 7 positioning | g) introducing something new |
| 8 platform | h) sharing information with others |
| 9 synonymous with | i) activity of giving brand names to products, developing people’s awareness of them, etc. |

C Word search

Find adjectives or adjectival phrases in the article which fit these meanings.

- 1 using new methods and ideas (paragraph C)
- 2 most important (paragraph C)
- 3 working in a superior way to others (paragraph C)
- 4 different to others and easy to recognise (paragraph E)
- 5 lasting for long time (paragraph F)
- 6 known all over the world (paragraph F)

D Word partnerships

1 Match these words to make noun–noun partnerships from the article.

- | | |
|---------------|-------------|
| 1 market | a) brief |
| 2 brand | b) products |
| 3 own-label | c) identity |
| 4 advertising | d) brand |
| 5 consumer | e) leader |

2 Match each noun–noun partnership from Exercise 1 with the correct meaning (a–e).

- products sold by a particular shop and have the name of that shop on them
- a name, symbol and design that defines and differentiates a company's products or service
- a document which gives details about how a product will be advertised
- a brand that is sold direct to consumers, rather than to businesses
- product with the largest share of the market

E Sentence completion

Use words from Exercises C and D to complete these sentences.

- A strong **b**..... **i**.....^a will give you an **e**.....^b marketing advantage, so it's important to get it right.
- Tesco, the **l**.....^a UK supermarket chain, is facing increasing competition. As a result, it has reduced the branded products it sells and is selling more **o**..... **-l**..... **p**.....^b.
- Kodak produced **h**..... **-p**.....^a cameras and was the **m**..... **l**.....^b in the photographic film market, but since the arrival of digital cameras, it has lost its way.
- What we need is **d**.....^a and **i**.....^b advertising that will appeal to the youth market. I've given Touch Glow the **a**..... **b**.....^c Let's hope they come up with some creative ideas.

OVER TO YOU

- Choose a brand and make notes for each of these points.
 - Identify who the target audience is and what their wishes and desires are.
 - Select two unique benefits that make the brand distinctive and attractive to consumers.
 - Explain who the main competitors are and what advantages your chosen brand has over their brands.
- Think of a company that has successfully changed its brand identity, (e.g. Accenture). Discuss the reason for recreating the identity and how it has been communicated across the company and to the wider world.

Turning round a brand image

This unit looks at a problem with Microsoft's brand image and the company's marketing strategy for improving it.

BEFORE YOU READ

Discuss these questions.

- 1 Which brands do you think have a strong brand image. Why?
- 2 What kind of things can damage a company's brand image? What can a company do to repair it?
- 3 What words do you associate with the Microsoft corporate brand? the Windows brand?

READING

A Understanding the main points

Read the article on the opposite page. Mark the order in which these events happened.

- | | |
|---|---------------------------------|
| a) Competition from Apple highlighted inadequacy of the Windows brand. | <input type="text" value="1"/> |
| b) Microsoft plans to have representation in key electronic retail chains in the US and UK and in other stores, to support consumers. | <input type="text" value="10"/> |
| c) 2007: Microsoft launched Vista, a new Windows operating system, but with technical and compatibility problems. | <input type="text"/> |
| d) Microsoft launched a marketing campaign to improve its image. | <input type="text"/> |
| e) Levels of customer satisfaction improved. | <input type="text" value="7"/> |
| f) Windows brand reputation hit a low. | <input type="text"/> |
| g) Apple launched a negative advertising campaign criticising Vista. | <input type="text"/> |
| h) Microsoft launched an advertising campaign in the US to improve the image of Bill Gates, the Microsoft founder, and the company. | <input type="text"/> |
| i) Satisfaction levels for the Windows brand fell. | <input type="text"/> |
| j) 2008: Microsoft launched a new improved version of the Vista operating system. | <input type="text"/> |

B Understanding details

Read the article again and answer these questions.

- 1 Why was Microsoft less concerned about consumers in its early days?
- 2 How did Apple's entry into the market affect Microsoft?
- 3 Why were customers dissatisfied with Vista?
- 4 Why was it important to solve the Vista problem before putting a lot of marketing effort into improving the image of the brand?
- 5 Which of the marketing initiatives for improving the brand image had not been carried out at the time this article was written? Which words tell you this?

Microsoft says ‘We’re human too’



by Richard Waters

A Microsoft’s Windows operating system, one of the world’s most successful consumer products, is also one of the world’s most neglected brands.

B An estimated 1bn people use PCs that run on Windows. Most of the company’s revenues come from sales to business customers, and it has no direct relationship with consumers – they have to deal with electronics retailers and PC manufacturers, not the company that makes the software. That wasn’t important when Windows was an unchallenged monopoly, even if an unloved one. Competition from Apple’s machines and laptops that run on the Linux operating system changed things. Caught in this unfamiliar competitive situation, the Windows brand has been found wanting.

C That brand weakness was uncovered after the launch of Windows Vista in

2007. Many computer users found that the new software was not compatible with some of their old peripherals, such as printers or scanners, and that it ran slowly. Nor did the software have obvious new consumer benefits.

D Satisfaction was not good, and Apple saw the chance and launched a devastating anti-Vista advertising campaign, describing Microsoft’s software as unstable, exposed to security threats and very dull. This helped strengthen anti-Microsoft perceptions.

E Microsoft was pushed into action. The first and most important task was to improve the Vista customer experience. Without that, any new marketing initiatives to improve the brand’s image could be counter-productive, and could tarnish the brand image even more. Microsoft claims that since the release of an updated version in July 2008, customer satisfaction levels have improved,

with 89 per cent of consumers now saying they are ‘satisfied’ or ‘very satisfied’ with the software.

F The next task was a major marketing push to change how consumers feel about Windows. That is not a simple thing to do. It will take a ‘philosophical change’ in the way Microsoft thinks about its customers, says Brad Brooks, Head of Windows’ Consumer Product Marketing.

G Their first action was an advertising campaign on US television, featuring Bill Gates and American comedian Jerry Seinfeld. By putting Mr Gates with Mr Seinfeld, Microsoft hoped to humanise its founder and, by extension, the company too. Microsoft wants consumers to understand that ‘we have a sense of humour, we’re human too’, says Brad Brooks.

H Customer satisfaction has to have a far more central position in Microsoft’s thinking. Mr Brooks says, ‘It’s not good enough just to sell a lot of licences or have good business results.’ As part of the marketing push, he promises a deeper ‘conversation’ with consumers. This means a stronger emphasis on retail, with a direct Microsoft presence planned (a store within a store) at a number of electronics retail chains, including Best Buy in the US and Dixons in the UK. The company also has plans to have 150 representatives in retail stores. Referred to as ‘gurus’, their job will be to help customers get more out of their PCs.

FT

C Understanding meaning

Choose the best explanation for these ideas from the article.

- ‘... when Windows was an unchallenged monopoly ...’ (lines 13–14)
 - had total control of the market and there were no other competitors
 - had a large share of the market, and other companies found it difficult to compete
- ‘It will take a “philosophical” change in the way Microsoft thinks about its customers ...’ (lines 53–55)
 - a more sensible and calm way of thinking about its customers
 - a deeper and more thoughtful way of thinking about its customers

VOCABULARY

A Definitions

Match these words from the article (1–8) with their meanings (a–h).

- | | |
|----------------|---|
| 1 campaign | a) a period of determined effort |
| 2 perceptions | b) new actions |
| 3 initiatives | c) being in a place |
| 4 satisfaction | d) a planned group of activities to achieve a specific result |
| 5 push | e) ways you think about something |
| 6 licences | f) experts who give advice |
| 7 presence | g) feeling pleased when you have got what you wanted |
| 8 gurus | h) official documents giving permission to use something |

B Word partnerships

1 Match these words to make noun–noun partnerships from the article.

- | | |
|---------------|-----------------|
| 1 business | a) push |
| 2 brand | b) customers |
| 3 consumer | c) weakness |
| 4 advertising | d) satisfaction |
| 5 customer | e) campaign |
| 6 marketing | f) stores |
| 7 retail | g) benefits |

2 Find three other noun–noun partnerships in the article, one that starts with each of these words: *brand*, *marketing* and *business*.

C Word search

1 Find words in the article which fit these meanings.

- 1 not looked after properly (paragraph A)
- 2 not good enough (paragraph B)
- 3 found after being hidden (paragraph C)
- 4 very damaging (paragraph D)
- 5 make stronger (paragraph D)
- 6 having the opposite effect (paragraph E)
- 7 damage the reputation of something (paragraph E)
- 8 visible (paragraph H)

2 Find another noun with a similar meaning to *launch* in paragraph E. Does it have exactly the same meaning?

D Vocabulary development

You can use the prefix *anti-* with adjectives and nouns to show that you are against or opposed to something, e.g. *anti-war* = *against war*.

- 1 Find two examples of phrases which use the prefix *anti-*.
- 2 Rephrase these sentences using the prefix *anti-*.
 - 1 I am opposed to the use of nuclear power.
 - 2 Many people are against expansion of the European Union.
 - 3 There is a lot of feeling against Americans these days.
 - 4 Many web users are opposed to the use of advertising on the Internet.
- 3 Add at least two more of your own examples to Exercise 2.

E Prepositions

Complete these sentences using the correct prepositions.

- 1 Vista wasn't compatible some older printers and scanners.
- 2 Microsoft faced increasing competition Apple.
- 3 Following the release the updated version of Vista, customer satisfaction levels rose.
- 4 As part Microsoft's efforts to improve its image, there will be more emphasis retail customers.

OVER TO YOU

- 1 Choose a corporate brand or product brand that has suffered from a poor brand image.
 - a) Do some research to find out what happened.
 - b) Write a short report or give a presentation, explaining:
 - why and how it lost its good reputation
 - what action the company took to repair its image
 - the results.
- 2 What marketing activities could be used to repair the image of a brand whose reputation has been damaged by:
 - a) a safety or environmental problem?
 - b) a scandal involving unacceptable working practices in an emerging market?
- 3 Do you think the marketing initiatives described in the article will be successful in improving the Microsoft's image?
- 4 Research any other marketing initiatives Microsoft have taken since this article was written and assess how successful they have been.

This unit looks at the approach to selling coffee taken by Nespresso.

BEFORE YOU READ

Discuss these questions.

- In your country, where do people buy premium coffee?
 - supermarkets
 - mail order by phone or on the Internet
 - specialist shops
 - in coffee bars
- Successful luxury brands, such as Luis Vuitton, only sell through their own branded shops. Why do you think this has been such a successful strategy?
- Other profitable companies, such as Apple, sell their brands through other retailers and also have their own stores, often in main cities. What are the advantages of such a strategy for the company and its customers?

READING

A

Understanding the main points

Read the article on the opposite page and say whether these statements are true (T) or false (F). Correct the false ones.

- Nespresso only sells coffee.
- It sells coffee to its retail customers through its mail-order business, Nespresso Club.
- Nespresso only has retail customers.
- The aim of its boutiques is to give consumers the chance to try the brand directly.
- The company has coffee boutiques in key cities all around the world.
- The company plans to develop the boutique cafés as a chain of high-quality coffee bars.

B

Understanding details

- Scan the article quickly to find this information.
 - The percentage of coffee sales that come from their Internet site
 - The percentage of total sales that come from the boutiques
 - The number of boutiques worldwide
 - The city with biggest boutique bar
- Read paragraph F carefully. In what way are Nespresso and Heineken's retail strategies similar?
- Read paragraph H carefully. How does Nespresso expect the boutique bars to contribute to sales?

How to serve a bespoke cup of coffee



by Jenny Wiggins and
Haig Simonian

A Think of the reception desk of a designer hotel with an expensive fashion display and you get some idea of what a Nespresso ‘coffee boutique’ is like.

B In developing the boutiques, Nespresso is following the example of other consumer goods companies, such as Apple computers and Louis Vuitton luggage, which use their own retail outlets to sell products and create a sophisticated image for the brand. ‘We’re selling the ultimate coffee experience,’ says Gerhard Berssenbrügge, Nespresso’s Chief Executive.

C Nespresso, a subsidiary of the Swiss group Nestlé, began life in 1986 as a mail-order business selling coffee capsules for espresso machines that people use at home. Then it started selling coffee machines made by third parties (including Krups and Siemens), but branded under the Nespresso name. The machines retailed through carefully selected shops, but the coffee was sold directly to people who joined Nespresso Club, a mail-order business, which now gets half its sales online.

D As Nespresso planned further expansion – pushing the brand into hotels, restaurants, offices and first-class airline services – it wanted people to have first-hand experience of its coffee. This explains the opening of the boutiques, which now accounts for about 25 per cent of sales.

E Companies selling consumer goods are often dependent on third party retailers for the marketing and placement of their products. As a result, branding consultants say they need to move beyond selling ‘a product in a box’ to offering a ‘service experience’.

F Rita Clifton, Chairman of Interbrand, says opening retail outlets allows companies to ‘control’ their customers’ experience of the brand. Heineken is taking a similar approach to Nespresso by linking food with beer. It opened a restaurant, Culture Bière, on the Champs Elysées two years ago and more recently a Heineken bar at

55 Hong Kong airport.

G Nespresso’s key outlets are divided between small bars in shops (typical in Asia and the Netherlands and now in London); large standalone boutiques; and the latest boutique bars, where up to half the total area of 400–450 square metres is for drinking coffee. The boutique concept plays a critical role in developing customer interaction with the brand – providing a place where customers can experience the ultimate coffee experience.

H Mr Berssenbrügge stresses that Nespresso does not plan to become an upmarket coffee chain and does not expect to make money from selling cups of coffee, even though prices are high. But he hopes that once customers see how its coffee machines work, they will be persuaded to buy them, and will also purchase accessories such as coffee cups.

I Today, Nespresso has over 170 boutiques. They are located in elegant, upmarket shopping areas in key cities round the world, including one in Paris on the Champs Elysées, which, at 1,700 square metres, will be its biggest. Mr Berssenbrügge has further plans to expand the network of boutiques and is confident that they will help Nespresso become a lifestyle brand.

FT

C Understanding meaning

Choose the best explanation for these ideas from in the article.

- 1 ‘Rita Clifton [...] says opening retail outlets allows companies to “control” their customers’ experience of the brand.’ (lines 46–49)
 - a) Having their own shops gives retailers the chance to influence how customers relate to the products.
 - b) Owning their own shops gives retailers power to control what customers do in their shops.
- 2 Mr Berssenbrügge [...] is confident that the boutiques will help Nespresso become a *lifestyle brand*. (line 87)
 - a) a brand that will totally change how customers live their lives
 - b) a brand that fits in with the way people live their lives

VOCABULARY

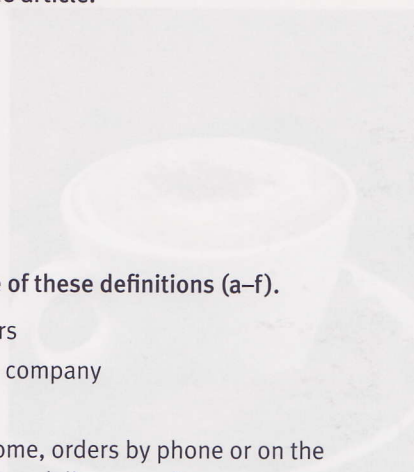
A Word partnerships

1 Match these words to make noun–noun partnerships from the article.

- | | |
|---------------|----------------|
| 1 consumer | a) chain |
| 2 retail | b) interaction |
| 3 mail-order | c) outlets |
| 4 third-party | d) business |
| 5 customer | e) retailers |
| 6 coffee | f) goods |

2 Match each noun–noun partnership from Exercise 1 with one of these definitions (a–f).

- shops through which products are sold direct to consumers
- a group of coffee shops owned and managed by the same company
- products sold direct to consumers
- a type of business in which the buyer chooses goods at home, orders by phone or on the Internet and receives the goods from the company by post or delivery service
- other companies that sell a company's products direct to their customers
- the process of a customer being affected by something, e.g. a brand



B Word search

Find adjectives in the article which fit these meanings.

- appealing to fashionable people (paragraph B)
- the very best (paragraph B)
- chosen (paragraph C)
- gained by doing something yourself (paragraph D)
- individual or separate (paragraph G)
- high quality and intended for wealthy customers (paragraph H)
- well designed and stylish (paragraph I)

C Prepositions

Complete these sentences using the correct preposition.

- All its coffee machines are branded the name of Nespresso.
- The coffee was sold direct people who joined the Nespresso Club.
- The company retailed the coffee machines carefully selected shops.
- Heineken is taking a similar approach Nespresso.
- The boutiques play a crucial role developing customer interaction with a brand.
- Nespresso does not expect to make money selling coffee in its bar boutiques.

D Word families

1 Complete the the first two columns of the chart with verbs and nouns from the article.

verb	noun	word partnerships
consume	consumption/ ¹	<i>consumer goods</i>
..... ²	.....³ / retailer	
..... ⁴	branding / ⁵	
interact	.....⁶	
..... ⁷	experience	

2 Add at least one word partnership from the article for each word family in the third column of the chart.

E Sentence completion

Use words from Exercise D1 to complete these sentences.

- 1 Strong helps consumers make sense of the vast number of product choices and messages to find solutions that fit their needs.
- 2 Every needs to examine the person-to-person and shopping that it currently offers to see where it is failing to meet customers' expectations.
- 3 The level of of luxury goods will pick up once the economy improves.
- 4 It is important that customers walk away from every with a company feeling satisfied.
- 5 Google has managed to itself as the search engine of choice for the Internet.
- 6 The decision is to our full range through specialist health shops.

OVER TO YOU

- 1 How does Nespresso differ from a successful coffee chain like Starbucks?
Discuss:
 - the product
 - its positioning
 - the customer experience.
- 2 Choose one of these types of companies. What kind of customer experiences can it create to help develop a strong relationship between its brands and customers?
 - a chain of health-food shops
 - a furniture company that sells an upmarket modern furniture and household goods on the Internet and through its retail shops in key cities
 - a specialist developer of educational toys that sells only on the Internet

This unit looks at Toyota's attempts to attract younger buyers.

BEFORE YOU READ

Discuss these questions.

- 1 How do people buy cars in your country, e.g. through a car dealership, on the Internet, privately through adverts in newspapers, etc.?
- 2 What channels are most often used to advertise cars in your country?
- 3 What influenced your decision to buy your last car, e.g. fuel economy, price, range of accessories and options, reliability, etc.?
- 4 When buying a car, which three factors do you think would most influence the decision for 18–24-year-olds?

READING

A Understanding the main points

Read the article on the opposite page and choose the best option to complete each statement.

- 1 Scion is the name of a Toyota *car model / brand*.
- 2 The brand is aimed at *a young market / anyone wanting an unusual small car*.
- 3 Scion and Toyota use *the same / different* approaches for selling cars.
- 4 Scion offers its customers models that *can be customised / are standard*.
- 5 The advertising channels that Toyota uses to promote its brands *work equally well / don't work well* for reaching Scion's target market.
- 6 Scion *has / hasn't* had all the success it wanted in attracting 18–24-year-old buyers.

B Understanding details

Read the article again and answer these questions.

- 1 Why was the Scion brand created?
- 2 Who is responsible for each of these functions, Scion (S) or Toyota (T)?
 - a) production
 - b) developing marketing ideas
 - c) promoting the cars
 - d) processing orders and invoices
 - e) distribution
- 3 Scion has created an Internet site where customers can buy the cars. What makes this approach to selling attractive to young customers?
- 4 Why are advertising costs per vehicle lower for Scion than for other Toyota brands?
- 5 Why has the Xb mini been a success with customers aged 40–50?
- 6 Why did the launch of Toyota Yaris have a negative effect on Scion sales?

Toyota looks to learn from Scion



by Bernard Simon

A Toyota created the Scion brand in 2002 to solve a problem: the average buyer of its Toyota and luxury Lexus models was 54, and it needed to attract the twentysomething buyer to the Toyota family.

B The Scion division currently has three models on the road: the xA hatchback, the xB minivan – sometimes compared to a shoebox or microwave oven on wheels – and the tC sports car. Toyota builds the cars and handles the distribution through its dealerships and other administrative functions. Scion itself, based in California, has just a small team of about 17.

C Besides producing funky cars, Scion has taken a new approach to

selling them, seeking to tap into the lifestyle of their 18–24-year-old target audience.

D Customers can buy cars through the Toyota dealership or the Scion website. In fact, most cars are sold on the Internet, and prices are non-negotiable, helping to speed up the buying process and minimise time spent in the car dealer's showroom.

E Scion aims to give buyers maximum flexibility to personalise their cars. A choice of almost 40 accessories and options is available, potentially adding several thousand dollars to the cost of the car. Choices include gold, black or chrome licence-plate frames, three sound systems, amber or blue interior lighting and silver pedal covers.

F Scion found that the industry's

normal advertising channels have little relevance for the youth market. It spends less on advertising per vehicle than for any other brand because it does not use mainstream newspapers or TV stations. Instead, dealers prefer tactics such as arriving unannounced with the cars at trendy music or clothing stores.

G The company organises about 100 promotional events each month, three-quarters of them at nightclubs. It supports DJs and film-making competitions, and is a key sponsor of a national video-game league. Scion has also set up its own record label.

H Not everything has gone quite as the Japanese carmaker planned. The xB minivan has been a unexpected success among people in their late 40s, who were attracted by the fashionable styling and also found it easy to get in and out of. Meanwhile, Toyota has taken steps to make its own brand more appealing to younger consumers. Its small Yaris hatchbacks also target buyers in their 20s and 30s, which has had an impact on sales of the Scion models.

I Scion buyers now have an average age of just 31, so Toyota has without doubt found a new market. There are also signs are that other Toyota brands have begun to use some of Scion's novel marketing ideas. For example, Prius, Toyota's petrol-electric hybrid model, has offered test drives at a chain of natural-food supermarkets.

FT

C Searching for figures

Scan the article quickly to find these numbers. Say what each one refers to.

- | | |
|---------|----------|
| a) 2002 | e) 18–24 |
| b) 54 | f) 40 |
| c) 3 | g) 100 |
| d) 17 | h) 31 |

VOCABULARY

A Definitions

Match these words from the article (1–7) with their meanings (a–g).

- | | |
|-------------------|---|
| 1 dealerships | a) companies which send out television broadcasts |
| 2 target audience | b) extra features chosen from a set of possibilities |
| 3 accessories | c) the degree to which something is useful |
| 4 options | d) the specific group of people that a product is meant to attract |
| 5 relevance | e) businesses that sell the cars of a particular company |
| 6 TV stations | f) methods of doing something |
| 7 tactics | g) non-essential equipment that can be added to a basic model, e.g. audio system, seat covers |

B Word search

1 Find adjectives in the article which fit these definitions.

- 1 typical (paragraph A)
- 2 aged around 20 (paragraph A)
- 3 can't be changed (paragraph D)
- 4 very established and generally accepted (paragraph F)
- 5 happening suddenly and unexpectedly (paragraph F)
- 6 attractive and desirable (paragraph H)
- 7 unusual and innovative (paragraph I)

2 Find two words that also mean *fashionable*, but are more colloquial and informal.

3 Match each word from Exercise 2 with its definition.

- a) influenced by the most recent fashions and ideas
- b) liked because it is unusual and unconventional

C Vocabulary development

1 Match these words and phrases from the article to make expressions for describing the age of Scion's customers.

- | | |
|-----------------------|-------------------------|
| 1 the twentysomething | a) in their late 40s |
| 2 18–24-year-old | b) of just 31 |
| 3 people | c) buyer |
| 4 buyers | d) target audience |
| 5 an average age | e) in their 20s and 30s |

- 2 What age are these target groups? Choose the correct options.
- 1 Our target market is people *in their early 30s*.
a) 30–33 b) 34–36 c) 37–39
 - 2 Our biggest market is older people *in their mid-60s*.
a) 61–63 b) 64–66 c) 67–69
 - 3 The key market for the new range will be women *in their late 40s*.
a) 40–43 b) 44–46 c) 47–49
- 3 Replace the phrases in *italic*. Use the phrases in Exercises 1 and 2 to help you.
- 1 Our target market is young people *between the ages of 27 and 29*. *in their late 20s*
 - 2 The target group for our fitness machines is women *who are 50–60*.
 - 3 *Most customers are* under 30.
 - 4 With the Fitkit DVD, we hope to attract *men who are over 40*.
 - 5 The *group we are aiming at* are young people in their late teens.

D Prepositions

Complete these sentences using the correct prepositions.

- 1 Apple hopes to attract more business customers its range of computers.
- 2 Distribution of all our products is handled our central warehouse.
- 3 Offering discounts has had an impact sales, which are up 10%.
- 4 One way to speed order processing would be to have more staff in our call centres.
- 5 This year, we plan to set four new dealerships in the west of the country.
- 6 Many companies are trying to tap consumers' increasing interest environmental issues.

OVER TO YOU

- 1 Do you think that Toyota's strategy of developing and marketing cars specifically for a youth market is a good strategy? Present your views, giving reasons and examples to support your position.
- 2 Design the perfect car for an urban youth market (ages 18–24).
 - a) List the needs and desires of this target group and the features the car should have.
 - b) Plan some promotional activities for its launch in your area over the next two months.
- 3 Create some promotional activities and events to advertise one of these products:
 - a new mobile phone service
 - a health drink
 - a DVD film rental service on the Internet
 - a) Decide on your target market and details of the product or service. Then plan your activities.
 - b) Present your plan as a short report or presentation.

This unit looks at developments in Internet retailing and the features needed by successful websites.

BEFORE YOU READ

Discuss these questions.

- 1 What kind of products or services do you buy on Internet shopping sites?
- 2 What are the advantages for consumers of buying online?
- 3 What are advantages for retailers of having a virtual store?
- 4 What do you think are the seven top qualities and features for a successful shopping website?

READING

A Understanding the main points

Read the article on the opposite page and say whether these statements are true (T) or false (F). Correct the false ones.

- 1 To compete, retailers need websites that have lots of different technical features that will improve customers' shopping experience.
- 2 Most consumers today no longer expect retailers to have physical shops.
- 3 Consumers still see shops as the best source of product information.
- 4 Advances in web technology mean that retailers can have a 'virtual' catalogue of all their products on their sites.
- 5 Advances in web technology have increased the marketing options for promoting products online.
- 6 For online retailers, the main customer service issue is making sure the site is easy to use.
- 7 As website technology changes so fast, retailers need to make web development an ongoing activity.
- 8 Analysing data is an important way of responding to customer concerns about the website.

B Understanding details

Read the article again and mark the order in which the writer mentions these features of an Internet shopping website.

- | | |
|--|-------------------------------------|
| a) Be easy to use | <input type="checkbox"/> |
| b) Have technology for collecting data about customers, e.g. a registration form | <input type="checkbox"/> |
| c) Have an attractive appearance that clearly reflects the retailer's business | <input type="checkbox"/> |
| d) Be able to show all products, e.g. through an online catalogue. | <input type="checkbox"/> |
| e) Use the right technology solutions to deal with activities, from ordering through to delivery of products to the customer | <input type="checkbox"/> |
| f) Include a wide variety of features for creating a good shopping experience | <input checked="" type="checkbox"/> |
| g) Be able to deliver different types of web content fast and easily, e.g. video, graphics, audio, etc. | <input type="checkbox"/> |

Connecting with customers through online content



by Robert Bredlau

A As the first point of contact for new customers, a company website is one of, if not the most important channel to market. To be noticed in an increasingly competitive marketplace, e-businesses need to introduce a wide variety of features to their websites to improve their customers' shopping experience. But what does a more interactive and interesting website really mean for the e-tailer?

B The development of a multichannel marketplace is having a big impact on the retail market. Customers can

balance their purchasing between the online and the offline world. Offering a multichannel service provides customers with the flexibility they have come to expect.

C Customers are becoming more demanding as they search for greater convenience and value online. With 70 per cent of consumers searching for product information online before making a purchase (according to Accenture, 2007), shop assistants are no longer regarded as fashion experts or authorities on hi-tech cameras and plasma televisions. Consumers are more informed than ever, turning to the

Internet for the latest product reviews. **D** As retailers increasingly adopt next-generation e-commerce functionality, they are able to market their products in more exciting ways. Retailers can now display their full range of products online, and not suffer from limited shelf space as they would in a physical store. They can also use 'scarcity' tactics: for example, they can put products into limited-edition categories or limit availability online. Tactics like these give the impression that products are in short supply and so increase demand.

E As Internet retailing matures, customer expectations are changing. Today, customer service is the new priority, especially in terms of usability – a good returns policy, geographical awareness and how the website is presented. Retailers also need to have all the technology in place to ensure that product is delivered to the customer as ordered.

F A company website needs to be user-friendly. It also needs to be informative, attractive and capture the essence of the business. The systems used to build these websites need to deliver all types of content – video, print, audio, PDFs and images – quickly and easily. But website development and content delivery can evolve quickly. In order to remain competitive, retail companies must be flexible and update web technologies to ensure they can meet the future needs of the business.

G Retailers also need to analyse data effectively to ensure they are responsive to changing customer needs, and use this information to create websites that build and develop customer interest. Only when they have done this will they be able to attract new business and meet the challenges of a fast-changing economy.

FT

VOCABULARY

A Understanding expressions

Choose the best explanation for each phrase from the article.

- 1 'The development of a *multichannel marketplace* ...' (lines 12–13)
 - a) a business world in which goods are sold through a combination of sales channels
 - b) a place where products are sold directly or indirectly to customers
- 2 '... *next-generation e-commerce functionality* ...' (lines 32–33)
 - a) advanced technology for online selling that comes from a related business area
 - b) an improved version of technology for Internet selling that has lots of new advanced features
- 3 'They can also use "*scarcity*" tactics ...' (lines 39–40)
 - a) marketing techniques that create an impression that there is a limited supply of a product
 - b) dishonest tactics used to trick people into paying more because they think there is a shortage of a product.
- 4 '... *capture the essence of the business.*' (lines 58–59)
 - a) give a short summary of the important facts about the company
 - b) show clearly in words or images the essential quality of a company

B Definitions

Match these words and phrases from the article (1–7) with their meanings (a–g).

- | | |
|--------------------------|---|
| 1 convenience | a) critical evaluations of something |
| 2 authorities | b) being quick and easy to do |
| 3 reviews | c) an item produced in a specific quantity, just for a limited time |
| 4 limited edition | d) how easy it is to use a website |
| 5 usability | e) the graphics, sound, video and text that make up a web page |
| 6 geographical awareness | f) experts |
| 7 content | g) an understanding of where customers are for effective distribution |

C Word partnerships

1 Match these words to make noun–noun partnerships from the article.

- | | |
|-----------------|----------------|
| 1 multi-channel | a) review |
| 2 product | b) delivery |
| 3 content | c) development |
| 4 website | d) service |

2 Match these words to make verb–noun partnerships from the article.

- | | |
|-----------|----------------|
| 1 make | a) web content |
| 2 display | b) data |
| 3 deliver | c) products |
| 4 analyse | d) a purchase |

D Word search

1 Find words and phrases in the article which fit these meanings.

- 1 expecting a lot (paragraph C)
- 2 worth the money paid (paragraph C)
- 3 knowledgeable (paragraph C)
- 4 not enough to meet demand (paragraph D)
- 5 becomes more developed (paragraph E)
- 6 gradually change over time (paragraph F)
- 7 quick to react (paragraph G)

2 *E-tailing* is short for 'electronic retailing'. Find three other words in the article that start with 'e'. Which one means 'Internet retailer'? Which refer to electronic buying and selling?

3 Find five adjectives used to describe the qualities of a good website

E Sentence completion

Use words and phrases from the Exercises A–D to complete these sentences.

- 1 We have experience in helping major retailers to plan their *e-b*.....^a and advising on a *m*.....-*c*.....^b service, so that they can offer customers both online and 'bricks and mortar' shopping.
- 2 We can also help you with all aspects of *w*..... *d*.....^a and make sure your site delivers suitable *c*.....^b.
- 3 Today's more *d*.....^a shoppers are looking for higher quality and better *v*.....^b products from all *e*.....^c.
- 4 Our website will offer them *p*..... *r*.....^a that are *i*.....^b and references from satisfied customers to help them make *i*.....^c purchasing decisions.

OVER TO YOU

- 1 Creating a sense of scarcity is a useful marketing tactic to get more customers to buy more.
 - Why does this tactic work so well?
 - What kind of activities work best?
 - Are there any risks associated with it?
- 2 Research some examples of companies that have successfully used scarcity tactics to increase demand and persuade customer to make a purchase. Then present your results.
- 3 Compare the websites of two or three competing e-tailers.
 - a) Make notes on:
 - functionality
 - usability
 - appearance
 - shipping and returns arrangements.
 - b) Take some 'screen grabs' and use them in a presentation of the results. Include suggestions for improving the websites.

This unit looks at the challenges of retaining customers in Internet retailing.

BEFORE YOU READ

Discuss these questions.

- 1 Have you ever had a bad experience buying online? What kind of things can go wrong?
- 2 If you experience technical problems when ordering online, how many times are you willing to try to complete the order before you give up?
- 3 What five improvements could Internet retailers make to their websites to give prospective customers a better experience?

READING

A Understanding the main points

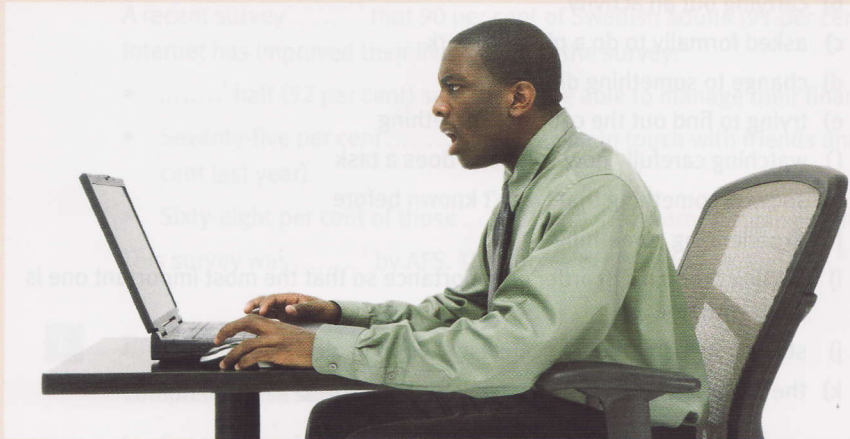
Read the article on the opposite page and choose the best option to complete each statement.

- 1 The writer thinks that, for consumers, online retailing has potential.
 - a) little
 - b) a lot of
- 2 According to the survey, consumers who have a lot of technical problems when trying to buy online are likely to
 - a) complain a lot to customer services.
 - b) leave the site and/or go to a competitor's site.
- 3 The writer thinks consumers want sites that
 - a) work well and are easy to use.
 - b) offer an easy way to contact customer services.
- 4 For an online sales channel, providing excellent customer service is for other channels.
 - a) more important than
 - b) equally important as
- 5 The article includes four actions for improving
 - a) customers' experience of using the site.
 - b) the way complaints are handled.

B Understanding details

- 1 Read the article again. These statements about the Harris Interactive survey are not quite accurate. Find the mistakes and correct them.
 - 1 Forty-one per cent of all those surveyed in the UK prefer to do business online.
 - 2 Compared to the UK, more people in the USA are likely to leave the site and/or go to a competitor's site if they have problems with a transaction.
 - 3 In the USA, just under 40 per cent of online adults said they would leave the site or go to another site when they experience difficulties.
 - 4 Just over 85 per cent of US online users expect to be able to complete an online transaction in one attempt.

Customer experience is key in protecting online sales



by Rebecca Ward

A Shopping online makes sense for consumers – the web can save both money and time, and offers them the convenience of a very large selection of products. A recent Harris Interactive survey, commissioned by Tealeaf, a specialist in customer experience management software, revealed that in the UK, over half of all online adults (52 per cent) generally prefer to do business online (compared to 41 per cent in person).

B But what happens when a consumer tries to purchase online and something goes wrong? Perhaps they are not allowed to log in, or their shopping cart mysteriously empties, or the site returns an unclear error message. In a physical store, an assistant might be found to help, as leaving

the store and finding another retailer would mean a lot of effort. Online however, competition is only a click or two away.

C For online business success, it is important to have an effective, intuitive website, or frustrated online customers will go straight to competitors. The impact of poor online customer experiences is much bigger than many might think. The Harris survey identified a high level of consumer abandonment when they experience online problems.

D According to the survey, 49 per cent of British online adults who experience problems when conducting a transaction online would probably abandon it or switch to another site.

A similarly worrying number of US online adults (41 per cent) would also switch to a competitor or abandon after

encountering an online transaction problem. The potential impact for revenues is serious.

E Companies must give customers the best site experiences possible. A large number of online users feel there is no reason why an online transaction cannot be completed at the first attempt (87 per cent of British and 84 per cent of US of online adults surveyed). Yet, when problems do occur – and due to the complexity of the web and probability of human error they inevitably will happen – it is essential to be able to support the online customer.

F Although it was assumed that the self-service nature of the web would make customer service and the costs associated with it obsolete, the opposite has proven true. Exceptional customer service is essential for all channels, at all times.

G Providing customers with high-quality service means that organisations need to understand customers' behaviour and know what is happening on their website. Companies will become skilled at improving online customer experience by implementing these four steps:

- 1 Monitoring customer experience key performance indicators (KPIs), such as shopping cart abandonment rates.
- 2 Proactively investigating and responding to known technical issues.
- 3 Listening to customers and using their feedback to gain a better understanding.
- 4 Prioritising customer experience issues based on business impact.

FT

2 Read paragraphs A and B carefully and answer these questions.

- 1 The writer gives three reasons why shopping online is a good solution for consumers. What are they?
- 2 The writer mentions three typical problems that people can have when trying to buy online. What are they?
- 3 Why are customers more likely to go to a competitor when they get poor customer service online?

VOCABULARY

A Definitions

Match these words from the article (1–11) with their meanings (a–k).

- | | |
|------------------|---|
| 1 commissioned | a) mistake made by a person |
| 2 revealed | b) carrying out an activity |
| 3 conducting | c) asked formally to do a piece of work |
| 4 transaction | d) change to something different |
| 5 switch (to) | e) trying to find out the cause of something |
| 6 abandon | f) watching carefully how someone does a task |
| 7 encountering | g) showed something that wasn't known before |
| 8 human error | h) experiencing something |
| 9 monitoring | i) putting problems in order of importance so that the most important one is dealt with first |
| 10 investigating | j) stop doing something because it's too difficult |
| 11 prioritising | k) the process of buying and paying for something |

B Word partnerships

Decide which verb in each set does *not* go with the noun phrase in bold.

- | | |
|---|------------------------------|
| 1 commission / employ / authorise | a survey |
| 2 meet / experience / encounter | issues/problems |
| 3 conduct / act / perform | an online transaction |
| 4 abandon / throw out / give up on | an online transaction |
| 5 exchange / switch to / change to | a competitor |
| 6 monitor / supervise / observe | customer behaviour |
| 7 achieve / implement / put into practice | steps/guidelines |

C Word search

Find adjectives or adverbs in the article which fit these meanings.

- happening in a way that is difficult to understand (paragraph B)
- working well and getting the expected results (paragraph C)
- easy to use because it is very obvious how it works (paragraph C)
- feeling annoyed and impatient (paragraph C)
- without doubt (paragraph E)
- out of date (paragraph F)
- unusually good (paragraph F)
- of very good quality (paragraph G)
- having the ability and experience to do something well (paragraph G)
- acting in a way that makes things happen rather than reacting to them (paragraph G)

D Text completion

Use the words from the box to complete the paragraph, reporting the result of a survey.

according to	commissioned	compared to
conducted	over	reported
revealed	surveyed	

A recent survey¹ that 90 per cent of Swedish adults (91 per cent) feel that being able to access the Internet has improved their lives.² the survey:

-³ half (52 per cent) said they were able to manage their finances better because of online banking.
- Seventy-five per cent⁴ that staying in touch with friends and family was easier (.....⁵ 70 per cent last year).
- Sixty-eight per cent of those⁶ said they were shopping more effectively.

This survey was⁷ by AFS. The survey of 150 adults was⁸ online by Milon Surveys.

E Prepositions

Complete these sentences using the correct prepositions.

- 1 Consumers visiting online stores expect to be able to log easily and complete transactions the first attempt.
- 2 If customers have problems completing online transactions, it is very likely that they will give and switch a competitor's site.
- 3 Despite the convenience Internet shopping, many people still prefer to shop person rather than online.
- 4 Online retailers need to become skilled providing high-quality shopping experiences and responding quickly feedback.

OVER TO YOU

- 1 a) Conduct a survey on one of these topics.
 - The impact of the Internet on people's shopping habits
 - The effectiveness of your company website/a website you use frequently
 b) Prepare six survey questions.
 c) Carry out your survey.
 d) Write up your findings, including words and phrases from the article and Exercise D.
- 2 Write a report for you boss justifying an increased budget for customer service for your company website.
 - a) Explain the problems:
 - high levels of abandonment during checkout
 - feedback that the website is too complicated
 - feedback that shipping costs and the returns policy are not clear.
 - b) Show the implications for the company, supporting your arguments with facts from the article and survey.
 - c) Make some recommendations.

This unit looks at the development of Internet advertising.

BEFORE YOU READ

Discuss these questions.

- 1 How important is Internet advertising in your country?
- 2 How have fast Internet connections changed advertising on the Internet?
- 3 What kind of ads can you find on the web? Which ones do you like? Are any that you find annoying?
- 4 What kind of advertising techniques work for promoting brands on the Internet? Think about:
 - search-engine websites like Yahoo and Google
 - social-networking sites like MySpace and Facebook and the video-sharing site YouTube
 - business websites, e.g. news sites, online magazines, websites of professional organisations, etc.

READING

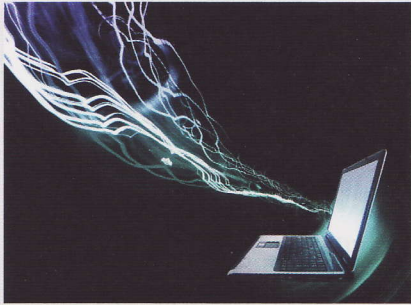
A

Understanding the main points

- 1 Read the article on the opposite page and choose the the statement that expresses the purpose of the article most accurately.
 - a) To inform readers about developments in Internet advertising
 - b) To persuade readers that Internet advertising is the solution for the future
 - c) To explain the benefits for companies of advertising on the Internet
- 2 The article describes three marketing techniques that are used online. Match each technique (1–3) with its explanation (a–c).

1 search advertising	a) paying for branded products to be shown in a film or video
2 viral marketing	b) encouraging web users to pass on a marketing message to others, so that the message spreads like a virus to many users
3 product placement	c) paying for the chance to have an advertisement display when a user searches for a given keyword
- 3 According to the writers, which of the three techniques in Exercise 2 works well for the following?
 - 1 creating and maintaining awareness of brands
 - 2 convincing a buyer to purchase a particular product
- 4 Complete these developments that have encouraged more innovative Internet advertising.
 - 1 Increased speed of
 - 2 The popularity and growth of
 - 3 The ability of web users to

The changing face of Internet advertising



by Richard Wray and Katie Allen

A Search advertising allows companies to compete for position on search engines, so when a user looks for cheap TV sets, a holiday, an iPod or a car, their brand comes out on top. In search advertising, advertisers only pay for the advertising when someone clicks on the search result. That process is measurable and trackable. Nick Hynes, Chief Executive of the search marketing agency the Search Works, said, 'You can tell exactly which key words, like "cheaper car insurance", you should be listing on and you can see how many customers who click on the result become customers. You don't waste any money.'

B Advertising is not only about persuading a person to prefer a particular item. A lot of advertising is

about creating and sustaining brands.

C In the early days of the web, advertisers tried to build brand awareness through banner ads on other website. But these often frustrated web users because they had to wait while their slow Internet connection uploaded an advert. The growth in broadband Internet connections, however, means online advertising of brands can be much less intrusive and can become more innovative.

D Social-networking sites such as MySpace, Bebo and Facebook have brought together huge online communities. This is clearly an opportunity for advertisers. However, the nature of those communities can make it hard to promote brands, because people consider their online space as their own domain. Innovative brand campaigns have been created allowing people to incorporate brands within their own profile pages. But it is likely that these campaigns will always be aimed at niche audiences, although large niches.

E As broadband connections become the norm, advertisers will have more ways of reaching customers. Faster connections mean that advertisers can now include videos in their advertising.

F One new method of advertising is the viral video campaign. With this

method, Internet users share content containing a branded message, in this case a video. An example is Dove's *Evolution* ad, which created a huge viral marketing buzz around a video showing a model being made up, photographed and then digitally altered.

G Advertisers have also found ways to take advantage of the rise in user-generated content. Lucozade recently rolled out a campaign to get customers onto their GetYourEdgeBack.com site. Customers were invited to upload home-made videos about instances when they experienced a 'low energy' moment. The winner was offered a prize of £10,000 and the chance to star in one of Lucozade Energy's ads.

H Product placement in online videos has been around for a while and is a good way of raising brand awareness. Advertising group MediaCom has created a video series about cats for petfood specialist Masterfoods and posted it on MSN. The videos focus on cat health, but, of course, also mention why viewers should buy their products. 'It's all about generating brand awareness. Things TV has traditionally been good for we can now do online as well,' says Stefan Bardega, a MediaCom director.

from the *Guardian*

B Understanding details

1 Read the article again and say whether these statements are true (T) or false (F). Correct the false ones.

- 1 A big advantage of search advertising is that advertisers only pay when a user clicks on the link to their website.
- 2 Search advertising makes it easy to measure the number of users that click through to the advertiser's site, but not the number who go on to make a purchase.
- 3 In the past, users found web ads frustrating because they took so long to appear on their screens.
- 4 The writers think that online community websites have a lot of potential for promoting brands to a wide audience.

2 What campaigns are mentioned as successful examples of:

- 1 a viral video?
- 2 content created by users themselves?
- 3 a product placement online video?

VOCABULARY

A Definitions

Match these word from the article (1–8) with their meanings (a–h).

- | | |
|-------------------|--|
| 1 sustaining | a) causing to happen |
| 2 banner ads | b) sent files from one computer onto the Internet |
| 3 uploaded | c) maintaining for a period of time |
| 4 intrusive | d) a feeling of excitement and energy |
| 5 niche audiences | e) unwanted and annoying |
| 6 buzz | f) extended an advertising campaign after a successful test |
| 7 rolled out | g) target groups with a specific and limited interest |
| 8 generating | h) small advertisements on web pages, often found at the top of a page and link to the advertiser's site |

B Word partnerships

1 Match these words to make noun–noun partnerships from the article.

- | | |
|----------------------|----------------|
| 1 search | a) awareness |
| 2 web | b) pages |
| 3 brand | c) connections |
| 4 profile | d) result |
| 5 Internet/broadband | e) users |

- Find at least one other noun–noun word partnership that start with *search*.
- Find at least three adjective–noun word partnerships that start with *online*.
- Find at least one adjective–noun–noun word partnership that starts with *viral*.

C Vocabulary development

Decide which verb does *not* go with the noun phrase in bold.

- | | |
|---|------------------------|
| 1 promote / develop / sustain / keep up | a brand |
| 2 do / generate / build / create | brand awareness |
| 3 post / upload / divide / share | an online video |
| 4 save / prevent / make / waste | money |
| 5 expand / launch / announce / roll out | an online video |
| 6 click on / catch / select / track | a search result |
| 7 engage / attract / reach / arrive | customers |

D Sentence completion

Use words and phrases from Exercises A–C to complete these paragraphs.

- 1 The growth of faster **b**..... **c**.....^a has made **o**..... **v**.....^b advertising take off. Producing video costs a lot more than traditional **b**..... **a**.....^c, but it produces higher response rates, so will be more successful in raising and **s**.....^d brand awareness.
- 2 In paid-for **s**..... **a**.....^a, search engines like Yahoo will guarantee advertisers a place in the search **r**.....^b. The position depends on the amount of money advertisers are willing to pay each time a user **c**.....^c on their listing.
- 3 You can create a real **b**.....^a around a new product, with an exciting well-constructed **v**..... **v**.....^b campaign, carefully targeted at a **n**..... **a**.....^c of web **v**.....^d. And you won't **w**.....^e money, as it's relatively cheap to produce!
- 4 Facebook is an **o**..... **c**.....^a for people with common interests. Members create their own **p**..... **p**.....^b with biographical data, likes and dislikes and any other information they choose to **v**.....^c onto their page.
- 5 We plan to **r**..... **o**.....^a an **o**..... **a**.....^b campaign to **p**.....^c our range of health foods. Using an online channel will help us **r**.....^d new customers and get them onto our website.

E Prepositions

Complete these sentences using the correct prepositions.

- 1 The growth broadband has allowed a more creative use of video in advertisers' online campaigns.
- 2 Many of the most successful viral video campaigns are aimed younger audiences.
- 3 Many companies see social networking communities as a huge opportunity marketing their products a niche audience.
- 4 Advertisers are finding new ways to take advantage the growing popularity of user-generated content.

OVER TO YOU

- 1 Write a short report on behalf of an advertising agency, justifying a shift to Internet advertising for a new adventure holiday club that targets young professionals.
- 2 In small groups, discuss what developments you expect to see over the next five years in the following areas.
 - TV advertising
 - Internet advertising
 Then present your top five predictions.
- 3 Develop an advertising brief for a viral video campaign for one of your favourite brands.
- 4 Research a viral campaign that has been successful. Present the campaign and your analysis of what makes it effective.

This unit looks at global advertising and some of the challenges involved.

BEFORE YOU READ

Discuss these questions.

- 1 What types of products sell well internationally? Do you know of any successful or disastrous advertising stories? What happened and why?
- 2 If a company wanted to advertise its products or service globally, who would be involved, e.g. a national advertising agency, and what do you think would be the first steps in planning the campaign?
- 3 Survey your class to find out attitudes to global advertising campaigns.

READING**A Understanding the main points**

Read the article on the opposite page and answer these questions.

- 1 Is the writer for or against global advertising?
- 2 Does he make his case in a balanced or one-sided way?
- 3 Is his style of writing persuasive or informative? What gives you this impression?

B Understanding details

- 1 Read the article again and choose the best option to complete these summaries of the writer's ideas for developing successful global campaigns.
 - 1 Global campaigns are better developed by *head / local* offices.
 - 2 If companies can develop the right creative concept, it should work with customers in *most / all* countries.
 - 3 Effective advertising starts with *understanding customer needs / having good creative ideas*.
 - 4 To develop creative materials for the campaign, it is better to work with *one main agency / several specialist agencies*.
 - 5 If companies develop the right campaign, they should be able to use it in all foreign markets *without any changes / with adjustments for some markets*.
- 2 Read paragraph C carefully. What three reasons does the writer give to support a global approach to advertising? Complete these sentences.
 - 1 It's less expensive to ...
 - 2 It's easier and quicker to ...
 - 3 People expect ...

Going global: ads that travel



by Guy Gilpin

A Effective global campaigns must start like any other campaign, with sound creative materials and by understanding consumers.

B Those who make the case for centralised global advertising often seem to be swimming against the tide. Strong central planning, with head office telling its subsidiaries how they should talk to 'their' consumers, is an approach that has become

unfashionable, unsexy and un-now. Global advertising campaigns, the thinking goes, are creatively hamstrung by the need to be all things to all men. The resulting adverts are functional but forgettable, inoffensive but uninspiring, and a safe option for the risk-averse. And of course local offices are much happier creating their own ideas than implementing someone else's.

C From the advertiser's point of view, the global approach is not completely without its merits. From a financial point of view, it is obviously cheaper to develop one set of creative material and then roll it out worldwide. A global approach is also faster, and simpler to implement. And as people travel the world more and more – physically or virtually – they are exposed to the same brand in different markets, and they should get the same advertising experience. If you want to build a global brand, a global campaign seems the most obvious way to do it.

D Every ad starts with an insight (that is, a consumer need) and a proposition (that is, a way that the product meets this need). If the planners, market researchers and marketing strategists can find an insight and develop a proposition that is relevant to potential customers around the world, then a single creative concept should be able to convey this to all their potential customers

around the world. In other words, effective global advertising starts, just like any effective advertising does, with understanding your consumers.

E Admittedly, there will be some cases where consumers' requirements of a product differ from country to country. But for most products, they will not do so. It is likely that the reasons why somebody buys a can of Coke, or chooses PlayStation3 in preference to an Xbox 360, are fairly similar all over the world.

F The same brief could, of course, be given to different agencies in different countries. But presumably, the advertiser has selected its lead agency for a reason and believes that this agency can solve a given brief as well, if not better, than any other. So why would they not give this agency the brief globally?

G Of course, the concept the lead agency comes up with will have to be flexible enough to be adapted for other countries. A good idea can be adapted to emphasise different benefits, or push different products in a range, without diluting the essential qualities of the brand or changing its positioning. So why can it not be adapted for other countries? This adaptation needs to be carried out sensitively. It is a skilled job in itself, the importance of which is often underestimated.

from Campaign

C Understanding meaning

Choose the best explanation for these ideas from the article.

- 'Those who make the case for centralised global advertising often seem to be *swimming against the tide*.' (lines 5–8)
 - fighting to get their views heard
 - doing the exact opposite to what most other people are doing
- 'Global advertising campaigns [...] are creatively hamstrung by the need to be all things to all men.' (lines 13–16)
 - Trying to please everyone in a global campaign restricts creativity.
 - Global campaigns can't work, as everybody has such different idea of creativity.

VOCABULARY

A Definitions

Match these words/phrases from the article (1–10) with their meanings (a–j).

- | | |
|-------------------|--|
| 1 the risk-averse | a) advantages |
| 2 merits | b) a suggestion or plan of action |
| 3 implementing | c) the agency with the primary role |
| 4 are exposed to | d) official instructions explaining a task |
| 5 insight | e) not understood to be important |
| 6 proposition | f) a clear and deep understanding |
| 7 brief | g) weakening |
| 8 lead agency | h) see and experience something |
| 9 diluting | i) putting a plan into operation |
| 10 underestimated | j) people who don't like taking risks |

B Vocabulary development

When you add the prefixes *un-* or *in-*, they have a negative meaning, e.g. *unreliable* = *not reliable*, *ineffective* = *not effective*.

- In paragraph B, find examples of adjectives that start with the prefixes *un-* and *in-* with these meanings.
 - not fashionable
 - not inspiring
 - not offensive and likely to upset people
- Add two other examples of your own of adjectives with each prefix.
- In paragraph B, the writer uses two very colloquial expressions that mean 'unfashionable'. Find them and match each with its meaning.
 - not the current fashion
 - not glamorous or exciting
- What everyday equivalents can you think of that have a similar meaning to the words in Exercise 3?

C Word search

- Look through the article and find:
 - three words or phrases that mean 'in many different countries'.
 - at least three adjective–noun partnerships that start with *global* and one that starts with *creative*.
- Find the names of four jobs connected with advertising. Then add at least three other jobs you know.
- Find three words or phrases that describe parts of an international company, e.g. *headquarters*, *distribution centre*. Then add at least two others.

D Persuasive language

- 1 The writer uses these persuasive techniques. Find another example in the article for each technique.
 - 1 Rhetorical questions: questions that don't need answers and get the reader to think, e.g. *So why would they not give this agency the brief globally?* (lines 68–70)
 - 2 Repeating words and phrases to help keep them in the reader's mind, e.g. ... **same** brand in different markets, and they should get the **same** advertising experience. (lines 33–35)
- 2 The writer uses words and phrases to make his position on the ideas in the article clear to the reader. Match the phrases (1–4) with the purposes (a–d).

1 From ... point of view (line 23)	a) Thinks the idea is probably true
2 Admittedly (line 53)	b) Has no doubts the idea is true
3 But presumably (line 64)	c) Reflects the idea from a particular position
4 Of course (line 71)	d) Acknowledges that another idea is true

E Word families

Complete the chart.

adjective	adverb
creative	.....¹
compelling	.....²
global	.....³
virtual	.....⁴
sensitive	.....⁵

OVER TO YOU

- 1 In the writer's view, with sensitive adaptation for different markets, global advertising campaigns are effective. Do you agree? Give reasons and examples to support your view.
- 2 Prepare a short presentation on a global advertising campaign that has been successful or one that has failed in a specific market.
- 3 Write a report to persuade your manager to use a local/global advertising strategy to launch a new service/product in all your company's markets.
 - a) Plan your paragraphs:
 - Your position
 - Possible supporting points
 - Possible points against
 - Your conclusion
 - b) Write your report using some of the techniques for persuasion used in the article.

This unit looks at a sponsorship deal between Disney and the German engineering company Siemens.

BEFORE YOU READ

Discuss these questions.

- 1 Make a list of different types of activities/events or things that companies can sponsor, e.g. a sports or arts event, a stadium, etc.
- 2 Think of a company that uses sponsorship as part of its marketing mix (e.g. Research in Motion).
 - a) What activities/events does it sponsor (e.g. U2's '360° tour')?
 - b) Why do you think it chooses this type of sponsorship (e.g. raised the profile of BlackBerry with the youth market)?
- 3 What kind of sponsorship possibilities does a large entertainment company like Disney offer to companies? What kind of companies do you think Disney would want to link up with?

READING

A Understanding the main points

Read the article on the opposite page and choose the best option to complete each statement.

- 1 Siemens is *the new sponsor / one of the sponsors* of the relaunched Spaceship Earth attraction at Disney's Epcot theme park.
- 2 Siemens is *Disney's main corporate partner / one of Disney's corporate partners*.
- 3 Siemens was looking for a sponsorship deal in the USA to *raise its profile / help it get into the US market*.
- 4 Siemens chose Disney because *it couldn't find the right sports event to sponsor / the Disney group offered a wider range marketing possibilities*.
- 5 Disney is keen to negotiate sponsorships deals with companies because of the *technical expertise they offer / money they earn*.

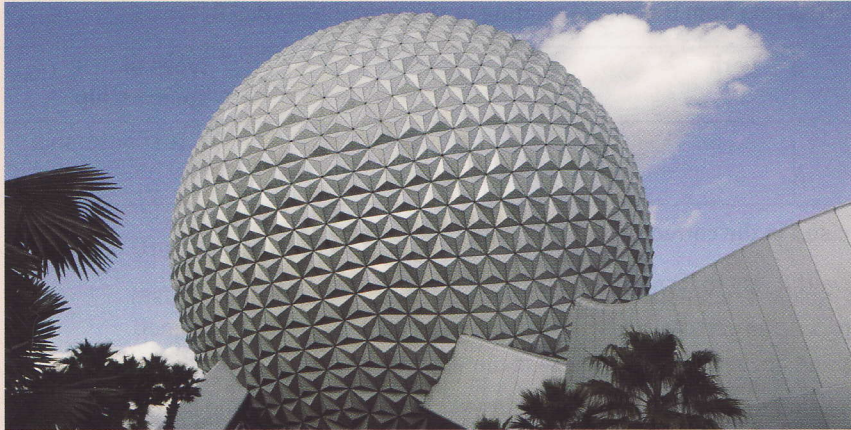
B Understanding details

- 1 Read the article again and complete these statements.

The writer thinks Disney is a good option for companies who are looking for sponsorship opportunities because:

- 1 a deal with Disney means they will have access to ...
- 2 they may be also able to negotiate ...

Sponsors with a taste for Mickey Mouse marketing



by Matthew Garrahan

A At first glance, Walt Disney would appear to have little in common with Siemens, the German industrial group that makes everything from light bulbs to hearing aids. Yet, as its sponsor, a Siemens logo can be seen on the newly relaunched Spaceship Earth attraction at Disney's Epcot theme park in Florida. It also appears on the Disney website, where visitors to the Spaceship Earth section can take part in 'The Siemens Science Minute' or 'Be a Siemens Superhero'.

B Siemens is one of Disney's 'corporate alliance' partners, alongside companies that include Coca-Cola, Hewlett-Packard, General Motors and Kodak. Corporate partners pay fees to Disney, running into hundreds of millions of dollars, in return for promotion, sponsorship and access to its millions of customers.

C Although it has a vast number of

businesses in the US, Siemens is not well known by American consumers. As a former shirt sponsor of Real Madrid in Spain, it first considered sponsoring a US sports event to raise brand awareness. 'There were many opportunities to get involved with sport, whether in motor racing or by sponsoring a stadium,' says Mr Nolen, Chief Executive of Siemens's US division. However, the group finally chose Disney because it gave Siemens the ability to showcase its technological expertise and reach a broader, more diverse audience.

D The Disney deal represents a change from the German company's former focus on sports sponsorship and offered it a way to benefit from a mix of distinct marketing opportunities. For example, Siemens's medical products have appeared in *Gray's Anatomy*, the Disney-ABC medical drama.

E The range of businesses owned by Disney gives the company an

advantage over a sports event in the competition for sponsors. It can showcase brands in its theme parks or in the TV programmes and films it makes via product placements. Crucially, the Disney brand also has broad appeal.

F Disney has a long history of corporate partners. The relationship with General Motor (GM) dates back to 1982, when the company sponsored the Test Track ride at Epcot in Florida. Since then, the agreement has expanded considerably. Disney's fleet of company cars is supplied by GM, and GM cars regularly feature in Disney studio movies.

G Disney hopes to win more business from companies that would normally sponsor a sports event or attach their names to a stadium. 'A lot of people are going to be missing if you sponsor a sports event, whereas the Disney brand appeals to families,' says Lawrence Aldridge, Disney's Senior Vice-President of Corporate Alliances.

H Contracts with corporate alliance partners that last for years can be worth hundreds of millions of dollars and often include purchasing agreements. Disney spends \$12bn a year on goods and services, and the company's alliance partners are often at the front of the queue when the group comes to place orders. This increases its appeal to sponsors.



2 What marketing opportunities do General Motors and Siemens get from their partnerships with Disney? Complete the chart.

marketing opportunities	General Motors	Siemens
Sponsorship	Sponsors Test Track ride at Epcot	.....¹
Product placement	.....²	.....³
Purchasing agreement	.....⁴	

VOCABULARY

A Word families

1 Complete the chart with words from the article relating to sponsor.

noun (activity/ organisation)	verb	adjective	types of sponsorship
sponsorship ¹	.....²	sponsored	arts sponsorship ³

2 Use words from Exercise 1 in the correct form to complete these sentences.

- can be a powerful way to increase brand awareness.
- Before deciding to..... an activity, the must be sure that the event has a good chance of success and fits in with the business and brand objectives.
-, for example a football team, is the most popular form and can range from international to local sports activities and events.
- We plan to hold a run to raise money for the charity Save the Children.

B Definitions

Match these words and phrases from the article (1–6) with their meanings (a–f).

- | | |
|-------------------------|---|
| 1 corporate alliance | a) display products |
| 2 corporate partners | b) contracts stating the terms of a purchase |
| 3 fees | c) way of reaching |
| 4 access | d) money paid for service |
| 5 showcase | e) other organisations you work with in some way |
| 6 purchasing agreements | f) an agreement to work with another company for mutual benefit |

C Word partnerships

Match the verbs (1–5) with the nouns (a–e) to form word partnerships for talking about sponsorship.

- | | |
|------------|-------------------------------------|
| 1 pay | a) business |
| 2 sponsor | b) an audience |
| 3 showcase | c) fees |
| 4 reach | d) a sports event / a ride |
| 5 win | e) technological expertise / brands |

General Motors	marketing opportunities
Sponsor's first track ride at	Sponsorship
Event	Product placement
.....	Purchasing agreement

D Opposites

Find adjectives in the article which have the opposite meaning to these adjectives.

- 1 small (paragraph C)
- 2 future (paragraph C)
- 3 similar (paragraph C)
- 4 unrelated (paragraph D)
- 5 limited (paragraph E)

E Understanding expressions

Match these phrases from the article (1–5) with their meanings (a–e).

- | | |
|------------------------------|------------------------------------|
| 1 have little in common with | a) worth around |
| 2 running into | b) in first position for something |
| 3 in return for | c) take part in something |
| 4 get involved with | d) as part of an exchange |
| 5 at the front of the queue | e) be different in most ways |

F Prepositions

Choose the correct preposition to complete these phrases.

- 1 pay fees *to / from / for* Disney
- 2 get involved *to / with / for* sport
- 3 the German company's focus *at / on / with* sports sponsorship
- 4 a way to benefit *of / from / to* a mix of marketing opportunities
- 5 hopes to win more business *from / to / at* companies
- 6 the Disney brand appeals *at / for / to* families

OVER TO YOU

- 1 Choose a company that sponsors a sporting, music or arts event or a good cause.
 - a) What do the sponsor and the organisation receiving the sponsorship get from this partnership?
 - b) How does sponsoring this type of event fit in with the sponsor's business objectives and image?
- 2 List the benefits of a corporate alliance between Disney and one of its partners, e.g. Coca Cola, General Motors. Write a short report explaining how the deal benefits both companies.
- 3 In response to tough economic times, your company is planning to cut its marketing budget for sponsorship. Is this a sensible strategy? Prepare a two-minute presentation that will convince you manager to accept your point of view.

This unit looks at the increasing use of viral advertising to promote products.

BEFORE YOU READ

Discuss these questions.

- 1 Make a list of two or three ways companies can use 'word-of-mouth' marketing techniques for promoting brands:
 - a) in the physical world, e.g. visible labels on clothes, in-store demonstrations
 - b) in the virtual world, e.g. e-mailing a branded message or quiz.
- 2 What do you understand by *viral marketing*? What are the benefits of this type of marketing for companies (e.g. cheap to produce)?
- 3 What kind of things can go wrong with a viral advertising campaign?
- 4 Do you read or produce blogs? If so, what kind of blogs do you find most useful? Do blogs have any potential for marketing?

READING**A****Understanding the main points**

- 1 Read the article on the opposite page and say whether these statements are true (T) or false (F). Correct the false ones.
 - 1 The writer thinks viral advertising has potential benefits for companies.
 - 2 The writer thinks that it is easy to develop viral advertising materials.
 - 3 Most companies have the right approach to creating viral advertising.
 - 4 Posting items on blogs that are really advertisements is risky.
- 2 Match each of these summaries (1–6) with the paragraph in the article (A–F) that it describes.
 - 1 Explains what viral advertising is. **A**
 - 2 Advises against using blogs for commercial purposes without first getting permission.
 - 3 Points out the risk of thinking about viral advertising in the same way as traditional advertising.
 - 4 Warns against not taking viral marketing seriously.
 - 5 Describes the potential benefits of viral marketing.
 - 6 Points out the challenge of creating engaging viral ads.

B**Understanding details**

Read paragraphs B–E carefully and answer these questions.

- 1 The writer mentions two potential benefits for viral advertising. What are they?
- 2 What development has made it even more challenging for companies to produce engaging viral content?
- 3 Why don't conventional advertising materials work as virals?

Viral advertisers are playing with fire



by Ian Fraser

A Essentially, viral marketing – also known as ‘buzz’ or ‘word-of-mouth’ marketing – means releasing a subtly branded video clip or game onto the web and hoping it will be passed on, a bit like a virus. The goal is to create something so compelling that it will be picked up by a young, web-savvy audience who find it so amusing, entertaining or perhaps shocking that they will pass it on to friends and colleagues.

B Once a viral ad, for example a viral e-mail, has been passed to enough people, companies hope to save themselves the cost of buying traditional media advertising. If they are lucky, they might also gain the trust of a niche target group that would otherwise have been unreachable. In practice, however, there are many pitfalls associated with such marketing.

C One challenge for businesses is to produce something that stands out. As growing numbers of businesses try to promote their goods in this way, developing content that has sufficient appeal to ‘go viral’ is increasingly difficult – particularly as competition from ‘user-created videos’ becomes more intense. For example, every day, some 39,000 such video clips are being added to the YouTube website, and more than 100 million are watched.

D Matt Smith, co-founder of The Viral Factory, warns that businesses that adopt viral marketing need to be fully committed. ‘A lot of companies think they can just spend, say, £10,000 to £15,000 to produce something viral. They do it just for a laugh. But if that’s your attitude, you won’t get anywhere.’

E Another big difficulty is that people use traditional marketing thinking when creating viral ads. If you use the

same thought processes as you use for creating print or TV advertising, your viral ad will not work. Paul Marsden, co-editor of *Connected Marketing: The Viral, Buzz and Word-of-Mouth Revolution*, warns of the danger of simply transferring conventional advertising into the online world without building in interactivity. ‘Any online advertising lacking an interactive dimension – for example, just adding a link to an online shop – is a waste of time. For a viral commercial to work, it has to be extremely good, hilarious or shocking. The trouble is that most companies are not willing to take risks, so their virals don’t get passed around and fail.’

F When launching a viral campaign, be careful not to upset the global online community. Many bloggers regard any commercial intrusion into their online space as unacceptable. The household cleaning company Reckitt Benckiser discovered this when, as part of a viral campaign, it posted items on people’s blogs from Barry Scott, a fictional character and the star of television advertisements for its Cillit Bang brand. When it became clear that Scott was a deception and that the messages had been left by the marketing team, a well-known blogger became outraged. As a result, the company was blacklisted by the digital community, and Reckitt Benckiser had to apologise to the blogger.

FT

C Understanding meaning

Choose the best explanation for these ideas from the article.

- ‘They do it just for a laugh. But if that’s your attitude, you won’t get anywhere.’ (lines 41–43)
 - Unless businesses see making virals as fun, they won’t get the results they want.
 - If businesses don’t take viral advertising seriously, it will fail.
- ‘Many bloggers regard any commercial intrusion into their online space as unacceptable.’ (lines 67–69)
 - Many bloggers view any uninvited commercial activity on their blogs as unacceptable.
 - Many bloggers don’t see any point in commercial activity on blogs.

VOCABULARY

A Definitions

Match these words/phrases from the article (1–8) with their meanings (a–h).

- | | |
|---------------|--|
| 1 pitfalls | a) something that hides the truth |
| 2 stands out | b) shocked and angry |
| 3 warns | c) likely problems or difficulties |
| 4 adopt | d) put on a list of people considered unacceptable and not to be trusted |
| 5 upset | e) tells someone about a possible danger or risk |
| 6 deception | f) make someone unhappy and annoyed |
| 7 outraged | g) attracts attention |
| 8 blacklisted | h) start to use |

B Word partnerships

1 Match these verbs and nouns to make expressions from the article for talking about viral advertising.

- | | |
|-----------|---------------------------------|
| 1 release | a) viral marketing |
| 2 gain | b) items on a blog / website |
| 3 adopt | c) a video clip / a viral |
| 4 launch | d) the trust (of your audience) |
| 5 post | e) a viral campaign |

2 The expression *go viral* (line 28) has a similar but more informal meaning to one of the word partnerships in Exercise 1. Which one?

3 Look through the article and find five word partnerships starting with the word *viral*. Add any others you know.

C Word search

1 Find adjectives in the article which match these meanings.

- 1 branded so that it can hardly be noticed (paragraph A)
- 2 interesting or exciting enough to keep your attention completely (paragraph A)
- 3 clever and experienced in using the Internet (paragraph A)
- 4 enjoyable and fun to do (paragraph A)
- 5 extremely surprising (and perhaps offensive) because it is so unexpected (paragraph A)
- 6 of the usual and traditional type (paragraph E)
- 7 extremely funny (paragraph E)

2 In paragraphs C and E, find three other words which have a similar meaning to *problem*.

D Text completion

Use words from the Exercises A–C to complete this extract.

If you want to create a viral video that *s*.....*o*.....¹ and gets people to watch and share it, follow these guidelines:

- Don't make a *c*.....² ad. If the video feels like an ad, it won't work with a young *w*.....*s*.....³ audience.
- A good viral video has got to be really *c*.....⁴ to make it worth watching.
- It also needs to be so *e*.....⁵ that viewers want to investigate further.
- Surprise works, so a video that is *s*.....⁶ or very funny is more likely to be passed on.
- Above all, make sure the video clip you *r*.....⁷ appeals to real people, not just to your marketing team.

OVER TO YOU

- 1 Write a short report for your boss making the case for including viral advertising as part of the advertising mix for all or some of the products in your range.
- 2 a) Find two examples of innovative viral marketing campaigns and make notes to answer these questions.
 - Who is it aimed at?
 - What is the offer, e.g. a branded video clip on YouTube, a game on the website, etc.?
 - Does it use incentives to encourage users to pass the message on?
 - What's special about it (the 'wow' factor)?
 b) Present your results.
- 3 a) You have been allocated \$10,000 to create a test viral campaign. Choose one of the following types of organisations.
 - a group of luxury hotels
 - a charity involved in the protection of endangered animals
 - a company which is launching a new hand-held GPS device
 - your local tourist office
 b) Plan and present your campaign.
- 4 Do you think viral advertising has a long-term future, or is it just a short-term advertising fashion? Give reasons and examples to support your views.

This unit looks at Sternjakob, a German company that sells school backpacks.

BEFORE YOU READ

Discuss these questions.

- 1 What kind of bags do children use to carry schoolbooks in your country, e.g. satchels, backpacks?
- 2 Which of these points might influence a parent's decision when buying a backpack for young children? Rank the points.
 - good fit and comfort
 - 'cool' colours and design
 - price
 - the child's preference
 - a technical design with support for the spine and back
- 3 Can you think of any types of products that would be hard to establish in foreign markets? How do you explain this?

READING**A****Understanding the main points**

- 1 Read the article on the opposite page and answer these questions.
 - 1 Is Sternjakob a market leader for school backpacks in Germany?
 - 2 Is Scout its top-selling product for children starting school?
 - 3 Does the company's range of backpacks sell well outside Germany?
 - 4 Does Mr Liebler, Sternjakob's owner, have international ambitions for his brands?
- 2 Choose the best option to answer each question.
 - 1 Which market has Mr Liebler decided to focus on to make his company successful?
 - a) Its home market
 - b) International markets
 - 2 According to the article, which factor most influences German parents' decision when buying a school bag?
 - a) A competitive price
 - b) Quality and safety features
 - 3 Why haven't Sternjakob's school bags done better in markets outside Germany?
 - a) Customers outside Germany don't demand such high quality and safety specifications.
 - b) There is too much competition from similar brands.
 - 4 Mr Liebler doesn't think Scout would do well in the UK. What reason does he suggest?
 - a) UK customers don't think technical and safety features are important.
 - b) The price is too high for such an everyday product.

Scout: a German success story

by James Wilson and
Gerrit Wiesmann

A The arrival of a new school year in Germany is a stressful time for children, but a happy time for Dieter Liebler. For hundreds of thousands of children making the big leap out of the kindergarten, the first day is made more enjoyable because of a product from Mr Liebler's company.

B That product is the *Ranzen*, a boxy backpack, made from plastic and printed nylon. Alfred Sternjakob, Mr Liebler's company, launched the first brand, Scout, more than 30 years ago – and found instant success. Few German six-year-olds do not carry a Scout, or one of the many look-alike brands.

C Yet Sternjakob has also had to live with a lesson that applies to businesses everywhere: a category killer in one country can be a failure elsewhere. The company's tiny foreign sales show the wisdom of sometimes forgetting about globalisation wherever cultural differences are stark, and concentrating on tailoring a product for an obvious – and demanding – home market rather than trying to be all things to all people.

D 'We do sell to about 80 or 90 countries,' Mr Liebler says, sitting in Sternjakob's boardroom in Frankenthal, 80km south of Frankfurt. 'But mostly to enclaves of Germans – in Japan, say, or Singapore.' Local purchasing habits are just too different for Sternjakob to succeed abroad.



E Sternjakob launched the Scout range in 1975 as a more practical and visible alternative to the leather satchels then available. The backpacks quickly turned into a money-spinner. German parents are happy to pay a staggering €80 (\$116, £65) to €100 for a Scout because they recognise its quality.

F Unlike in the UK or the USA, children in Germany stay in kindergarten until they are six. This relatively late move into formal education is perhaps one reason why the first day of school is a huge event.

G Scout's seeming dominance in Germany contrasts with its complete lack of acceptance elsewhere. Only in nearby Switzerland, Austria and northern Italy is there anything more than limited interest. In the UK, Mr Liebler suggests, no one would pay more than €19 for a simple school bag. 'To sell in other countries, you have to change the culture, and that is difficult,' he says.

H As in many other fields, German

customers want products engineered to a far higher degree than consumers in most other countries would think necessary. Quality-control procedures are more suited to equipment for an Everest expedition than a walk to first grade.

I The sales pitch to parents emphasises the backpack's good fit and a technical design that protects the spine and helps a child's posture. Rigid sides stop schoolbooks getting damaged.

J DIN – the German standards association – rules require a *Ranzen* to have a minimum of 20 per cent orange reflective surface and a further 10 per cent in silver reflective. Mr Liebler admits many parents do not like the bag's luminous bright colour, but most allow their concern for safety to outweigh looks.

FT

B Understanding details

1 Scan paragraphs B–E quickly and find this information about the company's top-selling brand, Scout.

1 target market

2 price range

2 a) Read paragraphs I and J carefully and make a list of the product features mentioned, e.g. *good fit*.

b) Make notes explaining the benefit for the user for each feature on your list.

EXAMPLE:

Features
Good fit

Benefits for the user
More comfortable to wear

VOCABULARY

A Understanding expressions

- 1 Choose the best explanation for each of these phrases from the article.
 - 1 ‘... a *category killer* in one country ...’ (lines 20–21)
 - a) a brand with such a strong position in the market that other companies find it impossible to compete
 - b) something bad that happens that can destroy a successful brand
 - 2 ‘... rather than *trying to be all things to all people*.’ (lines 28–29)
 - a) trying to satisfy all markets
 - b) trying to become well known all over the world
 - 3 ‘... quickly turned into a *money-spinner*.’ (lines 41–42)
 - a) someone who tricks you into buying something
 - b) a product that earns a company a lot of money
 - 4 ‘The *sales pitch* to parents ...’ (line 71)
 - a) the place where a salesperson makes the sale
 - b) what a salesperson says to persuade someone to buy a product
- 2 Mr Leibler says, ‘We do sell to about 80 or 90 countries [...] But mostly to *enclaves of Germans* – in Japan, say, or Singapore.’ (lines 30–35). Who is he referring to?
 - a) groups of German expatriates living and working abroad
 - b) German immigrant populations
- 3 The writer says that *Quality-control procedures are more suited to equipment for an Everest expedition than a walk to first grade* (lines 67–70). Does this imply that Sternjakob’s attention to quality control is:
 - a) a good thing?
 - b) unnecessarily strict for this type of product?

B Definitions

- 1 Match these verbs from the article (1–5) with their meanings (a–e).

1 launched	a) be more important than something else
2 tailoring	b) developed into something different
3 succeed	c) introduced a new product into a market
4 turned into	d) do well
5 outweigh	e) changing a product so that it is exactly right for a specific market
- 2 Think of at least one other word that has a) the same meaning as *launch*, and b) the opposite meaning to *succeed*.

C Word search

1 Find adjectives in the article which fit these definitions.

- 1 immediate (paragraph B)
- 2 very similar (paragraph B)
- 3 very small (paragraph C)
- 4 very obvious and clear (paragraph C)
- 5 not easy to please or satisfy (paragraph C)
- 6 astonishing (paragraph E)
- 7 very big (paragraph F)
- 8 small in amount (paragraph G)
- 9 much / a lot (paragraph H)

2 Find an adjective in the article with the same meaning as each of the underlined words.

- 1 international (market)
- 2 domestic (market)

D Sentence completion

Use words and phrases from Exercises B and C to complete these sentences.

- 1 The new range of phones has been a success in the h.....^a market with h.....^b sales in the first six months – over 50% higher than expected.
- 2 In f.....^a markets, there have been s.....^b contrasts in our performance. Our efforts in Asia have f.....^c due to aggressive competition from several much cheaper l.....^d ranges.
- 3 In North Europe, we had l.....^a success in the first six months. However, the second half of the year has been f.....^b better.
- 4 We only l.....^a in Greece last year, and results there have been s.....^b – so much better than we ever expected.

OVER TO YOU

- 1 Think of an unusual product/service from your country that sells well in other parts of the world. Explain why it was been successful. Include information about:
 - the research they did
 - the marketing strategies and activities they used
 - any modifications they made to the product/service.
- 2 Make a list of four or five challenges that companies face when trying to sell their products globally. Then discuss some possible solutions for each challenge.
- 3 You work for a company that makes a range of quality backpacks for school-aged children. Prepare a sales pitch for a customer, explaining the product features and benefits. Include information from the article.

This unit looks at expanding into the Russian Federation market.

BEFORE YOU READ

Discuss these questions.

- 1 When buying luxury items, what influences people's choices in your country, e.g. recommendations from friends, brand reputation, etc.?
- 2 What kind of TV advertisements are popular in your country, e.g. ads that are humorous, tell stories? Is it different in other countries you know?
- 3 How do you think the break-up of the Soviet Union has changed consumer behaviour in the Russian Federation?

READING

A Understanding the main points

- 1 Read the article on the opposite page and answer these questions.
 - 1 What is the purpose of the article?
 - 2 Who is the intended reader?
 - 3 What evidence is the information based on?
- 2 Read the article again and say whether these statements are true (T) or false (F). Correct the false ones.
 - 1 Demand for consumer goods in the Russian Federation has been largely met.
 - 2 Many Western companies have been successful in developing their brands for the Russian market.
 - 3 Russian consumers are happy to spend a large part of the money they earn on luxury goods.
 - 4 The concept of loyalty to brands is well developed in the Russian Federation.
 - 5 Advice from friends and family is an important factor when making purchasing decisions.

B Understanding details

- 1 Read paragraphs H and I again. What type of adverts work best with Russian consumers? Mark the points the writer mentions.
 - a) Adverts that show a traditional way of life
 - b) Adverts that tell stories about real life
 - c) Adverts that Russian consumers can relate to easily
 - d) Adverts that show a wealthy lifestyle
 - e) Adverts that show respect for women and parents
- 2 According to the writer, what are the risks of using these advertising strategies in the Russian market?
 - 1 Running TV advertisements developed for other markets, with a voiceover in Russian
 - 2 Using international advertising campaigns that are specifically aimed at women

Russian consumers want to splash their cash



by Valentina Glubokovskaya

A The Russian Federation offers tremendous growth potential due to the fast pace of its economic development. The Russian population's desire to consume is comparable to that of Western countries – the important difference being that consumer needs are far from being satisfied.

B Despite this positive starting position, just a few Western companies have managed to establish their brands successfully in Russia. Many companies ignore the large cultural differences between East and West in their brand positioning and communications, and therefore fail.

C Consultancy Creative Advantage has been carrying out research into

the challenges of geographic brand transfer and the positioning of Western brands in the Russian market since 2005 and has developed a deep understanding of the Russian consumer. Their research offers useful insights.

D One important characteristic of consumer behaviour is their willingness to spend a large part of their disposable income on luxury goods such as designer clothes. Appearances and prestige have been an important part of Russian culture ever since the time of the Tsars. Given the speed of societal developments, Russians prefer to look good today rather than saving the money for future purchases.

E As brands only became available after the break-up of the Soviet Union,

Russians are very open to trying new products. This means much lower brand loyalty compared with Western Europeans.

F Marketers should keep these consumer characteristics in mind when planning a communication strategy for their brands. Creative Advantage's research also provides some key insights for developing the right marketing strategy.

G In a consumer environment where there is little trust in local manufacturers, brand recommendations from friends and family are valuable guides to making choices, and tend to have a lasting impact on consumer behaviour. Personal recommendations are more valuable in influencing the acceptance and the spread of brands than most traditional advertising tools.

H Advertising that communicates authentic or credible 'stories' of everyday life is generally positively perceived. Communication should, therefore, convey 'real-life' stories with high relevance for the target audience.

An example of advertising that is well received by consumers is the poster campaign for the mobile network provider Megafon. This played on the new-found middle-class passion for travel by showing holidaymakers at popular destinations, such as the Pyramids in Cairo and the Statue of Liberty in New York. In contrast, Western ads dubbed with voiceovers are badly viewed. Consumers consider Western advertising that is simply language-adapted to show a lack of cultural respect.

I Traditional values play an important role in Russian society. Parents and women are given particular respect. This makes it difficult to transfer international advertising targeted specifically at women directly to the Russian market. For example, a poster campaign for the mobile-phone brand Sagem caused controversy with its strapline 'Caress your ear'. Many older people considered the ad immoral; their strong protests led to the poster being withdrawn.

from Campaign

VOCABULARY

A Definitions

Match these words from the article (1–10) with their meanings (a–j).

- | | |
|---------------------|---|
| 1 communications | a) the beliefs that an individual or social group has |
| 2 characteristic | b) high status resulting from wealth or influence |
| 3 disposable income | c) when the speech in a film or video is changed to another language |
| 4 appearances | d) typical and noticeable quality something has |
| 5 prestige | e) politeness, honour and care shown towards someone considered important |
| 6 perceived | f) money for spending after paying taxes and other basic needs |
| 7 dubbed | g) the way someone or something looks |
| 8 values | h) understood in a certain way |
| 9 respect | i) strong disagreement on an issue that people feel strongly about |
| 10 controversy | j) all the activities and media used to communicate a marketing message |

B Word partnerships

1 Match these words to make adjective–noun partnerships from the article.

- | | |
|---------------|-------------------|
| 1 cultural | a) recommendation |
| 2 luxury | b) values |
| 3 consumer | c) differences |
| 4 personal | d) goods |
| 5 traditional | e) behaviour |

2 Find another adjective–noun partnership that starts with *cultural* and at least two noun–noun partnerships that start with *consumer*.

C Word search

1 Find words in the article which fit these meanings.

- 1 speed (paragraph A)
- 2 not to pay attention to something (paragraph B)
- 3 knowledge and understanding of a complex situation (paragraph C)
- 4 ready and willing (paragraph E)
- 5 very useful and important (paragraph G)
- 6 a very strong interest (paragraph H)
- 7 move your hands gently over someone's face or body (paragraph I)
- 8 taken down (paragraph I)

2 In paragraph H, find three adjectives that tell you Russian consumers prefer advertising to be real and believable.

- 3 In the same paragraph, find the words the writer uses to express these ideas.
- 1 perceived in a positive way
 - 2 received in a good way
 - 3 viewed in bad way
- 4 Rewrite these phrases using *positively* or *negatively*.
- 1 a decision perceived in a good way *a positively perceived decision*
 - 2 a viral advertising campaign viewed in a bad way
 - 3 a presentation received in a good way.

D Vocabulary development

- 1 Decide which verb does *not* go with the noun phrase in bold.
- | | |
|---------------------------------|--|
| 1 dub / interpret / translate | a TV advertisement for a foreign market |
| 2 withdraw / take out / abandon | an advertising campaign |
| 3 develop / increase / grow | understanding of consumer behaviour |
| 4 ignore / put off / disregard | cultural differences |
| 5 start / establish / launch | a brand in a new market |
- 2 Use verbs from Exercise 1 in the correct form to complete these sentences.
- 1 The adverts had to be because there were so many complaints from the public.
 - 2 It's important to a deep understanding of consumer behaviour for each intended foreign market.
 - 3 Global campaigns often fail because companies cultural differences.
 - 4 Mistakes in advertising materials will create a negative impression of your company.

OVER TO YOU

- 1 Based on the information in the article, what kind of marketing activities and advertising media and materials do you think would be suitable for promoting a luxury brand for the Russian market?
- 2 Plan a communication strategy for promoting a mobile phone network or mobile phone for a market that you know well.
 - List the consumer characteristics for that market and any implications for your advertising strategy.
 - Plan some the marketing activities and media you can use.
 - Present your ideas as a presentation or advertising brief for an agency you plan to use.

This unit looks at a new market for Indian retailer the Future Group.

BEFORE YOU READ

Discuss these questions.

- 1 What motivates people to go abroad to live and work? Is it the same for countries in the developing world as in developed countries?
- 2 Which countries do you think have the largest communities living and working abroad? How do these communities contribute to a) the lives of their relatives back home; b) the economies of the home country?
- 3 What e-commerce opportunities do these communities offer for businesses in their home country?

READING**A****Understanding the main points**

Read the article on the opposite page and say whether these statements are true (T) or false (F). Correct the false ones.

- 1 FutureBazaar.com is the Future Group's Internet shopping site.
- 2 The company developed its website to reach Indian people living and working abroad.
- 3 FutureBazaar is the only Indian company focusing on this group.
- 4 In the USA, a big target group for their website is young professional Indians.
- 5 According to Mr Banerjee, Indians working abroad are motivated to buy things for their parents because of guilt about their comfortable lifestyle.
- 6 Maruti Suzuki is a car manufacturer with production in the USA.
- 7 Indians living and working overseas use Maruti's website to buy cars for their relatives back in India.
- 8 Sales to overseas Indian communities represent a large part of Maruti's business.
- 9 A key task for e-commerce businesses targeting overseas Indians is to find ways of promoting the service to the different Indian communities.

B**Understanding details**

- 1 Scan the article quickly to find these details. What do they refer to?
 - 1 90%
 - 2 20–25m
 - 3 The USA, the UK, Canada and Australia
 - 4 2006
 - 5 3,500
 - 6 *The Khaleej Times*

There's no marketplace like home



by Amy Yee

A FutureBazaar.com is the online shopping website of India's largest retailer, the Future Group. The website generates more than 90 per cent of its sales in India on thousands of items from TVs to frying pans. Products are delivered to customers within days from warehouses spread across India.

B But after Future noticed a sizeable number of international credit cards being used at its stores, FutureBazaar.com decided to target Indians living in the USA and the UK. The experience of buying products for the family back home is familiar to millions of Indians living overseas. Sankarson Banerjee, former CEO of FutureBazaar, says, 'If you're only in India for seven days, there is no time to do research. You don't know where to buy things any more. The solution is the Internet.'

C The retailer is one of a growing number of companies, from banks to car makers, that are targeting 'non-resident Indians'. There are between 20 and 25 million Indians working and living overseas, a community that offers huge potential as a catalyst for India's economic growth.

D FutureBazaar.com is initially focusing on Indians living in the USA, the UK, Canada and Australia. Between 1.5 and 2 million Indians live in the USA alone. In those countries, the younger generation of Indians 'enjoy a high lifestyle', says Mr Banerjee. 'They feel guilty about it and want to buy things for their parents.' This kind of spending makes sense for another reason. 'Parents feel that spending money on consumption is not something they do. Twenty years ago, incomes were low. It is culturally difficult for them to consume, so their children do it for them.'

E Maruti Suzuki, the country's largest car maker, encourages non-resident Indians to buy goods in India for their relatives rather than sending money

for them to spend. In 2006, it launched a website for overseas Indians to order cars in rupees and get them delivered to a relative's doorstep from a local Maruti dealership. So far, Maruti has sold about 3,500 cars online, a drop in the ocean compared with its annual sales of about 675,000 vehicles. But it hopes to use this side of the business to increase its global reach.

F The effort to reach overseas customers requires focused marketing, such as translating promotional materials into regional languages.

G FutureBazaar.com has been targeting Indian communities by passing out fliers at large Indian groceries, for example in Edison, New Jersey, a city with a large Indian population. It also sponsors events that attract large numbers of overseas Indians, such as annual regional festivals in the USA. FutureBazaar.com also markets the service at conferences hosted by major Indian business and university associations, such as the Indus Entrepreneurs, whose networking events are attended by thousands.

H Maruti runs advertisements on websites used by Indians, such as matrimonial portals and sites in local languages such as Gujarati or Malayalam, as well as in local newspapers read by Indian communities abroad. These include the *Khaleej Times* in the Middle East and *India Abroad* in the USA.

FT

2 Where do FutureBazaar and Maruti Suzuki promote their services to overseas Indian communities? Mark each channel F (FutureBazaar) or M (Maruti Suzuki).

- 1 In specific newspapers for the Indian community abroad
- 2 At large grocery stores where a lot of Indian people shop
- 3 At conferences and networking events for Indian academics and businesspeople
- 4 On websites which the Indian community typically visits
- 5 At annual festivals for different Indian communities

VOCABULARY

A Definitions

Match these words from the article (1–7) with their meanings (a–g).

- | | |
|-----------------------|--|
| 1 catalyst | a) the extent of a company's influence around the world |
| 2 consumption | b) small sheets of paper advertising something |
| 3 incomes | c) something that causes an important change |
| 4 global reach | d) money people earn from their work |
| 5 fliers | e) websites for finding marriage partners |
| 6 networking | f) the act of buying and using products |
| 7 matrimonial portals | g) meeting other people involved in the same type of work, to share information and support each other |

B Understanding expressions

Choose the best explanation for each phrase from the article.

- 'In those countries, *the younger generation of Indians "enjoy a high lifestyle"*, says Mr Banerjee.' (lines 34–37)
 - young Indians would like to live like rich people
 - young Indians have the benefit of a high standard of living
- 'In 2006, it launched a website for overseas Indians to order cars in rupees and *get them delivered to a relative's doorstep from a local Maruti dealership.*' (lines 50–54)
 - the cars are delivered direct to the family member's home from the local dealer
 - the cars are delivered to the local dealer for collection by the family member
- 'So far, Maruti has sold about 3,500 cars online, *a drop in the ocean compared with its annual sales of about 675,000 vehicles.*' (lines 54–57)
 - not worth having in relation to the total vehicle sales
 - only a small number compared to the total vehicle sales

C Word search

1 Find words or phrases in the article which fit these meanings.

- produces (paragraph A)
- covering all parts (paragraph A)
- fairly large (paragraph B)
- aiming at (paragraph C)
- persuades (paragraph E)
- get to (paragraph F)
- organised and run by (paragraph G)

2 Find words in the article to replace each of the underlined words.

- Indians working and living overseas (lines 26–27)
- overseas Indians/customers (lines 51/60–61)

D Word partnerships

1 Match these words to make verb–noun partnerships for describing marketing activities.

- | | |
|-------------|--|
| 1 target | a) events |
| 2 translate | b) the service |
| 3 pass out | c) Indians (living and working in the USA) |
| 4 sponsor | d) (promotional) materials |
| 5 market | e) advertisements |
| 6 run | f) fliers |

2 Think of at least one other noun–noun phrase that can follow each of the verbs in Exercise 1 to form word partnerships for describing marketing activities

EXAMPLES: *target a youth market/people in their 60s*
translate a brochure/ leaflet

E Sentence completion

Use words from Exercises A, C and D to complete these sentences.

- We intend to *m*..... our service to South-East Asians living and working here.
- The proposal is to *t*..... the younger generation, especially those with large disposable incomes.
- We have allocated a budget for *s*..... cultural events in cities with the largest communities.
- Our promotional leaflets and *f*.....^a need to be *t*.....^b into local languages so we can *r*.....^c a larger audience.
- We have recruited a small team to *p*..... *o*..... fliers and leaflets at Asian supermarkets in Toronto.
- As part of the campaign, we will also *r*..... *a*..... on local community radio stations.
- We do not expect to *g*..... much income from the website this year, but we are confident it will make money long term.

OVER TO YOU

- What other marketing activities could e-businesses like FutureBazaar and Maruti Suzuki use to promote their website services to non-resident Indian communities?
- Discuss the different ways non-resident nationals from developing countries can contribute to the development of their home countries:
 - while working abroad
 - when they go back home.
- Decide on a business to target one of these groups:
 - a large, settled ethnic group in your country
 - a non-resident community living and working in your country
 - non-resident nationals from your country living and working abroad.
 - Decide on a marketing strategy for your new business and plan some activities to promote it.

This unit looks at customer loyalty across brands.

BEFORE YOU READ

Discuss these questions.

- 1 Have you ever complained about unusually bad service or a disappointing product? Was the company's reaction satisfactory or poor?
- 2 Are there any brands that you always buy or use? What stops you from changing to other brands?
- 3 Do you think companies do enough to keep their customers loyal to their brand?

READING

A Understanding the main points

Read the article on the opposite page and choose the best option to complete each statement.

- 1 The general marketing view is that customers are *less* / *more* loyal to brands than they were before.
- 2 The writer *agrees* / *disagrees* with this view.
- 3 According to the writer, many brands treat their most loyal customers *well* / *badly*.
- 4 In the writer's view, most customers stay loyal to brands because *it's too much effort to change brands* / *the quality of their service is so good*.
- 5 The writer sees customer problems and complaints as *an opportunity* / *a disaster* for companies.
- 6 Companies that are willing to invest in *building interactive websites* / *supporting customers* are more likely to keep their customers.

B Understanding details

Read the article again and answer these questions.

- 1 In paragraph C, the writer gives four examples to support his view that companies treat loyal customers badly. What are they?
- 2 In paragraph F, the writer gives two examples of how staff can solve customer problems in a positive way. What are they?
- 3 How are companies like Google and Apple using their websites to support their customers?

C How the text is organised

What do these words refer to in the text?

- | | |
|-------------------|-------------------|
| 1 they (line 21) | 4 these (line 52) |
| 2 those (line 32) | 5 those (line 61) |
| 3 this (line 46) | 6 this (line 66) |

Customers want loyalty not perfection



by Michael Schrage

A Marketing gurus and brand managers worldwide complain about the erosion of customer loyalty. The global power of consumer brands is not what it was before, and marketers do not like it. They see their customers as fickle and ungrateful.

B In reality, these marketers completely misunderstood the decline of brand loyalty. A review of the past decade shows that customers have not been unfaithful to established brands; in fact, quite the opposite.

C But look at any typical block of TV network advertising in the US and you will see at least a quarter of the primetime advertisements show their target customers and prospects as idiots and fools. The truth is that

20 established brands have not treated their most loyal customers well. They charge more and more for less and less. Their 'innovations' frequently add more complexity than value.

25 Their willingness to apologise and compensate customers for errors or mistakes is nil.

D An alternative marketing view is that 'brand inertia' far more than 'brand loyalty' is the reason why so many customers have stayed with so many companies for so long. Those who switch are not being disloyal; they are being discriminating in choosing brands.

E The central marketing question for brand managers therefore is not 'how can we radically increase customer loyalty?' but 'how can we radically increase our own loyalty to customers?'

F Often, it is not a flawless service but the way a company deals with a mistake that wins customer loyalty and return business. There are many examples of this. Airline reservation staff who do not charge the extra 'change fees' when customers accidentally misbook a fixed-date flight. Mobile telephone operators who politely and without complaint remove incorrect charges from the bill. These are less acts of 'customer service' than demonstrations of loyalty to customers.

G A global luxury hotel chain recently conducted customer research. The research showed that their strongest word-of-mouth support comes from individuals who have had an unpleasant problem happily resolved rather than those who simply enjoyed 'good' or 'excellent' service. The willingness and ability to resolve a difficult situation successfully is what defines loyalty. Many companies already know this and have invested accordingly.

H New technology has created new opportunities for reciprocal loyalty. Increasingly, top companies such as Google and Apple are creating online spaces where customers can interact to share information about new features and technical problems. Established brands such as Procter & Gamble and the BBC are using digital media to listen to customer ideas and shape new products. Customers know these organisations have invested millions of dollars, pounds and euros into taking them seriously and are more likely to stay loyal.

I These days, brand value comes from investing as much in valued customers as in valuable products and services.

FT

D Understanding meaning

Select the best explanation for these ideas from the article.

- '... customers have not been unfaithful to established brands; *in fact, quite the opposite.*' (lines 11–13)
 - Customers have been very loyal to brands.
 - Customers have not been at all loyal.
- '... *brand inertia* [...] is the reason why so many customers have stayed with so many companies for so long.' (lines 29–32)
 - too much choice stops people changing brands
 - a lack of energy stops people switching to other brands
- 'Those who switch are not being disloyal; *they are being discriminating...*' (lines 32–34)
 - They are showing how angry they feel about the brand.
 - They are making careful judgements about how good or bad a brand is.

VOCABULARY

A Definitions

Match these words from the article (1–8) with their meanings (a–h).

- | | |
|-----------------|---|
| 1 erosion | a) how much a brand is worth in terms of income, reputation, etc. |
| 2 primetime | b) having benefits for two groups – customers and the company |
| 3 prospects | c) comments customers make to each other informally |
| 4 compensate | d) the time in the evening when the maximum number of people watch TV |
| 5 nil | e) gradual destruction |
| 6 word-of-mouth | f) people who could become customers |
| 7 reciprocal | g) pay someone money because something is lost or damaged |
| 8 brand value | h) nothing or zero |

B Word search

1 Find words in the article which fit these meanings.

- 1 existing for long time (paragraph B)
- 2 perfect (paragraph F)
- 3 carried out (paragraph G)
- 4 find a solution (paragraph G)
- 5 influence how something develops (paragraph H)
- 6 considered important (paragraph I)
- 7 worth a lot (paragraph I)

2 Find three words in the article which mean 'not loyal' (paragraphs A, B and D). Which one is more colloquial?

C Word partnerships

1 Match these words to make adjective–noun partnerships from the article.

- | | |
|------------------|-------------------------------|
| 1 loyal/disloyal | a) service |
| 2 established | b) customers |
| 3 primetime | c) support |
| 4 flawless | d) brands |
| 5 word-of-mouth | e) advertisements/commercials |

2 Decide which verb in each set does *not* go with the nouns in bold.

- | | |
|---|-----------------------------|
| 1 apologise for / compensate for / decide / deal with | a mistake/error |
| 2 work out / solve / find a solution for / resolve | a problem/difficulty |
| 3 design / shape / set up / develop | a new product |
| 4 conduct / do / carry out / make | customer research |

D Vocabulary development

When the prefix *mis-* is added to the beginning of a verb, it means 'done badly' or 'wrongly', for example: *mishear* = 'hear badly', *miscalculate* = 'calculate wrongly'.

- 1 Find two verbs starting with the prefix *mis-* in the article.
- 2 Reword these phrases as verbs starting with *mis-*. Then add at least two more examples you know.
 - 1 interpret wrongly
 - 2 inform wrongly
 - 3 spell badly

E Comparisons

- 1 Complete these comparisons from the article using the words in the box. Some words are used more than once.

as much ... as	far	less	more	than
----------------	-----	------	------	------

- 1 Companies charge more and money for and
 - 2 Product innovations frequently add complexity value.
 - 3 Brand inertia more than brand loyalty is the reason why so many customers have stayed with companies for so long.
 - 4 Brand value comes from investing in valued customers in valuable products and services.
- 2 Use the words for comparison in the box to make your own sentences.

OVER TO YOU

- 1 The writer thinks that a typical block of primetime TV advertising in the US shows potential customers as 'idiots and fools'. Thinking about your country, do you share his views? Why? / Why not?
- 2 Do you agree with the writer's views in the article that brands do not treat loyal customers well? Give some examples to support your view.
- 3 Make a list of things a company can do to make sure its customers stay loyal to the brand. Then prepare a set of guidelines with your ideas.

This unit looks at the importance of customer service.

BEFORE YOU READ

Discuss these questions.

- 1 When did you last phone a company to make an enquiry or complaint? Was the call handled through a call centre? Was it a positive or frustrating experience? What happened?
- 2 Why have call centres become popular with so many companies?
- 3 In many call centres, staff have on-screen scripts with series of questions that they must work through when dealing with a customer query. What are the benefits and risks of using scripts?

READING**A Understanding the main points**

1 Read the article on the opposite page and answer these questions.

- 1 Is the writer mainly happy about the state of customer service?
- 2 Is her main concern the lack of flexibility in responding to customer queries?
- 3 Is she suggesting a complete rethink of the way customer service is organised?
- 4 Is the aim of the two practical changes she suggests to help companies respond more quickly to customer needs?

2 Choose the best summary for each paragraph (A–F).

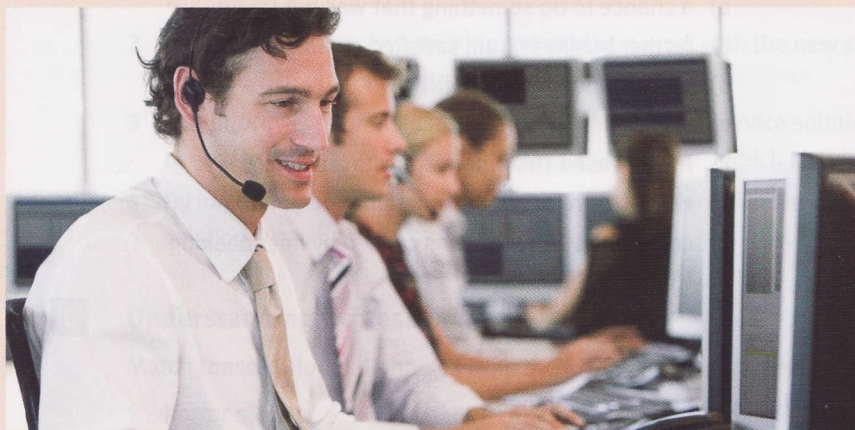
- 1 Problems affecting standard customer service
- 2 Improving staff motivation and training for better customer experiences
- 3 Benefits of developing lasting relationships with customers
- 4 The poor state of customer service **A**
- 5 Using customer data to understand customers better
- 6 Moving to a more personal approach to customer service

B Understanding details

1 Read the article again and say whether these statements are true (T) or false (F). Correct the false ones.

- 1 According to the writer, all the problems with customer service are connected to poor staff training.
- 2 Customer service most often goes wrong when customers have queries that are not routine.
- 3 The writer thinks that the key to good customer relationships is having friendly staff.
- 4 A priority for customer service staff is to make sure that every customer feels that his or her concerns are really important to the organisation.
- 5 Most organisations don't have access to the kind of customer data that is useful for providing customer service that meets individual needs.

A tailor-made approach to customer relations



by Andrea Ayers

A Customer service isn't working; newspapers are filled with horror stories of customer service agents without the training or motivation to do more than read scripted responses. Message boards and letters pages regularly have complaints about the state of customer service. What is going wrong?

B The problems are numerous. Answers learnt by rote or script, poor technology that makes the agent's job more difficult, high staff turnover. There are also issues around offshore call centres, including language barriers and prejudiced customers. In customer service, as long as the customers are asking for something that fits in with standard processes, they will get what they want. If their request is different

to the norm, the system starts to break down, and a customer experience can go wrong. Organisations need to move away from servicing the customer, and into the mindset of having relationships with them.

C At the heart of customer relationship management (developing systems to provide an individualised customer service) is the idea of providing a personal experience for every customer. This means much more than a cheerful greeting or using first names. When it comes to customer service, it means adapting to the customer's needs, rather than having the customer adapt to the system. A relationship management approach means abandoning the one-size-fits-all model and replacing it with a tailored experience, making every customer feel as if his or her issues are the

number-one priority for the company at that time. A nice idea, some will say, a good theory, but how is it put into practice?

D First, in terms of technology, analytics (the process of converting data into information for useful decision-making) offer important insights. A customer's billing history, recent calls, complaints, even their age and profession, provide organisations with the means to build a vivid picture of their individual needs. In many organisations, this information is almost completely untapped in separate databases. This is a missed opportunity. The trends contained in this data could tell you where your next complaint will come from, who likes to be contacted in which manner (and when), and, most importantly, who you could target with which products.

E The second point relates to customer service staff. Staff are often poorly trained, and staff turnover is high. In order to engage with customers, organisations need well-motivated agents. Giving them the right training and technology are clearly important, but to win at customer service, organisations also need to encourage agents to provide feedback on how the system can be improved. With the right technology and training, agents will have more confidence in their work and be able to provide a better experience for customers.

F By focusing on the long-term relationship with the customer, companies will enjoy better customer retention and higher satisfaction levels and profitable repeat business.

FT

- 2 Read paragraph E again and complete these notes summarising the writer's ideas for making customer service staff more effective.

Problems with staff	Lack of training and ¹ High staff turnover
Solutions:	Provide the right training and ² Get staff to ³
Benefits:	More ⁴ Better ⁵

VOCABULARY

A Definitions

Match these words from the article (1–8) with their meanings (a–h).

- | | |
|-----------------------|--|
| 1 motivation | a) keeping customers and not losing them |
| 2 language barriers | b) a chance to do something that was not taken |
| 3 mindset | c) further business from satisfied customers |
| 4 missed opportunity | d) understand and deal with |
| 5 engage with | e) way of thinking |
| 6 customer retention | f) how pleased customers are with a service |
| 7 satisfaction levels | g) enthusiasm for doing something |
| 8 repeat business | h) communication problems caused by not speaking the same language |

B Word search

- Find adjectives in the article which fit these meanings.
 - written down (paragraph A)
 - based in another country (paragraph B)
 - having an unreasonable dislike of someone, e.g. because of race (paragraph B)
 - normal or usual (paragraph B)
 - designed specifically to meet needs (paragraph C)
 - not yet used (paragraph D)
 - producing a profit (paragraph F)
- In paragraph C, find an informal phrase with the opposite meaning to *tailored*. Think of another adjective which means *tailored*.
- Find the two compound nouns (with three parts) used to refer to 'employees who work in customer service'. Which one is most often used in call centres? What is the short form?
- Which two compound adjectives (with two parts) are used to describe staff?

C Word partnerships

Match the adjectives (1–6) with the nouns (a–f).

- | | |
|------------------|-------------------------------------|
| 1 scripted | a) customers / views / comments |
| 2 offshore | b) experience / service / product |
| 3 prejudiced | c) responses / answers / comments |
| 4 standard | d) customer service staff / agents |
| 5 tailored | e) processes / approaches / systems |
| 6 poorly trained | f) call centre |

D Sentence completion

Use words and phrases from Exercises A–C to complete these sentences.

- The people we need for our *o*.....^a call centre in South Africa must have the *m*.....^b to succeed and be trained in sales techniques, preferably with previous experience of working as a *c*..... *s*..... *a*.....^c.
- All *a*.....^a will receive training to help them work with the new *s*.....^b we have developed for dealing with *s*.....^c after-sales problems.
- Our priority is to offer customers *f*.....^a customer-service solutions that will meet their personal needs. In this way, we hope to raise *s*..... *i*.....^b, which should improve *c*..... *r*.....^c.
- By improving our customer service, we are confident that we will win more *r*..... *b*..... from existing customers.

E Understanding expressions

Match these colloquial phrases from the article (1–6) with their meanings (a–f).

- | | |
|-------------------|---|
| 1 horror stories | a) bright and happy-sounding opening phrase for a call |
| 2 learnt by rote | b) reports of something really bad that has happened |
| 3 fits in with | c) most important |
| 4 cheery greeting | d) goes well with |
| 5 number-one | e) a clear idea of what something is like |
| 6 vivid picture | f) learnt by repeating something many times rather than by understanding it |

OVER TO YOU

- What skills do customer service staff need to handle customer telephone queries and complaints effectively? How helpful are written or on-screen scripts?
- Write a short report for senior management. The purpose is to suggest ways of improving customer service so that customers:
 - always receive positive experiences
 - are offered tailored solutions that meet their personal needs.
- How have these developments affected customer service? Choose one of the points and discuss the benefits and challenges for companies, customers and customer service staff.
 - The growth of call centres
 - Locating call centres offshore where costs are cheaper
 - The shift to a customer-relationship approach to customer service

Check Test 1 (Units 1–9)

A Use words and phrases from Units 1–9 to complete these sentences.

- 1 It is essential to agree a **b**..... for marketing, to avoid spending money unnecessarily.
- 2 **A**..... is the largest expense of most marketing plans, with public relations and market research not far behind.
- 3 Advertising materials can either be produced by an organisation itself or by an external **a**..... **a**.....
- 4 A '**c**.....' is the name for an advertisement on TV or the radio.
- 5 The marketing **s**..... has been increased from £7m to £10m for the next year.
- 6 A change in fashion or a change in price can affect **d**..... for a product or service.
- 7 Prices on all **p**..... **l**..... have been reduced by ten per cent for the sale period.
- 8 Many supermarkets have their own **c**..... of distribution; for example, Asda has its own warehouses and delivery vehicles.
- 9 This month, Merlin Hotels have a **s**..... **o**..... of five nights for the price of three.
- 10 Internet shopping will continue to take **m**..... **s**..... from 'bricks and mortar' retailers.
- 11 We were asked to prepare a marketing proposal on the basis of the advertising **b**..... provided by the client.
- 12 The company's sales improved dramatically following a €1m marketing **c**.....
- 13 **P**..... is what differentiates a brand in the customer's mind.
- 14 Microsoft's Internet Explorer is the **m**..... **l**..... in the global browser market.
- 15 Sony's PlayStation 3 games console **t**..... males aged 18–35.
- 16 Google is an example of a very successful **c**..... brand.
- 17 The plan is to **r**..... the product through small specialist shops and our company website.
- 18 Many people are already comfortable making **o**..... purchases using a computer.
- 19 A good company website must have relevant **c**..... and be easy to use.
- 20 Ensuring that customer orders are delivered quickly and efficiently is essential for the success of any **e**.....

B Choose the best word or phrase to complete each of these sentences.

- 1 Marketers today use a greater variety of media and marketing to communicate with their customers.
a) procedures b) research c) ways d) methods
- 2 What percentage of the marketing budget should we for TV advertising?
a) give b) share c) distribute d) allocate
- 3 In difficult times, companies may be able to negotiate lower advertising, allowing them to do the same amount of advertising for less money.
a) prices b) costs c) rates d) fees
- 4 'Sprite' is a brand name in the soft-drinks
a) type b) category c) commerce d) class
- 5 Many national brands find it difficult to compete with brands, both at home and internationally.
a) global b) foreign c) local d) established

- 6 Many retailers are offering to get customers into their shops, for example buy one get one free, free delivery on all orders over 150.
a) competitions b) price reductions c) price promotions d) list prices
- 7 One challenge that pharmaceutical brands face is competition from products.
a) generic b) lookalike c) pirated d) own-label
- 8 Calculating the difference between the selling price and the costs gives you the profit
a) revenue b) margin c) difference d) amount
- 9 A is anywhere the consumer can physically purchase products.
a) retail outlet b) retail chain c) retail market d) retail store
- 10 Fashion retailer Zara now has a network of over 1,500 stores globally and still has plans for further
a) stretching b) extension c) expansion d) increase
- 11 Holiday firm Sunwise is to an summer advertising campaign aimed at people looking for cheap last-minute holidays.
a) release b) introduce c) start d) launch
- 12 Apple has a reputation for being creative and in its product development.
a) unusual b) innovative c) novel d) advanced
- 13 An example of effective is the Nike 'swoosh' logo because it is instantly recognised everywhere in the world.
a) branding b) brand c) promotion d) communication
- 14 The company wants to the new phone as a fashion choice for the youth market.
a) place b) aim c) locate d) position
- 15 Ligne Roset's strong reputation for design gives it a advantage over its rivals.
a) competing b) competition c) competitive d) competitor
- 16 People who use the goods and services a company produces are called
a) customers b) consumers c) clients d) buyers
- 17 A brand typically includes a name, logo design and other visual elements such as colours or symbols.
a) identity b) image c) characteristic d) perception
- 18 marketing is offering customers more than one way of buying a product, for example from a website as well as in a retail store.
a) Niche b) Direct marketing c) Brand d) Multi-channel
- 19 If customers find an Internet shopping site difficult to use, they will often a competitor.
a) switch to b) exchange c) abandon d) replace
- 20 A of 200 users of our online store found that over 90 per cent were very satisfied with the experience.
a) report b) questionnaire c) survey d) review

Check Test 2 (Units 10–18)

A Use words and phrases from Units 10–18 to complete these sentences.

- 1 **B**..... and pop-up advertisements are more traditional forms of Internet advertising.
- 2 When planning any marketing activity, it is important to understand your **t**..... **a**..... – who they are and what their preferences are.
- 3 A **n**..... market is a relatively small market with specialised interests, tastes and background.
- 4 Facebook is a fast-growing **s**..... **n**..... site.
- 5 MasterCard is the **s**..... of many of the world's top sports, entertainment and fashion events.
- 6 The point of a **v**..... ad is to spread quickly, so it must be simple to pass along and share.
- 7 To sell successfully in foreign markets, it is important be able to communicate and understand **c**..... **d**.....
- 8 For each **o**..... market, it is essential to have a clear understanding of who your customers are and what motivates them to buy.
- 9 The Wii games console will increase Sony's **d**..... in the market, despite a lack of really great games.
- 10 When you produce promotional materials for a global campaign, make sure you **t**..... them into local languages sensitively and correctly to avoid any embarrassing mistakes.
- 11 A cost-effective method getting new customers is personal **r**..... from satisfied customers.
- 12 Our service is aimed at older people, with high levels of **d**..... income.
- 13 Advertisers are willing to pay extra for **p**.....-**t**..... TV advertising.
- 14 Consumers are becoming more **w**.....-**s**..... every day, finding new ways to search, browse and purchase online.
- 15 To keep customers, **c**..... **s**..... needs to be a company's top priority.
- 16 **B**..... **l**..... is the tendency for customers to always buy the same brand of a product, without considering the alternatives.
- 17 Companies that deal with customers' complaints quickly and efficiently are more likely to get **r**..... **b**.....
- 18 Monitoring the number of complaints a company receives helps organisations to assess **c**..... **s**..... levels.
- 19 Make sure **a**..... handling customer enquiries in call centres are well trained and motivated.
- 20 Customer **f**..... can provide detailed information about how customers see your business.

B Choose the best word or phrase to complete each of these sentences.

- 1 Advertising is one of the most obvious ways to a product and can range from major TV campaigns to less costly local marketing activities.
a) sell b) promote c) brand d) retail
- 2 Internet advertising is an effective way of creating with your target customers and beyond.
a) brand image b) brand value c) brand awareness d) brand responsiveness
- 3 Many well-known car companies also sell clothing, key rings and other items.
a) brand b) branding c) brand d) branded
- 4 Product is when a company manages to get its product seen in films and on television.
a) placement b) position c) positioning d) placing

Answer key

UNIT 1

Reading

- A** 1 Communicating with customers using a wider range of advertising methods
2 Loss of confidence in TV advertising
Growing interest in the Internet and other ways of advertising
3 Because people are using technology to avoid advertising that they haven't asked for and don't want.
4 They are looking for new places to advertise.
They are seeing all contact with the consumer as a possible marketing opportunity.
5 They are less focused on TV advertising and are looking for new ways of improving the experience of customers through better shop displays, packaging, etc.
6 a, d
- B** 1 They are recording programmes onto DVDs and skipping the adverts using fast forward.
2 Bus-stop shelters and mobile phone screens
3 How staff should answer the phone when dealing with an enquiry or complaint
4 The design of a new website, which could be seen as the responsibility of the marketing or product development department

Vocabulary

- A** 1 b 2 a 3 a
B 1 a adopting b holistic c advances d avoid e block f opportunity g figure out h budgets i allocating j justify
2 commercials, ads
C 1 1 b 2 a 3 d 4 f 5 c 6 e
2 marketing departments, marketing methods, marketing opportunity, marketing budgets, marketing messages
3 1 For example 2 such as 3 for instance
D 1 Customer experience 2 holistic marketing 3 advertising agencies 4 marketing methods 5 marketing budgets
E 1 in 2 in 3 of; to 4 with

UNIT 2

Reading

- A** 1 b
2 The use of the imperative (*Don't cut the budget for market research, Be careful about moving to low priced distribution channels ...*) and words like *must* (*Marketers must recalculate demand*) and *should* (*weaker items in product lines should be cut*).
3 Adjust pricing tactics 5
Adjust product portfolios 3
Focus on market share 6
Maintain marketing spend 2
Research the customer 1
Support distributors 4
- B** 1 They take longer searching for products, negotiate lower prices, buy cheaper models, wait until later to buy the things they want and buy less.
2 Negotiate lower rates for advertising, change to shorter advertisements, use radio instead of TV advertising, use more direct marketing.
3 Offer more attractive financing deals and policies to handle products that customers return.
4 Offer financial incentives, e.g. special offers or reduced prices, and bigger discounts for larger quantities.
- C** 1 b 2 a

Vocabulary

- A** 1 b 2 i 3 g 4 d 5 e 6 a 7 c 8 f 9 h
B 1 f 2 a 3 g 4 h 5 b 6 d 7 c 8 e
C 1 a Demand b list prices c product lines d price promotions e discount
2 a Advertising rates b marketing spend
3 distribution channels
4 a categories b prospects

- D** 1 a trade down b trusted c valued d good value e damage f temporary g abandon
2 downturn, economic slowdown, in tough times, in times of economic uncertainty
- E** 1 cut, declines, cut back (on), reduce. Other suggestions: cut down, lower, decrease, fall
2 1 have declined/decreased/fallen 2 Cutting/Reducing 3 cut down / cut back 4 reduce/cut

UNIT 3

Reading

- A** 1 T 2 T 3 F (With the right strategy, they can recover.) 4 F (The writer thinks they are more important.) 5 T
6 F (There are two main problems; the other problem mentioned is competition from cheaper generic products.) 7 T
- B** 1 1 Google 2 Levi Strauss 3 Apple 4 LVMH 5 Microsoft
2 Western motor manufacturing and the entertainment industry
3 Increased revenues, better margins, more likely to attract the best graduates from business schools and keep them
- C** 1 a 2 b

Vocabulary

- A** 1 g 2 b 3 d 4 f 5 h 6 e 7 c 8 a
- B** 1 great, huge 2 damage 3 unwisely 4 outstanding 5 outstrip 6 regained 7 revival
8 cross borders 9 transforming
- C** 1 b 2 d 3 e 4 a 5 c
- D** 1 a) stretch brands, develop brands, build brands
b) corporate brand, well-established brands, local brands, national brands, global brands, strong brands, top brands
2 1 stretching 2 damaged; repair 3 regain 4 revival 5 recover 6 lost direction 7 challenges

UNIT 4

Reading

- A** 1 isn't 2 has achieved 3 will last a long time 4 stayed the same 5 has 6 benefits for consumers
- B** 1 1 Duracell 2 PR Mallory 3 Gillette Company 4 1964 5 Eveready and own-label products
6 its longer life 7 black, white and copper design
2 1 It was used in the development of other products, e.g. other types of batteries and lighting products. It allowed Duracell to become a successful international brand.
It has been used in all its advertising over the years.
2 Don't just focus on the product, also think about the benefits for the customer.
Make sure you create a strong brand name.
Create a strong visual design that is strongly linked to the brand's positioning.

Vocabulary

- A** 1 b 2 a 3 a
- B** 1 g 2 e 3 h 4 i 5 d 6 c 7 f 8 a 9 b
- C** 1 innovative 2 leading 3 high-performance 4 distinctive 5 enduring 6 globally recognised
- D** 1 1 e 2 c 3 b 4 a 5 d
2 a) own-label products b) brand identity c) advertising brief d) consumer brand e) market leader
- E** 1 a) brand identity b) enduring
2 a) leading b) own-label products
3 a) high-performance b) market leader
4 a) distinctive b) innovative c) advertising brief

UNIT 5

Reading

- A** a) 1 b) 10 c) 2 d) 8 e) 7 f) 5 g) 4 h) 9 i) 3 j) 6
- B** 1 Because it made most of its money from business customers, not retail. There was also no real competitor for Windows.
2 It created competition in the market. Apple's operating system highlighted some inadequacies in the Windows system.
3 The system didn't work with older printers, scanners, etc. And there were no real consumer benefits.
4 They thought that if they started pushing new marketing messages before they solved the Vista problem, consumers would feel even more negative about the brand.
5 The opening of the Microsoft stores inside big retail chains, e.g. Best Buy in the US and Dixons in the UK, and the placing of Microsoft advisors in another 150 other retailers.
The words *planned* and *has plans to* indicate this.
- C** 1 a 2 b

ANSWER KEY

Vocabulary

- A** 1 d 2 e 3 b 4 g 5 a 6 h 7 c 8 f
B 1 1 b 2 c 3 g 4 e 5 d 6 a 7 f
2 brand image, marketing initiatives, business results
C 1 1 neglected 2 wanting 3 uncovered 4 devastating 5 strengthen 6 counterproductive 7 tarnish 8 direct
2 release. It does not mean exactly the same as *launch*. *Release* specifically refers to the introduction of software, music and films.
D 1 anti-Vista advertising campaign, anti-Microsoft perceptions
2 a) I am anti-nuclear power.
b) Many people are anti-expansion of the European Union / anti-European Union expansion.
c) There is a lot of anti-American feeling these days.
d) Many Internet users are anti-Internet advertising.
E 1 with 2 from 3 of 4 of; on

UNIT 6

Reading

- A** 1 F (It also sells coffee machines and extras like coffee cups.)
2 T
3 F (It also sells to restaurants, offices, hotels and airlines, as part of its strategy to create opportunities for customers to experience the brand.)
4 T
5 T
6 F (The company has no intention of becoming a coffee chain.)
B 1 1 50% 2 25% 3 over 170 4 Paris
2 They have both opened stylish outlets where customers can experience and actually try their brands; Nespresso has its boutique bars and Heineken has opened a restaurant and an airport bar where customers can try its beers.
3 It hopes that experiencing the brand directly – tasting the coffee and seeing the coffee machines at work in a stylish bar – will make people want to buy the products.
C 1 a 2 b

Vocabulary

- A** 1 1 f 2 c 3 d 4 e 5 b 6 a
2 a) retail outlets b) coffee chain c) consumer goods d) mail-order business
e) third-party retailers f) customer interaction
B 1 sophisticated 2 ultimate 3 selected 4 first-hand 5 standalone 6 upmarket 7 elegant
C 1 under 2 to 3 through 4 to 5 in 6 from
D 1 1 consumer 2 retail 3 retailing 4 brand 5 brand 6 interaction 7 experience
2 *Suggested answers*
retail outlets, third-party retailers, lifestyle brands, customer interaction, coffee experience / first-hand experience
E 1 branding 2 retailer; experience 3 consumption 4 interaction 5 brand 6 retail

UNIT 7

Reading

- A** 1 brand 2 a young market 3 different 4 can be customised 5 don't work well 6 hasn't
B 1 They had no car that was popular with a youth market, so Scion was created to fill that gap.
2 a) T b) S c) S d) T e) T
3 It makes the whole buying process quicker, as customers can avoid having to go to car showrooms. They can also choose extras to personalise their car.
4 Scion, unlike Toyota, doesn't use expensive newspaper and TV advertising. Also, the type of marketing activities it uses (e.g. organising promotional events) are much cheaper.
5 Because they liked its fashionable styling and the fact that it was very easy to get in and out of.
6 Because the Yaris is also aimed at younger customers and took some of Scion's market.
C a) the year when Toyota created Scion
b) the average age of Toyota customers at that time
c) the number of Scion models
d) the number of people working for Scion
e) the age of the customers that Scion wants to attract
f) the approximate number of accessories and options that customers can choose to personalise the car they buy
g) the approximate number of promotional events Scion organises each month to advertise the cars
h) the current average age of buyers of Scion cars

Vocabulary

- A** 1 e 2 d 3 g 4 b 5 c 6 a 7 f
B 1 1 average 2 twentysomething 3 non-negotiable 4 mainstream 5 unannounced 6 appealing 7 novel
 2/3 funky (b), trendy (a)
C 1 1 c 2 d 3 a 4 e 5 b
 2 1 a 2 b 3 c
 3 1 in their late 20s
 2 in their 50s
 3 The average age of customers is
 4 the fortysomething man / men in their 40s
 5 target audience/group is
D 1 to/with 2 through/by 3 on 4 up 5 up 6 into; in

UNIT 8

Reading

- A** 1 T
 2 F (They expect retailers to have both physical and online stores.)
 3 F (Most shoppers (70%, according to survey in 2007) research products on the Internet before making a purchase.)
 4 T
 5 T
 6 F (It's only one of the issues; the others are: having a good returns policy for unwanted or faulty goods; being able to cover all geographic areas where customers are; how the website is presented so it is clear and easy for customers to navigate around.)
 7 T
 8 F (It's important for responding to changing customer needs and making sure the website reflects their needs and has the kind of information customers will be interested in.)
B a 4 b 7 c 5 d 2 e 3 f 1 g 6

Vocabulary

- A** 1 a 2 b 3 a 4 b
B 1 b 2 f 3 a 4 c 5 d 6 g 7 e
C 1 1 d 2 a 3 b 4 c
 2 1 d 2 c 3 a 4 b
D 1 1 demanding 2 value 3 informed 4 in short supply 5 matures 6 evolve
 7 responsive
 2 e-tailer (Internet retailer) e-businesses, e-commerce (electronic buying and selling)
 3 interactive, interesting, user-friendly, informative, attractive
E 1 a e-businesses b multi-channel
 2 a website development b content
 3 a demanding b value c e-tailers
 4 a product reviews b informative c informed

UNIT 9

Reading

- A** 1 b 2 b 3 a 4 b 5 a
B 1 1 **Fifty-two** per cent of all those surveyed ...
 2 Compared to the UK, **fewer** people in the USA ...
 3 In the USA, just **over** 40 per cent ...
 4 Just **under** 85% of US online users ...
 2 1 It saves time, it saves money and it is more convenient because the customer can choose from a lot of products at the same time.
 2 Problems logging into the website before being able to buy anything. (*Perhaps they are not allowed to log in ...* (lines 15–16)) Problems with the 'shopping cart' software which mean that items selected suddenly disappear before the person can complete the purchase. (*... their shopping cart mysteriously empties ...* (lines 16–17)) Error messages that are impossible to understand. (*... the site returns an unclear error message.* (lines 17–18))
 3 Because it so easy to click onto another site.

ANSWER KEY

Vocabulary

- A** 1 c 2 g 3 b 4 k 5 d 6 j 7 h 8 a 9 f 10 e 11 i
B 1 employ 2 meet 3 act 4 throw out 5 exchange 6 supervise 7 achieve
C 1 mysteriously 2 effective 3 intuitive 4 frustrated 5 inevitably 6 obsolete 7 exceptional 8 high-quality 9 skilled 10 proactively
D 1 revealed/reported 2 According to 3 Over 4 reported/revealed 5 compared to 6 surveyed 7 commissioned 8 conducted
E 1 on; at 2 up; to 3 of; in 4 at/in; to

UNIT 10

Reading

- A** 1 a
2 1 c 2 b 3 a
3 1 viral marketing and product placement
2 search advertising
4 1 Increased speed of (broadband) Internet connections
2 The popularity and growth of online community sites / social-networking sites, such as MySpace, Bebo and Facebook
3 The ability of web users to develop their own content and upload it onto the Internet, e.g. small video clips, graphics, etc.
B 1 1 T
2 F (You can also trace how many become customers, i.e. actually complete a purchase.)
3 T
4 F (They think they have potential, but for a very specific target audience.)
2 1 Dove produced a viral ad to promote the Evolution range. The short video clip showed a fashion model being made up, digitally changed and then photographed.
2 Lucozade (an energy drink) invited visitors to create and upload a short video clip to its website as part of a competition to promote the drink.
3 Mastercare, a pet-care company, produced a series of videos on cat care that included reference to their range of products. The videos were put on the Microsoft Network (MSN) site to promote the brand.

Vocabulary

- A** 1 c 2 h 3 b 4 e 5 g 6 d 7 f 8 a
B 1 1 d 2 e 3 a 4 b 5 c
2 search advertising, search engines
3 online advertising, online communities, online space, online video
4 viral video campaign, viral marketing buzz
C 1 keep up 2 do 3 divide 4 prevent 5 expand 6 catch 7 arrive
D 1 a) broadband connections b) online video c) banner ads d) sustaining
2 a) search advertising b) results c) clicks
3 a) buzz b) viral video c) niche audience d) users e) waste
4 a) online community b) profile page(s) c) upload
5 a) roll out b) online advertising c) promote d) reach
E 1 in/of 2 at 3 for; to 4 of

UNIT 11

Reading

- A** 1 For global advertising
2 It is rather one-sided because he wants to convince readers that global ad campaigns are a good idea; he therefore uses emotive language and more arguments to support this position.
3 Persuasive. He uses techniques typical of persuasive writing (e.g. rhetorical questions, repetition of key words, evidence to support his points, personal opinion and emotive words).
B 1 1 head 2 all 3 understanding customer needs 4 one main agency 5 with adjustments for some markets
2 1 It's less expensive to develop one set of creative materials for advertising in all markets.
2 It's easier and quicker to implement one global campaign.
3 People expect to see the same advertising in their countries because of the increased contact with international brand advertising through travel and the Internet.
C 1 b 2 a

Vocabulary

- A** 1 j 2 a 3 i 4 h 5 f 6 b 7 d 8 c 9 g 10 e
- B** 1 1 unfashionable 2 uninspiring 3 inoffensive
2 *Suggested answers*
unexciting, uninteresting, unreliable uncomfortable, indistinct, independent, insensitive
3 1 un-now 2 unsexy
4 *Suggested answers*
1 out of date, old-fashioned, dated, untrendy, unfashionable
2 dull, uninspiring, unglamorous, unexciting
- C** 1 1 globally, worldwide, around the world, all over the world
2 global campaign/approach/advertising/brand creative materials/concept
2 advertiser, planner, market researchers, marketing strategists
Other suggestions: marketing manager, online marketer, media planner, copywriter, art director, web designer, graphic designer, etc.
3 head office, subsidiaries, local offices
- D** 1 1 So why can it not be adapted for other countries?
2 The same brief could, of course, be given to **different** agencies in **different** countries
A good idea can be adapted to emphasise **different** benefits, or push **different** products in a range ...
2 1 c 2 d 3 a 4 b
- E** 1 creatively 2 compellingly 3 globally 4 virtually 5 sensitively

UNIT 12**Reading**

- A** 1 the new sponsor 2 one of Disney's corporate partners 3 raise its profile
4 the Disney group offered a wider range marketing possibilities 5 money they earn
- B** 1 *Suggested answers*
1 ... the different types businesses in the group, e.g. the theme parks and TV programmes and films it makes, plus Disney's large and varied customer base.
2 ... agreements to provide the goods and services that Disney needs.
2 1 Sponsors Space Earth attraction
2 Its cars appear in Disney studio movies
3 Its medical products appear in *Gray's Anatomy*, a Disney-ABC TV medical drama
4 It supplies Disney's fleet of company cars

Vocabulary

- A** 1 1 sponsor 2 sponsor 3 sports sponsorship
2 1 Sponsorship 2 sponsor; sponsor 3 Sports sponsorship; sponsoring 4 sponsored
- B** 1 f 2 e 3 d 4 c 5 a 6 b
- C** 1 c 2 d 3 e 4 b 5 a
- D** 1 vast 2 former 3 diverse 4 distinct 5 broad
- E** 1 e 2 a 3 d 4 c 5 b
- F** 1 to 2 with 3 on 3 from 4 from 5 to

UNIT 13**Reading**

- A** 1 1 T
2 F (It's very challenging; it needs a completely different approach if it is to work.)
3 F (The writer implies that most companies are not getting it right.)
4 T
2 1 A 2 F 3 E 4 D 5 B 6 C
- B** 1 It costs less to produce than traditional advertising, so can save money.
It allows companies to reach and get the confidence of a young audience that is typically hard to reach through traditional advertising.
2 The rapid growth of home-made videos that appear on free websites such YouTube.
3 They lack interactivity, which is essential online.
- C** 1 b 2 a

ANSWER KEY

Vocabulary

- A** 1 c 2 g 3 e 4 h 5 f 6 a 7 b 8 d
B 1 1 c 2 d 3 a 4 e 5 b
 2 launch a viral campaign
 3 viral marketing, viral ad(s), viral e-mail, viral commercial, viral campaign
 Other suggestions: viral message, viral game/quiz, etc.
C 1 1 subtly branded 2 compelling 3 web-savvy 4 entertaining 5 shocking 6 conventional 7 hilarious
 2 challenge, difficulty, trouble
D 1 stands out 2 conventional 3 web-savvy 4 compelling 5 entertaining 6 shocking 7 release

UNIT 14

Reading

- A** 1 1 Yes
 2 Yes
 3 No (It has had only had a very small amount of success.)
 4 No (He thinks that cultural differences in how schoolbags are seen are too great, and that customers outside Germany won't be prepared pay for the extra safety features demanded by German customers.)
 2 1 a 2 b 3 a 4 b
B 1 1 Children aged six, just starting school
 2 €80–100
 2 *Suggested answers*

features	benefits for the user
Technical design that protects back and spine	Less risk of back pain and long-term damage to child's spine and neck, plus can also improve the child's posture
Rigid sides	Less damage to contents of the pack, e.g. books and files
Use of reflective materials	Easier to see child in poor light / less chance of child being knocked down by a car

Vocabulary

- A** 1 1 a 2 a 3 b 4 b
 2 a
 3 b
B 1 1 c 2 e 3 d 4 b 5 a
 2 *Suggested answers*
 a) announce, introduce b) be a failure / fail
C 1 1 instant 2 look-alike 3 tiny 4 stark 5 demanding 6 staggering 7 huge 8 limited 9 far
 2 1 foreign 2 home
D 1 a) home b) huge
 2 a) foreign b) stark c) failed d) look-alike/local
 3 a) limited b) far
 4 a) launched b) staggering

UNIT 15

Reading

- A** 1 1 To explain the characteristics of Russian consumer behaviour and suggest useful marketing and communications strategies
 2 Anyone with an interest in doing business in the Russian Federation, especially those working in branding and marketing
 3 It is based on research by Creative Advantage, a consultancy which helps companies establish their brands in the Russian market.
 2 1 F (According to writer, needs for consumer products has not yet been met.)
 2 F (Only a few have been successful.)
 3 T
 4 F (As brands are relatively new in Russia, consumers enjoy trying out different products and brands.)
 5 T
B 1 b, c, e

- 2 1 Russian consumers would view such a minimal change as disrespectful to Russian culture.
2 Images of women in international advertisements may not be appropriate in Russian culture, especially if the women are shown in way that Russians see as lacking in respect.

Vocabulary

- A** 1 j 2 d 3 f 4 g 5 b 6 h 7 c 8 a 9 e 10 i
B 1 1 c 2 d 3 e 4 a 5 b
 2 cultural respect; consumer needs, consumer characteristics, consumer environment
C 1 1 pace 2 ignore 3 insights 4 open 5 valuable 6 passion 7 caress 8 withdrawn
 2 real; authentic, real-life
 believable; credible
 3 1 positively perceived 2 well received 3 badly viewed
 4 2 a negatively viewed viral advertising campaign
 3 a positively received presentation
D 1 1 interpret 2 take out 3 grow 4 put off 5 start
 2 1 withdrawn 2 develop 3 disregard/ignore 4 translating

UNIT 16**Reading**

- A** 1 T
 2 F (It was developed for the Indian market, but a number of transactions on the site with international credit cards made them realise that Indians working abroad were also a large potential market.)
 3 F (A number of other companies are also starting to target this market.)
 4 T
 5 T
 6 F (Its production is in India.)
 7 T
 8 F (Sales to Indians outside India represent only a small proportion of total sales.)
 9 T
B 1 1 The percentage of FutureBazaar's website sales that come from India
 2 The number of Indians living and working outside India
 3 The markets with large Indian communities that FutureBazaar is targeting
 4 The year when car maker Maruti Sazuki set up its website where Indians working abroad can order cars for their relatives back home
 5 The number of car sales that have come from the Maruti website to date
 6 A newspaper for Indians living and working in Middle East.
 2 1 M 2 F 3 F 4 M 5 F

Vocabulary

- A** 1 c 2 f 3 d 4 a 5 b 6 g 7 e
B 1 b 2 a 3 b
C 1 1 generates 2 spread across 3 sizeable 4 targeting 5 encourages 6 reach 7 hosted by
 2 1 abroad 2 non-resident
D 1 1 c 2 d 3 f 4 a 5 b 6 e
 2 *Suggested answers*
 pass out a leaflet / a product sample
 sponsor an arts event / film festival
 market a product / a brand
 run an ad / a TV commercial
E 1 market 2 target 3 sponsoring 4 a) fliers b) translated c) reach 5 pass out
 6 run advertisements/ads 7 generate

UNIT 17**Reading**

- A** 1 less 2 disagrees 3 badly 4 it's too much effort to change brands 5 an opportunity
 6 supporting customers
B 1 A lot of advertising on TV makes customers look stupid and foolish.
 They charge higher prices and customers get less.
 Innovations often make products more complicated.
 They don't like apologising or paying customers compensation for mistakes.

ANSWER KEY

- 2 An airline clerk who doesn't charge a customer for changing a fixed-date flight when a customer accidentally makes a mistake with the booking.
A mobile phone operator who politely removes an incorrect charge from a customer's bill.
- 3 They have created areas on their websites where customer can interact and share information about product features and technical problems.

- C** 1 they = established brands/brand owners
2 those = customers
3 this = companies that deal with mistakes in a way that that encourages loyalty
4 these = the two examples the writer gives
5 those = individuals
6 this = that customer loyalty is about being able to solve difficult situations successfully

- D** 1 a 2 b 3 b

Vocabulary

- A** 1 e 2 d 3 f 4 g 5 h 6 c 7 b 8 a
- B** 1 1 established 2 flawless 3 conducted 4 resolve 5 shape 6 valued 7 valuable
2 fickle, unfaithful, disloyal
Fickle is more colloquial.
- C** 1 1 b 2 d 3 e 4 a 5 c
2 1 decide 2 work out 3 set up 4 make
- D** 1 misunderstand (line 9), misbook (line 48)
2 1 misinterpret 2 misinform 3 misspell
Other examples: misplace, misjudge, misprint, misinterpret
- E** 1 1 more; less; less 2 more; than 3 far 4 as much; as

UNIT 18

Reading

- A** 1 1 No, she thinks it is in a poor state.
2 Yes
3 No, she is suggesting a new approach that provides customised solutions to meet individual customers needs.
4 Yes
- 2 A4 B1 C6 D5 E2 F3
- B** 1 1 F (It's just one of a number of problems.)
2 T
3 F (The key to good relationships is offering every customer a personal experience that meets his/her individual needs.)
4 T
5 F (Many organisation already collect customer data, but because it is kept in separate databases, it is often not available for this task.)
2 1 motivation 2 technology 3 provide feedback (on how the system can be improved)
4 confidence 5 experience for customers

Vocabulary

- A** 1 g 2 h 3 e 4 b 5 d 6 a 7 f 8 c
- B** 1 1 scripted 2 offshore 3 prejudiced 4 standard 5 tailored 6 untapped 7 profitable
2 Opposite: one-size-fits-all
Same meaning: customised, personalised
3 customer service staff, customer service agent
Customer service agent is most often used in call centres; the short form is *agent*.
4 poorly trained, well-motivated
- C** 1 c 2 f 3 a 4 e 5 b 6 d
- D** 1 a) offshore b) motivation c) customer service agent
2 a) agents b) scripts c) standard
3 a) tailored b) satisfaction levels c) customer retention
4 repeat business
- E** 1 b 2 f 3 d 4 a 5 c 6 e

CHECK TEST 1

A 1 budget 2 Advertising 3 advertising agency 4 commercial 5 spend 6 demand
7 product lines 8 channels 9 special offer 10 market share 11 brief 12 campaign
13 Positioning 14 market leader 15 targets 16 corporate 17 retail 18 online 19 content
20 e-tailer

B 1 d 2 d 3 c 4 b 5 a 6 c 7 a 8 b 9 a 10 c 11 d 12 b 13 a 14 d 15 c 16 b
17 a 18 d 19 a 20 c

CHECK TEST 2

A 1 Banner 2 target audience 3 niche 4 social networking 5 sponsor 6 viral 7 cultural differences
8 overseas 9 dominance 10 translate 11 recommendation(s) 12 disposable 13 prime-time
14 web-savvy 15 customer service 16 Brand loyalty 17 repeat business 18 customer satisfaction
19 agents 20 feedback

B 1 b 2 c 3 d 4 a 5 b 6 c 7 d 8 a 9 c 10 d 11 b 12 a 13 c 14 b 15 d 16 a
17 d 18 b 19 a 20 b

CHECK TEST 1

A 1 budget 2 Advertising 3 advertising agency 4 commercial 5 spend 6 demand
7 product lines 8 channels 9 special offer 10 market share 11 brief 12 campaign
13 Positioning 14 market leader 15 targets 16 corporate 17 retail 18 online 19 content
20 e-tailer

B 1 d 2 d 3 c 4 b 5 a 6 c 7 a 8 b 9 a 10 c 11 d 12 b 13 a 14 d 15 c 16 b
17 a 18 d 19 a 20 c

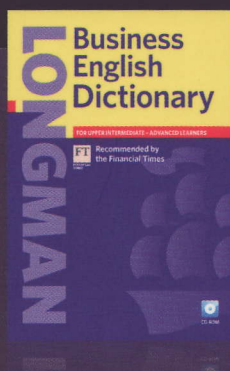
CHECK TEST 2

A 1 Banner 2 target audience 3 niche 4 social networking 5 sponsor 6 viral 7 cultural differences
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14 web-savvy 15 customer service 16 Brand loyalty 17 repeat business 18 customer satisfaction
19 agents 20 feedback

B 1 b 2 c 3 d 4 a 5 b 6 c 7 d 8 a 9 c 10 d 11 b 12 a 13 c 14 b 15 d 16 a
17 d 18 b 19 a 20 b

Marketing

MARKET LEADER



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