

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 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.

- 1 How does an economic slowdown affect consumers' purchasing habits?
Is it the same for business customers?
- 2 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
- 3 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.

- 1 What is the purpose of the article? Choose the best option.
 - a) to inform readers about the challenges of surviving in difficult times
 - b) to give readers guidelines about how to survive
 - c) to persuade readers to change their marketing strategy
- 2 What gives you this impression?
- 3 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

1

Maintain marketing spend

B Understanding details

Read the article again and answer these questions.

- 1 The writer gives five examples of how consumer behaviour can change in difficult economic conditions. What are they? (paragraph B)
- 2 The article includes four suggestions that will help companies get the best results with a reduced advertising budget. What are they? (paragraph E)
- 3 How can companies make sure their distributors continue to stock their full range? (paragraph G)
- 4 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.

20 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.

40 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 J)
- 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.