

1 The marketing mix 1

A The Ps

The **marketing mix** is the combination of techniques used to **market a brand**. The techniques are often called **the Ps**. Originally there were four Ps:

- **Product** (or service): what you sell, and the variety or **range** of products you sell. This includes the **quality** (how good it is), **branding** (see Units 16–18), and **reputation** (the opinion the consumers have) of the product. For a service, **support** for the client after the purchase is important. For example, travel insurance is often sold with access to a telephone helpline in case of emergency.
- **Price**: how much the product or service costs.
- **Place**: where you sell the product or service. This means the **location** of your shop, or **outlet**, or the **accessibility** of your service – how easy it is to access.
- **Promotion**: how you tell consumers about the product or service. The **promotional mix** is a blend of the **promotional tools** used to communicate about the product or service – for example, **TV advertising**.

Today some marketers talk about an additional four Ps:

- **People**: how your **staff** (or employees), are different from those in a competitor's organization, and how your clients are different from your competitor's clients.
- **Physical presence**: how your shop or website looks.
- **Process**: how your product is built and delivered, or how your service is sold, delivered and accessed.
- **Physical evidence**: how your service becomes **tangible**. For example, tickets, policies and brochures create something the customers can touch and hold.

B Marketing a new product

A small educational games company is launching a new game to teach English vocabulary to beginner learners. The marketing manager, Dominic Dangerfield, is making a presentation using PowerPoint slides.

The Turnover Game

PRODUCT:

- Innovative way to learn new vocabulary
- **Launch**: how we are planning to introduce the product onto the market

PLACE

- **Distribution**: high street retailers and mail order via website and catalogues
- **Delivery**: five days by mail order or straightaway in shops

PROMOTION

- **Advertising**: in children's magazines
- **Direct marketing**: insert catalogue in *Parent* magazine

PEOPLE

- **Customers**: educated, city-dwellers with pre-teen children, school teachers
- **Competitors**: they have a larger **sales force** to sell their products

PRICE

- **Premium pricing**: 20% above market average for a CD-ROM
- **Special deals**: 15% discount for schools

Note: For more information on sales promotion, see Unit 41.

1.1 A marketing manager is talking about the marketing mix for a brand of cleaning products. Choose the correct words from the brackets to complete the text, and then match each speech bubble with one of the Ps. Look at A opposite to help you.

1 Our (staff / reputation / competitors) are highly motivated. We really believe in our brand. For example, our (consumers / employees / customers) are always trying to improve what we do.

2 Our (tools / range / support) includes detergent, toilet cleaner and sponges.

3 We use a lot of (advertising / presence / promotional), usually in women's magazines.

4 You can find the brand in supermarkets and local shops. The (tangible / accessibility / process) of our (staff / mix / outlets) is important. We need to be in a lot of (locations / supports / distributions) so that we are easy to find.

5 We are more (accessibility / reputation / expensive) than our (competitors / staff / sales) but we offer good credit terms and we sometimes run special (deals / processes / support).

1.2 Complete the text using words from the box. Look at A opposite to help you.

advertising mix price products promotional

Marie Curie Cancer Care is reviewing its marketing strategy in an attempt to attract a wider audience. It will stop using (1) techniques, such as mailings and events. Television (2) and face-to-face marketing are both being tested in a bid to supplement the charity's typical over-60s donor base with younger supporters. If tests prove successful, they will become part of Marie Curie's marketing (3)

In addition, Marie Curie Cancer Care is expanding its online shop. Stylish handbags at a (4) of £10 are attractive to younger customers. Marie Curie Cancer Care says it is responding to customers' needs and wants by selling elegant fashionwear (5)

1.3 Do the following words and expressions refer to product, price, place, promotion, or people? Look at A and B opposite to help you.

accessibility	customers	discounts	location	sales force
branding	delivery	distribution	quality	special deals
competitors	direct marketing	launch	reputation	support

Product	Price	Place	Promotion	People

Over to you 

Think about an expensive brand and a less expensive alternative – for example, Bang & Olufsen compared to Sony. What are the differences in the marketing mix for the two brands?

2 The marketing mix 2

A The four Cs, As and Os

Some marketers have supplemented the four Ps (see Unit 1) with new ways of thinking about marketing. The Ps, Cs, As and Os can be combined when looking at the marketing mix.

	4Ps	4Cs	4As	4Os
Product		Customer needs What does the customer need to solve a problem ? For example, people don't have time to cook – we offer the solution of frozen dinners. The company must identify customer needs so that products that meet these needs can be developed (see Units 10–11).	Acceptability How acceptable is the product, and do people approve of the product? Is it socially acceptable – fashionable and attractive ? Does the product respect the laws of the country – is it legally acceptable ?	Objects What do you sell? How is it manufactured , or made? Is it a high quality (or excellent) product, or is it bottom end ?
Price		Cost to user Does the customer perceive the cost of the product as fair, or is it too expensive?	Affordability Does the customer have enough money to buy the product – can he / she afford the product?	Objectives Revenue objectives concern the income you want to generate. Price objectives concern the price you want to sell at.
Place		Convenience How convenient is it to find your product? Is it easy, or does the customer have to make an effort ?	Accessibility Is the product easy to access ? Is the product accessible for people with disabilities?	Organization How should you organize the sale and distribution of your product? Which distribution methods (see Unit 26) will work best?
Promotion		Communication How should you communicate with your customers?	Awareness How many people know about, or are aware of , the product? Is awareness high ?	Operations Which kind of promotional operations , such as direct mail, will work best for the product? (See Units 32–43)

Note: Customer or client? See Appendix I on page 108.

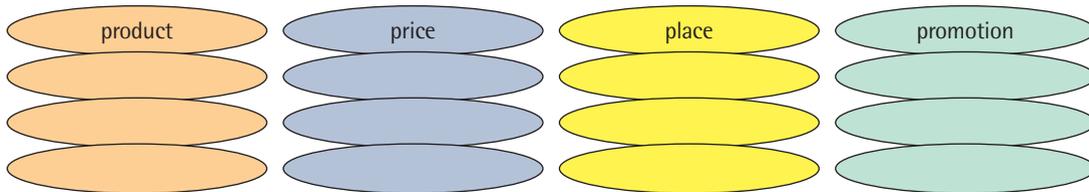
B AIDA

AIDA is an acronym which represents the steps a marketer takes in order to persuade customers to buy a product or service.

Attention	Marketing must first attract the customers' attention to the product. Customers become aware of a product and know it is available.
Interest	Then, marketing must create an interest in the product. Customers will develop an interest in the product.
Desire	Next, marketing must develop a desire to own or have the product so that customers actively want the product.
Action	Finally, marketing must prompt action to purchase, so that customers take steps to buy the product – for example, by going to the shop or ordering it online.

2.1 Put the words and expressions from the box into the correct columns. Look at A opposite to help you.

acceptability	awareness	cost to user	objects
accessibility	communication	customer needs	operations
affordability	convenience	objectives	organization



2.2 Complete the article about a supermarket in-store event using words from the box. Look at A opposite to help you.

awareness	customers	identified	meet	promotional
-----------	-----------	------------	------	-------------

This week, Tesco launches its biggest ever ‘Health Event’ – illustrating its commitment to helping (1) lead a healthy and active lifestyle. The supermarket has (2) health as an important customer concern and is working to (3) the needs of its customers.

Hundreds of (4) operations for healthy products will run all over the store, from fresh produce through to grocery and healthcare lines. Tesco hopes that (5) of its initiative will be high.

2.3 Replace the underlined words and expressions with alternative words and expressions from the box. Look at A opposite to help you.

afford	high quality	revenue objectives
convenient	price	socially acceptable

- 1 Mobile phones are fashionable and attractive to the youth market.
- 2 We have a reputation for providing good standard mobile phones.
- 3 The cost to user of mobile phones is kept down because they are subsidized by the network providers.
- 4 This means more people can have the money to buy the product.
- 5 More and more, customers buy mobile phones online because it is more accessible.
- 6 Expected earnings from 3G phones were not met when the products were first launched.

2.4 Put the words in each sentence in the correct order. Look at B opposite to help you.

- 1 attention attract must product the to We.
- 2 aware become of People brand the will.
- 3 an create in interest need product the to We.
- 4 an customers develop in interest product the to want We.
- 5 a desire develop must our own product to We.
- 6 People steps take it to try will.
- 7 action buy must prompt it to We.

Over to you 

Think about the most recent product you bought. Describe the marketing mix using the 4Cs, the 4As or the 4Os.

3 SWOT analysis

A SWOT analysis

Before entering the marketplace it is essential to **carry out** a **SWOT analysis**. This **identifies** the **strengths** and **weaknesses** of a product, service or company, and the **opportunities** and **threats** facing it. Strengths and weaknesses refer to the product itself and are considered as **internal factors**. The **external factors**, referring to the marketplace, are opportunities and threats.

This is a SWOT analysis of PetraServe, a company which runs motorway service stations.

<p style="text-align: center;">STRENGTHS</p> <p><u>Superior</u> distribution network – we have one of the best.</p> <p>We are the <u>specialist</u> in long-distance petrol needs for lorry and truck drivers – we have experience, knowledge and skill.</p> <p>Consumers see us as a <u>quality brand</u>.</p> <p>Innovative loyalty programme that's <u>unique</u> in the market.</p> <p>We are a <u>profitable</u> company – we're making money.</p> <p>Highly <u>recognizable</u> brand.</p> <p>A <u>global</u> brand.</p>	<p style="text-align: center;">WEAKNESSES</p> <p><u>Undifferentiated offer</u> in terms of basic product – petrol is the same whatever the brand.</p> <p><u>Lack of new products</u> – we need more.</p> <p><u>Ineffective</u> leverage of specialist image – we don't use our specialist image well.</p> <p><u>Inferior</u> communication – we could communicate better.</p> <p><u>Damaged reputation</u> for petrol and fossil fuels – they have a bad image.</p> <p>Consumer loyalty is <u>weak</u>.</p>
<p style="text-align: center;">OPPORTUNITIES</p> <p><u>Developing market</u> for service station shop (confectionery, car maintenance products, etc.).</p> <p><u>Gap in the market</u>: hybrid cars and electric cars will need fuel.</p> <p><u>Huge potential for growth</u> – there is a lot of room to expand into new markets.</p>	<p style="text-align: center;">THREATS</p> <p>Our <u>main competitor</u> is <u>strong</u>.</p> <p><u>Price war</u> in the fuel market is becoming more <u>threatening</u> – all our competitors are cutting prices.</p> <p><u>Emerging trend towards</u> hybrid cars and electric cars.</p> <p><u>Consumer fears</u> about environment and pollution.</p>

B SWOT and marketing strategy

Pat Albright is the senior marketing manager for PetraServe. She's presenting her marketing strategy to the board. The strategy was shaped by the SWOT analysis above.

'We need to **exploit** our **strengths** by making the most of our distribution network and loyalty programme. If we can also **build on strengths** such as our brand image and current profitability, then it'll be easier to **address**, or deal with, **weaknesses** such as the lack of new products. We need to **anticipate the threat** of new hybrid cars and **seize** the new **opportunities** this will bring in terms of providing service points for these cars. The potential price war in the fuel market **poses a serious threat** and we will need to **minimize** the **weaknesses** this may create. Our sector is also **under threat from** the trend towards greater consumer concerns about the environment, but I believe we can **create an opportunity** by **strengthening** our **communication** and **informing consumers** about what we're doing to preserve the environment.'

3.1 The extracts below are from a SWOT analysis. Do they describe strengths, weaknesses, opportunities or threats? Look at A opposite to help you.

- 1 Competition is growing in this market, which could lead to a price war. There are now a lot of sites that offer the same service and product categories as Amazon. Amazon is a global brand but in some local markets the main competitor could be stronger and preferred by consumers.
- 2 Amazon has added a lot of new categories, but this may damage the brand. For example, offering automobiles may be confusing for customers. Due to increased competition, the offer is undifferentiated.
- 3 In 2004 Amazon moved into the Chinese market. There is huge potential here. In 2005 Amazon launched a new loyalty programme, AmazonPrime, which should maximize purchases from the existing client base.
- 4 Amazon is a global brand, operating in over ten countries. It was one of the first online retailers and today it has an enormous customer base. It has built on early successes with books, and now has product categories that include jewellery, toys and games, food and more. It has an innovative Customer Relationship Management programme.

3.2 Complete the table with words from A and B opposite and related forms. Then complete the sentences below using words from the table.

Verb	Noun	Adjective
		opportune
strengthen		
threaten		
weaken		

- 1 Currently, the company is under from its main competitors.
- 2 In order to grow, the company will have to create new, not just exploit existing
- 3 We need to minimize and
- 4 To remain ahead of the competition we will need to anticipate such as increased raw material costs.

3.3 Correct the mistakes using words and expressions from A and B opposite.

- 1 The brand is very strengthened.
- 2 Today, competitor fears about health are one of the biggest threats to the processed food sector.
- 3 An undifferentiated offer will weakness the company in the short term.
- 4 A clear opportunity is a gape in the market.
- 5 We may be threatened by the emerging trend towards online shopping.
- 6 A war of prices has weakened our profitability.

Over to you



Think about the company you work for, or one you would like to work for. Carry out a SWOT analysis of the company. Do the same for a company you would never want to work for.

4 Marketing strategy and the marketing plan

A Marketing strategy vs. marketing plan

A company's **marketing strategy** describes how it will position itself and the **products** it sells or the **services** it **provides** in the **competitive marketplace**. The strategy includes a discussion of target markets, product and pricing policies, and proposed marketing and promotional initiatives (see Units 1–2 for more about the **marketing mix**).

The company's **marketing plan** is the written document which details the **marketing methods** selected (advertising, price promotions, etc.) and specific **marketing actions** or **marketing activities** (for example, a back-to-school promotional offer). It also examines the **resources** needed (both financial and human) to achieve specified **marketing objectives**, such as an increase in sales or a successful product launch, over a given period of time.

B Developing the marketing plan

You can **develop** a **marketing plan** using the stages known as AOSTC (Analysis, Objectives, Strategies, Tactics and Control).

Analysis	Current market situation	Information on the competitors and the marketplace.
	Competitor analysis	The competition in the marketplace. You will also need to include information on their positioning – how they control the way the customers see the products or services.
	Product / service analysis	What you sell or provide, and your Unique Selling Point (USP) – that is, what distinguishes your product or service from others on the market. Originally USP stood for Unique Selling Proposition, a concept developed by Rosser Reeves in the 1940s.
	Target market	Your customer groups or segments – for example, teenagers or business people (see Unit 19).
Objectives	Marketing goals	What you want to achieve, in terms of image and sales.
	Set SMART objectives	<ul style="list-style-type: none"> ■ Specific – Be precise about what you are going to achieve. ■ Measurable – Quantify your objectives. ■ Achievable – Are you attempting too much? ■ Realistic – Do you have the resources to make the objective happen (manpower, money, machines, materials, minutes)? ■ Timed – When will you achieve the objective? (Within a month? By February 2015?)
Strategies	The approach to meeting the objectives	<ul style="list-style-type: none"> ■ Which market segment? ■ How will we target the segment? ■ How should we position within the segment?
Tactics	Convert your strategy into the marketing mix, including the 4 Ps	<ul style="list-style-type: none"> ■ Product ■ Price ■ Place ■ Promotion
Control	Tracking	How the success of the marketing plan will be measured (see Unit 24). How each marketing activity will be assessed.

A summary of the marketing plan, known as the **executive summary**, is included at the beginning of the document. For a list of questions to ask when preparing a marketing plan, see Appendix II on page 109.

4.1 Make word combinations with *market* and *marketing* using words from the box. Then match the word combinations with the definitions below. Look at the page opposite and Appendix II on page 109 to help you.

methods	mix	plan	segments	strategy	target
---------	-----	------	----------	----------	--------

.....

(market)

.....

(marketing)

.....

.....

.....

- 1 groups of consumers with similar needs or purchasing desires
- 2 the consumers, clients or customers you want to attract
- 3 a definition of the company, the product / service and the competition
- 4 detailed information about how to fulfil the marketing strategy
- 5 the techniques you can use to communicate with your consumers
- 6 the combination of different elements used to market a product or service

4.2 You are preparing some slides for a presentation of next year's marketing plan. Choose a title from the box for each image. Look at B opposite to help you.

Competitor Analysis	Target Market	USP
---------------------	---------------	-----



Over to you

Think about a product or service that you use every day. Answer the questions from Appendix II on page 109 in relation to this product or service.

5 Marketing ethics

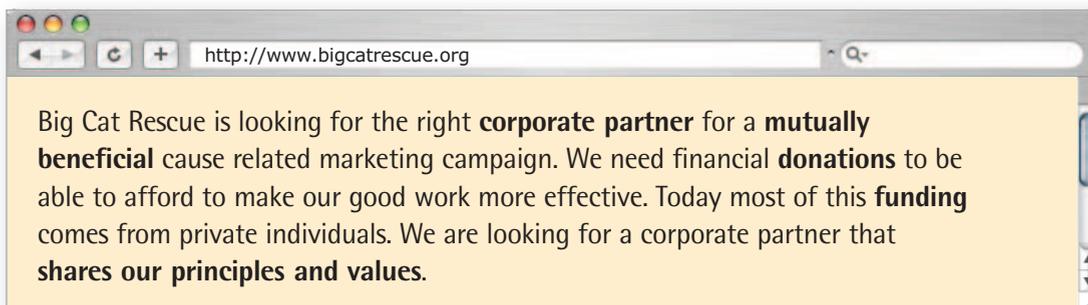
A Social marketing

Social marketing is the use of marketing techniques to **convince** people to change their behaviour for their own good or for the benefit of society. Encouraging smokers to stop smoking or persuading people to eat more fresh fruit and vegetables are examples. The aim of social marketing is to minimize **social problems** such as crime or poverty.

B Corporate social responsibility (CSR)

The advantages for a company of being **socially responsible** – that is, taking positive actions for the benefit of its staff and society as a whole – include enhanced brand image, and greater ease in attracting staff. There are different ways for a company to show **corporate social responsibility (CSR)**.

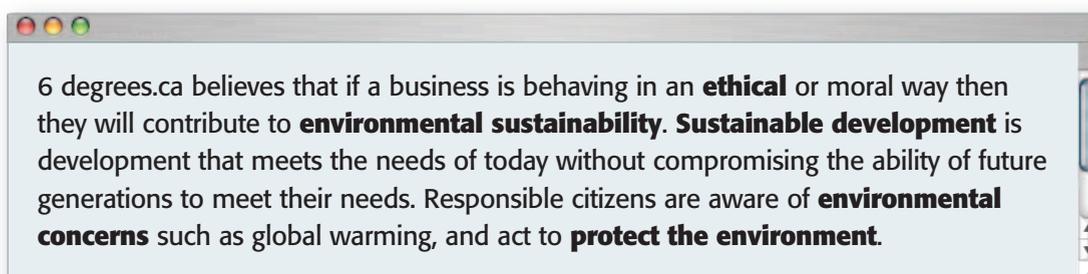
- **Cause related marketing (CRM)** is when a company **donates money to a charity**, a **non-profit organization** or a good cause, such as UNICEF or Oxfam. The brand is then associated with the charity. For example, a US non-profit wild cat sanctuary, Big Cat Rescue, wants to create a **marketing partnership** with another organization:



Note: The abbreviation CRM also refers to Customer Relationship Management – see Unit 23.

- **Green marketing** is the development and distribution of **eco-friendly**, or **environmentally friendly**, goods – for example, washing powder that is not harmful to the environment.

6 degrees.ca is a Canadian web-based forum that promotes green marketing and **environmental protection**:



- **Responsible purchasing** is another way that a company can **build or maintain a good reputation**. Companies can refuse to buy materials or goods made using **child labour** or that have been **tested on animals**. As well as showing concern for **human rights** and **animal testing**, a company can implement a policy of **sustainable purchasing** and only buy products that come from renewable sources.

5.1 Make word combinations using a word from each box. Two words can be used twice. Look at A and B opposite to help you.

animal
 donate
 environmental
 mutually
 responsible
 social
 socially

beneficial
 money
 problems
 purchasing
 responsible
 sustainability
 testing

5.2 Complete the texts describing examples of CSR. Then decide whether the companies are involved in CRM, green marketing or social marketing. Look at A and B opposite to help you.

a

In 2008, we are proud to continue our marketing (1) with the Arlette Foundation. We will promote the (2) in our stores and we will sell a range of products displaying the charity's distinctive logo.

For each product sold, we will (3) money to the Arlette Foundation, with a minimum (4) of £250,000. We are committed to being (5) responsible.

b

The Push Play campaign in New Zealand has successfully (6) New Zealanders to do more exercise. The campaign aimed to limit the twin epidemics of obesity and diabetes, (7) problems now affecting countries worldwide.

c

CASE STUDY: Woody Pens – Designed for the Environment

Instead of making its pens from plastic, Goodkind Pen Company uses wood scraps from local furniture makers, and its pens are designed to be refillable.

By carefully designing its product to be eco- (8) and of high quality, it is mutually (9) for the environment and the consumer. Goodkind has made a product with a super-green profile and, in the process, enjoys a high level of satisfaction from environmentally conscious consumers and companies with a responsible (10) policy. Goodkind embraces environmental (11)

5.3 Complete the table with words from A and B opposite and related forms. Put a stress mark in front of the stressed syllable in each word. The first one has been done for you.

Noun	Adjective	Adverb
en'vironment		
		responsibly
society		socially
		sustainably

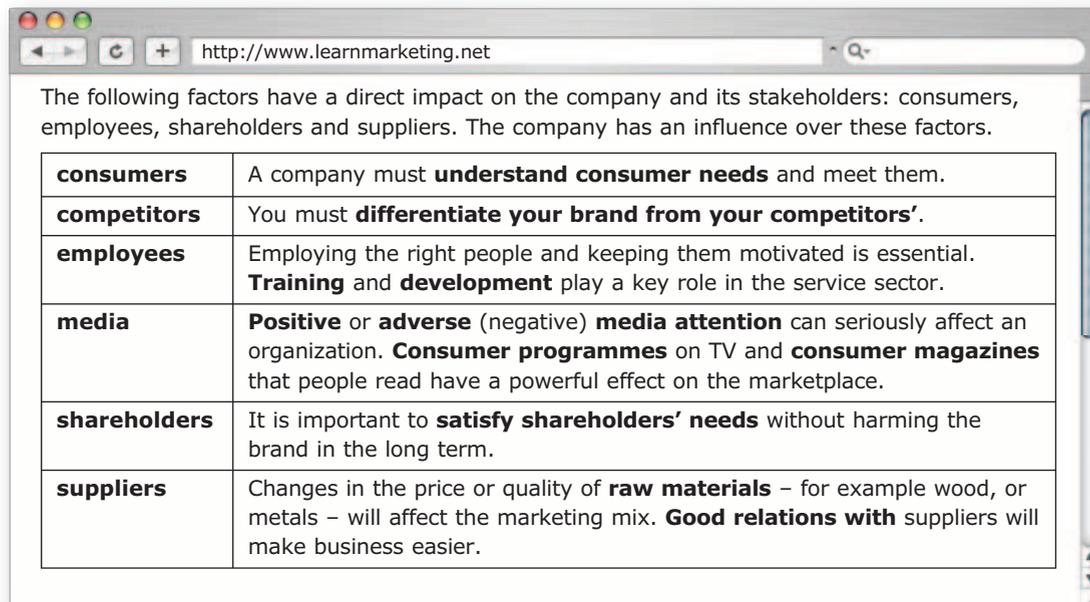
Over to you 

Think about the brands you buy. How does ethical marketing influence your purchasing decisions?

6 The market environment

A The micro environment

Learnmarketing.net provides information for marketing students. Its website says the following about the **micro environment**:



The following factors have a direct impact on the company and its stakeholders: consumers, employees, shareholders and suppliers. The company has an influence over these factors.

consumers	A company must understand consumer needs and meet them.
competitors	You must differentiate your brand from your competitors '.
employees	Employing the right people and keeping them motivated is essential. Training and development play a key role in the service sector.
media	Positive or adverse (negative) media attention can seriously affect an organization. Consumer programmes on TV and consumer magazines that people read have a powerful effect on the marketplace.
shareholders	It is important to satisfy shareholders' needs without harming the brand in the long term.
suppliers	Changes in the price or quality of raw materials – for example wood, or metals – will affect the marketing mix. Good relations with suppliers will make business easier.

B The macro environment: STEP analysis

A **STEP analysis** (also known as a **PEST analysis**) looks at **sociological, technological, economic** and **political** factors in the market environment on a **macro** level – often looking at a particular country or region. The relationship between the company and these factors is indirect. This is a STEP analysis for an online supermarket in Britain.

SOCIOLOGICAL FACTORS

Dominant religions: Mainly Christian, with significant minorities in some regions. Special diets in some areas.

Leisure activities: Watching TV, cooking, socializing.

Gender roles: Now that younger men shop as much as women, we need to target both sexes equally.

Birth rates: Birth rates are continuing to decline, with fewer babies born every year.

Average life expectancy: This is increasing so we should think about products for older customers.

Attitudes to foreign products: Consumers like to experiment with foreign food and drink.

Opinions on environmental issues: We should use only recyclable packaging and hybrid-fuel delivery vans.

TECHNOLOGICAL FACTORS

Innovation and technological advances:

Production: New product lines and product types are continually coming onto the market.

Offer: We now offer a new service – ordering by mobile phone.

Distribution: Online ordering has changed the way supermarkets operate. We no longer need actual shops.

Communication with consumers: Broadband internet connections make it possible to include more product photos on our site. We could even think about adding video.

ECONOMIC FACTORS

The economic forecast is good:

Interest rates: stable at 5%

Unemployment rate: less than 9% of people are out work

GDP (Gross Domestic Product): growing steadily

POLITICAL FACTORS

Political stability: Very good. Consumers feel relaxed about the political situation and ready to use consumer credit.

New tax / business legislation: No changes to the law for our business sector in the near future.

International trade agreements: We can import products from the EU without paying extra import duties.



6.1 Decide whether the following market environment characteristics are micro factors or macro factors. Look at A and B opposite to help you.

	Micro	Macro
1 High unemployment in a region reduces spending on leisure activities.		
2 The internet has opened up new distribution and marketing channels.		
3 Good relations between a supplier and a company mean that goods are always delivered on time.		
4 Legislation in European countries is restricting the right to smoke in public places.		
5 Positive reports in the national press about a brand.		
6 The staff for the telephone hotline of an internet bank are trained to be polite and friendly.		
7 During the FIFA World Cup, more snack food is consumed in front of the TV set.		

6.2 Complete the action plans (1–6) and then match them with the micro factors (a–f). Look at A opposite to help you. The first one has been done for you.

- 1 Convince shareholders that the best way to*satisfy*..... their needs in the long term is to invest in research and development.
- 2 Carry out market research to better needs and desires.
- 3 Prepare a press release for a magazine about the launch of a new product.
- 4 Build and maintain good by always paying on time.
- 5 Do a SWOT analysis to assess how to your brand from your competitors’.
- 6 Implement a training and plan to motivate and keep good members.

- a competitors c employees e shareholders
 b consumers d media f suppliers

6.3 Complete the STEP analysis of France. Look at B opposite to help you.

France is a member of the European Union and as such has trade (1) with the other members. It has one of the worst unemployment (2) in Europe and the government is keen to bring this down.

France has one of the highest (3) rates in Europe (1.9 children per woman) and a large proportion of French mothers go back to work, reflecting changes in (4) roles. Men are almost as likely as women to do the shopping for the family and take care of the children.

The dominant (5) is Catholicism, but there is a large Muslim community. The religious beliefs do not significantly affect the marketplace, except at Christmas and Easter time when the demand for Christmas trees and chocolate increases dramatically.

Internet penetration is high: most households own a computer and have high speed internet access. This has opened up new channels of (6) and there are now several internet grocery stores.

Nearly all teenagers own a mobile phone and they are increasingly using SMS messages to keep in touch with their peers. Marketing campaigns are beginning to exploit this line of (7) by sending SMS messages to their audience.

Over to you 
 Prepare a STEP analysis for the country or region you live in.

7

Legal aspects of marketing

A Legal definitions

The World Intellectual Property Organization gives the following definitions:

Intellectual property refers to creations of the mind: inventions, literary and artistic works, and symbols, names, images and designs used in commerce. Intellectual property is divided into two categories:

- 1 **Industrial property** includes **patents**, which give the **exclusive right** to make, use and sell an invention in a given geographical area; **trademarks** (words or symbols that differentiate a company); and industrial designs. A **granted patent** gives **patent protection** for 20 years in the UK. After that time you must **renew the patent**. In order to **trademark**, or **register your trademark**, you will need to complete a registration process.
- 2 **Copyright** protects literary and artistic works. **Copyright protected work** includes novels, plays, films, musical works, artistic works such as drawings, photographs, and architectural designs. Copyright protected work is said to be **subject to copyright**.

Note: The copyright symbol: ©
 The trademark symbol: ™
 The registered trademark symbol: ®

B Legal problems

Legal problems may arise if another person has used copyright protected work without the **copyright owner's** (or **holder's**) permission. The UK Patent Office says:

'**Intellectual property (IP) crimes** include **counterfeiting** and **piracy**. Counterfeiting is deliberate or **wilful trademark infringement** and piracy is **wilful copyright infringement**. Infringement means **reproducing copyrighted work** without permission from the **IP owner**.'

If a trademark or copyright holder believes that another person has **made unauthorized use of** a trademark or copyright, then this may lead to a **lawsuit**, where one company takes another to court to **enforce the trademark or copyright**. The **infringer**, the person who has broken the copyright, may have to **pay damages or compensation** to the trademark holder, normally financial.

Most company websites include a page called **terms and conditions** or **copyright information**. Visitors to the site must **agree to the terms and conditions**. The terms and conditions usually contain what a visitor may **download** or take from the web page and **post or upload** to the web page, and a **disclaimer** to say the company is not legally responsible for the misuse of its web pages.

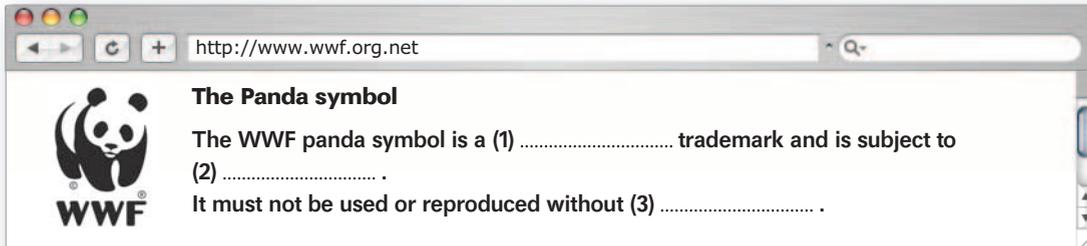
C The Consumer Protection Act

The **Consumer Protection Act** is a law in the UK that protects the consumer from faulty or **defective products**, or products that are not as safe as they are generally expected to be. Consumers are **legally entitled to** goods of a **satisfactory quality**. Producers, suppliers and importers are **liable for** – that is, responsible for – the products they sell. Death, **personal injury** – involving physical **damage** to a person – and damage to **private property** are covered under the act.

Enforcement of the act – that is, making sure the act is respected – is the job of the **trading standards officer**. Businesses need to monitor and control their produce to make sure they are **fulfilling**, or carrying out, all **safety regulations**.

A central part of the law is **product liability**, which means that any person who is **injured** or physically hurt by a defective product does not have to **prove a manufacturer negligent** – that is, at fault – before **suing**, or taking the manufacturer to court.

7.1 Complete the copyright information from the WWF-UK web page. Look at A and B opposite to help you.



7.2 Make sentences using one part from each column. Look at A and B opposite to help you.

1 Patent	must read and agree to the terms	renewed regularly.
2 A granted	protection gives a company the exclusive	to a lawsuit.
3 Wilful trademark	copyright cannot be used without	right to market a product.
4 Visitors to the website	patent must be	permission.
5 Material that is subject to	infringement may lead	and conditions.

7.3 Complete the newspaper report and then match the problems (a–c) with the offered solutions (i–iii). Look at C opposite to help you.

FIGHT FOR YOUR RIGHTS WHEN A DEAL GOES WRONG
 By Ruki Sayid

Stores do their best to part us from our cash, but they are not always as friendly if a (1) is defective. We have teamed up with consumer watchdog *Which?* to offer some help.

a The iron I bought was faulty and I was given a replacement, but that also stopped working after a week. The shop has refused to exchange it, saying the second iron was a gift. Is this correct?

b My parents bought us a washing machine as a present but it exploded when we were out. The smoke and fire damage is extensive. Who is responsible for this?

c I have written many letters to a local supermarket after having found bits of glass in their fresh fruit. I still don't have a satisfactory response.

Which? answers:

i As you did not buy the machine yourself, you have no contract with the shop. But you can claim against the manufacturer under the Consumer Protection Act 1987 for (2) to your house and any (3) injury. Your parents, however, can claim for the machine from the retailer.

ii Try contacting the trading (4) officer. He / she is responsible for (5) of the Consumer Protection Act.

iii No, you are legally (6) to goods of a (7) quality.

Over to you 

Think about intellectual property owned by your business, school or family. What is it, and how is it protected?

8 Research 1

A Types of research

Marketing research is the process of gathering information about a market, analysing it and interpreting it. Although the term **market research** is often used to mean the same thing, technically it only refers to research into a specific market. **Consumer research** – used to discover **behaviour patterns** (how people act) and **customer needs** (see Unit 20) – is an essential element of marketing research. **Motivation research** investigates the psychological reasons why individuals buy specific types of merchandise, or why they respond to specific advertising appeals.

There are two main methods of consumer research:

- **desk (desktop) research** or **secondary research**: an analysis of the information you can find easily without leaving your desk. Examples include the internet, books, newspapers, magazines, and government statistics.
- **field research** or **primary research**: involves talking to people and finding out what they think about a market, a product, a business sector, etc. It is usually **carried out** by market research institutes.

Consumer research can be either **qualitative** or **quantitative**. In qualitative research, small **group discussions** or **in-depth interviews** with consumers are used to understand a problem better. Quantitative research involves **collecting**, or **gathering**, large **samples of data** (for example, on how many people use different products), followed by **statistical analysis** – examining, or **analysing**, the data. Quantitative research is often used to investigate the findings from qualitative research.

Note: The singular noun is (an) **analysis**, and the plural is **analyses**. **Data** is used as both an uncountable noun and as a plural noun. *The data is interesting. The data show interesting trends.* The activity of **analysing data** can also be referred to as **mining data**.

B Research methodology

A student has made notes while reading a book on marketing research techniques.

Focus groups: small groups from the **target group** plus one **moderator** to **mediate** or **run** the session. The moderator prepares questions for the session.

Package test: used to test ideas for new packaging; could be in a focus group.

Taste test: used to test what consumers think about new flavours.

Home test: consumers try the products at home, in a real situation.

A **self-administered questionnaire** is **completed** (or **filled in**) by the respondent, and an **interviewer-administered questionnaire** is filled in on behalf of the respondent by an interviewer.

Telephone surveys are carried out by telephoning the respondent and asking questions.

A **mail survey** is mailed to the respondent, who completes it and posts it back.

Online surveys are administered on the internet.

Mystery shopping: a person poses as a consumer and checks the level of service and hygiene in a restaurant, hotel or shop.

Omnibus surveys: a market research institute **carries out** (or **conducts**) research for several companies at the same time. A long survey is given to respondents; some institutes have a **panel** of existing respondents who are accustomed to answering the surveys.

- 8.1** Match the types of research in the box with the research problems below. Look at A and B opposite to help you.

desktop + secondary	qualitative + field
motivation + primary	quantitative + primary

- The R&D department want to know why people buy mobile phones so that they can develop a new model that answers all the major needs.
- The design team want to know how consumers feel about the new layout of the company website before they finalize and launch the new homepage.
- A manager wants to have financial data on her company, her competitors and the economy in general.
- The marketing team want to have a lot of data on their consumers: age, shopping habits, email address, etc.

- 8.2** Complete the sentences. Look at B opposite to help you.

- A lot of marketing research institutes carry out surveys. They ring people at home and ask them questions.
- A is a small discussion group, led by a who asks questions to get detailed and qualitative information.
- A marketing research institute may prepare a lengthy survey which it posts to consumers at their homes. These surveys have questions from several different companies on them.
- Some questionnaires are completed by the (self-administered questionnaires) and some are completed by the interviewer (..... questionnaires).
- surveys are usually carried out in-store to assess the levels of service quality and cleanliness.
- A test is designed to find out what consumers think about packaging, and a test is to find out what they think about the flavour of a product.

- 8.3** Cross out the incorrect sentence in each group. Look at A and B opposite to help you.

- | | |
|--|--|
| 1 | 4 |
| a We carried out the research last week. | a It can take a long time to mine data. |
| b We conducted the research last week. | b It can take a long time to carry out data. |
| c We collected the research last week. | c It can take a long time to analyse data. |
| 2 | 5 |
| a The respondents completed a questionnaire. | a We are filling in three focus groups. |
| b The respondents analysed a questionnaire. | b We are mediating three focus groups. |
| c The respondents filled in a questionnaire. | c We are running three focus groups. |
| 3 | |
| a We must run the data quickly. | |
| b We must collect the data quickly. | |
| c We must gather the data quickly. | |

Over to you



Think about how you would carry out market research for a completely new product (for example, a light bulb that works without electricity). What kind of research would you conduct during the development phase of the product, and what kind just before the product launch?



9 Research 2

A Describing survey results

There are a number of different ways to talk about survey results.

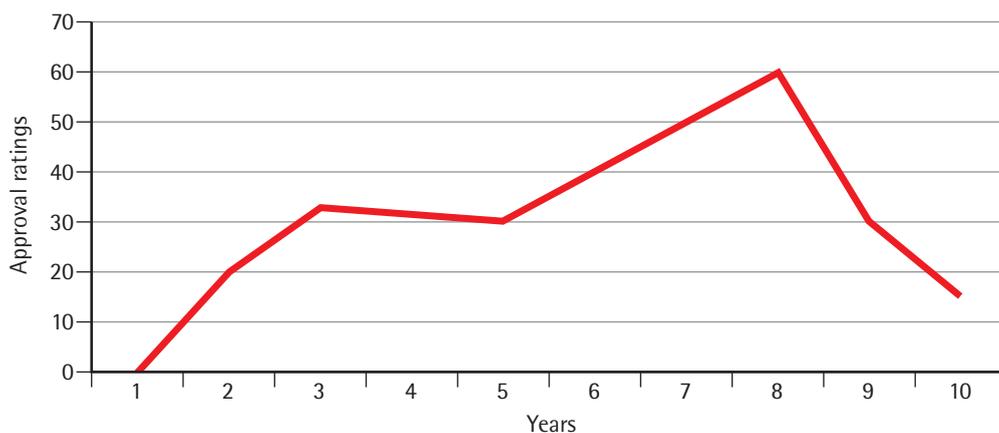
Recent research The survey The latest figures The key findings	highlight(s) indicate(s) reveal(s) show(s) suggest(s)	the need to ... that the respondents feel strongly about ... that the trend is upward ↑ / downward ↓ ... satisfaction with the service – people are happy with it. dissatisfaction with the product range – people don't like it. that our consumers would prefer to see ...
A mere 5% Ten percent Over half Almost 60% Nearly two thirds	of the respondents	said taste was very important. claimed taste influenced their purchase. cited taste as an important part of the decision to buy. rated the new taste better than the old one. thought the taste was much better.

Note: The key findings are the most important findings.

We use *mere* when we want to emphasize that the amount is not large, or not important.
 For more information on talking about figures see Appendix III on page 110.

B Understanding trends and changes

Maggie Potters has just completed a survey of consumer ratings for a brand of mobile phones and is making a presentation to the phone manufacturers.



'The **graph** shows consumer ratings of the product **over a ten-year period**. You can see that after the launch of the product the ratings **rose to** 33%. The trend was **stable** until the arrival of a major competitor in the market. This led to a **slight fall** in approval ratings. The relaunch of the brand invigorated the product and so you can see ratings **rising to** 60%, the ratings **doubled**. However, reports in the national press have had a negative effect on the brand image and approval ratings have **plummeted**. Compared to **the same period last year**, a **significantly** higher number of consumers have a low opinion of the product and the brand image. The percentage of dissatisfied respondents has **trebled**. Although this seems to be very negative, your initial **guesstimates**, your predictions before you had the figures, were much worse.'

- 9.1 Read the extract from a survey of blog readers by Blogads, and correct any mistakes in the sentences below. Look at A opposite and Appendix III on page 110 to help you.

Thanks to the 17,159 blog readers who responded to our survey!

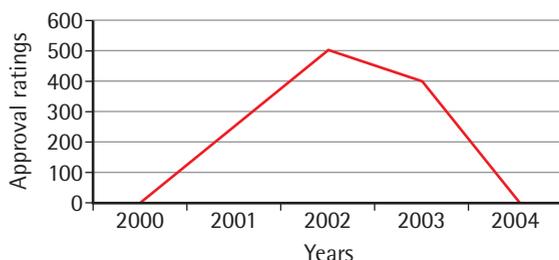
This survey shows that blog readers are older and more affluent than most optimistic guesstimates: 61% of blog readers responding to the survey are over 30, and 75% earn more than \$45,000 a year.

Moreover, blog readers are even more cyber-active than we'd hoped: 54% of their news consumption is online. 21% are themselves bloggers and 46% describe themselves as opinion makers. And, in the last six months, 50% have spent more than \$50 online on books, and 47% have spent more than \$500 online for plane tickets.

Blog readers are big media consumers: 21% subscribe to the New Yorker magazine, 15% to the Economist, 15% to Newsweek and 14% to the Atlantic Monthly. They are also far more male - 79%! - than we expected, versus 56% of NYTimes.com's readers.

- 1 Three quarters of the respondents earn more than \$45,000 a year.
- 2 Almost half of their news consumption is online.
- 3 A mere 79% of respondents are male.
- 4 One out of two respondents has spent more than \$50 online on books.
- 5 The survey suggests that all bloggers are over 30.

- 9.2 Complete the description of the graph. Look at B opposite to help you.



The graph represents intentions to buy (1) a five-year period. The new insurance policy was launched in 2000. After the launch, the intention to buy (2) sharply. A (3) higher number of consumers expressed a strong interest in the policy. This upward trend was (4) for a two-year (5) In 2003 the company started to suffer from a damaged reputation, following allegations of illegal trading on the stock market. This is reflected in the number of intentions to buy, which (6) just before the company name was changed and the policy dropped.

Over to you

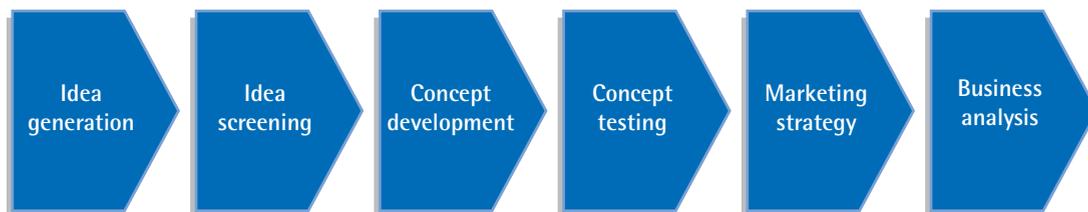


Look at this extract from the blog reader survey mentioned in 9.1 above. Describe the results of the survey as if to your team or manager.

Have you clicked on a blog ad?	Response Percent	Response Total
Yes	66.7%	10161
No	22.4%	3412
Can't recall	10.9%	1661
Total Respondents		15234
(Skipped this question)		1925

10

New product development 1



A Idea generation

Idea generation is the systematic search for **new product ideas**. It is the first step in the **new product development (NPD)** process. NPD is essential for companies to **stay competitive**. Ideas for **product innovation** can come from many sources – for example, internal brainstorming (see Unit 12), distributors, or increasingly from customers. Many companies are adopting a **customer-driven** or **customer-centric** marketing approach, focused on **identifying customer demands** (what customers are asking for) and understanding **consumer needs** (what customers require to solve a particular problem). Market research techniques (see Unit 8) are used to **identify gaps in the market**.

Throughout the NPD process, marketers work closely with **research and development (R&D)** to create original products or to modify or improve existing products. **New recipes** (for example, Vanilla Coke) and **limited** or **special editions** (for example, Christmas tea) are examples of **product improvements** and **product modifications**. The product innovation may target a **mass market** or a specific **niche market** – products for left-handed people, for example.

B Idea screening

Launching new products is a risky business, so new product ideas are **screened** to select, or **spot**, **potentially successful product ideas**. A company has to assess which ideas are **viable** (will survive in a competitive marketplace), **technically feasible** (the company has the skills and resources to produce them), and **profitable** (will make money). The company also considers **overall demand** – how much they can expect to sell.

C Concept development and testing

An attractive idea is developed into several different product concepts. **Concept testing** measures **customer response** to a new product – what customers think of it – and gives an indication of the **level of consumer acceptance** – that is, how readily consumers will use the product. The objective is to successfully introduce the new product onto the market or **penetrate the market**, and to **minimize the research and development costs**.

D Marketing strategy and business analysis

The marketing strategy (see Unit 4) describes how to penetrate the market. You must decide which **route to market** is best for your product or service. You can **produce** it yourself, you can **sell the idea**, or you can **license the product** to another company to produce and market.

Before moving on to the **product development phase** (see Unit 11), businesses need to assess the financial attractiveness of the new product idea. Companies estimate the **sales volume** (how much they will be able to sell), the **selling price** (what consumers will pay for the product or service) and **revenue expectations** (how much income the product will generate).

BrE: **licence (noun), license (verb)**; AmE: **license (noun), license (verb)**

10.1 Find words and phrases in A, B, C and D opposite to make word combinations with the words below.

<div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;">product</div>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;">market</div>
--	--	--	---

10.2 Complete the sentences about new product ideas. Look at A and B opposite to help you.

- 1 A edition pack could be good to celebrate the fiftieth anniversary of the product.
- 2 We must be responsive and-driven. Have we identified the customer needs and demands?
- 3 A recipe would work well for a short time, but does it really show added value?
- 4 I don't think that would be feasible. We just couldn't produce it.
- 5 Is that really going to work? I mean, is it really in our marketplace?

10.3 Complete the text. Look at A, B, C and D opposite to help you.

Here's how I exploited a (1) in the market

Gecko Headgear Ltd is a designer and manufacturer of marine safety helmets, founded in 1993 by Jeff Sacrée. Jeff explains how he spotted a gap in the niche water sports (2)

'As a surfer, I could see a potentially (3) product, a helmet that was both lightweight and heat-retaining.'

'However, surfing is a relatively small market and I began wondering if I could (4) other markets with my helmet design.'

Jeff adds, 'A good relationship with the bank is crucial when you're trying to bring an innovative product to market. In our case the product (5) phase took three years – far longer than we initially expected.' Jeff decided the best (6) to market was to grow his business and produce the helmets himself.



Over to you

Imagine you are talking to Steve Jobs at Apple about his next i-product. Think of three questions to ask him about the product. Think of three more questions you could use to screen his ideas.