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«БРЕСТСКИЙ ГОСУДАРСТВЕННЫЙ ТЕХНИЧЕСКИЙ УНИВЕРСИТЕТ»**

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ПО ЭКОНОМИЧЕСКИМ СПЕЦИАЛЬНОСТЯМ**

Introduction to Marketing

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Основная цель пособия – подготовить студентов к использованию английского языка в их будущей профессиональной деятельности. Пособие направлено на обучение студентов овладению лексикой, используемой в сфере маркетинговых исследований и продвижения товаров и услуг, формирование навыков говорения, чтения и письма, развитие грамматических навыков.

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CHAPTER 1.ECONOMICS AND ECONOMY

UNIT 1.1.Economics.

The word «economics» derives from the Greek word «oikonomika» that means household management. Economics came of age as a separate area of study with the publication of Adam Smith's «The Wealth of Nations». Adam Smith is often considered to be the founder of modern day economics, because he was the first writer to outline and appraise the workings of a free market economy. Smith argued that individuals know best what is good for them. If unrestricted by government controls or private monopolies, people will be motivated by the quest for profit to turn out the goods and services that society wants, people (businesses) will be led as though by an «invisible hand» to attain the greatest economic good for society. Adam Smith's theory that the government should not interfere with business is known as *laissez-faire* capitalism.

Nowadays economics is a social science concerned chiefly with description and analysis of the *production, distribution, and consumption of goods and services*. By goods and services, economists mean everything that can be bought and sold. By produced, they mean the processing and making of goods and services. By distributed, they mean the way goods and services are divided among people. Economists focus on the way in which individuals, groups, business enterprises, and governments seek to achieve efficiently any economic objective they select.

Economics is the study of how, in a given society, choices are made in the allocation of resources to produce goods and services for consumption, and the mechanisms and principles that govern this process. Economics seeks to apply scientific method to construct theories about the processes involved and to test them against what actually happens. Its two central concerns are the efficient allocation of *available resources* and the problem of reconciling finite resources with a virtually infinite desire for goods and services. Economics analyses the ingredients of economic efficiency in the production process, and the implications for practical policies, and examines conflicting demands for resources and the consequences of whatever choices are made, whether by individuals, enterprises, or governments. Economics focuses on the behaviour and interactions of economic agents and how economies work.

In economics, *factors of production, resources, or inputs* are what is used in the production process to produce *output* – that is, finished goods and services. The utilized amounts of the various inputs determine the quantity of output according to a relationship is called the production function. There are three basic resources or factors of production: land, labor and capital. All three of these are required in combination at a time to produce a commodity. *Entrepreneurial ability* is the least familiar of four basic resources. The entrepreneur sets up a business, assembles the needed resources, risks his or her own money, and reaps the profits or absorbs the losses of this enterprise.

Economy is an area of the production, distribution, or trade, and consumption of goods and services by different agents in a given geographical location. The economy is defined as a social domain that emphasizes the practices, discourses, and material

expressions associated with the production, use, and management of resources.

The economy of a country or region is the system by which money, industry, and trade are organized: a capitalist economy, socialist economy, free market economy, mixed economy, domestic economy. The wealth obtained by a country or region from business and industry is also referred to as its economy: the national economy. Economy is also careful spending or the careful use of things to save money, economy of effort I words.

An *economist* is somebody who studies, works, or is an expert in the field of economics. If you economize, you save money by spending it very carefully. To *economize* means to reduce expenditure, or use resources less wastefully. *Economic* means concerned with the organization of the money, industry, and trade of a country, region, or social group. A business that is economic produces a profit. Something that is economical does not require a lot of money to operate. If someone is *economical*, they spend money carefully and sensibly. Economical also means using the minimum amount of something that is necessary.

Economic agents can be individuals, businesses, organizations, or governments. Economic transactions occur when two parties agree to the value or price of the transacted good or service, commonly expressed in a certain currency. Monetary transactions only account for a small part of the economic domain.

Economic activity is spurred by production which uses natural resources, labor, and capital. It has changed over time due to technology (automation, accelerator of process, reduction of cost functions), innovation (new products, services, processes, new markets, expands markets, diversification of markets, niche markets, increases revenue functions) such as that which produces intellectual property and changes in industrial relations.

Ex.1. Complete the following sentences with the appropriate word from the list below.

economic, economics, economize, economical, economist, economy
--

1. A good manager is ...in the use of his funds.
2. A small car is more ...than a large one, because it uses less petrol.
3. An...person serves money and expense wherever possible.
4. An...is a person who studies, teaches, or writes about economics.
5. By exercising strict...he saved enough money to retire early.
6. By using...in buying food and clothes, we were soon able to savemoney for the new car we needed.
7. ... is a social science concerningbehaviour in the fields of production, consumption, distribution, and exchange.
8. If you can... your time, you will get more done in less time.
9. In the long run, it is an...to buy good quality goods, even though they cost more.
10. In times of difficulties we all have to....
11. It is much more ... to buy in bulk.

12. Nations experience different rates of...growth.
13. The country is in a bad...state.
14. The country is in the period of... and industrial crisis.
15. The country's...has grown rapidly in the second half of the 20^h century.
16. The...is a weekly journal published in London since 1843.
17. The loss of business was so great that they had to...on staff.
18. The science or principles of the way in which industry and trade produce and use wealth is called....
19. There are many competing schools of thought in....
20. Unofficial strikes were damaging the British....

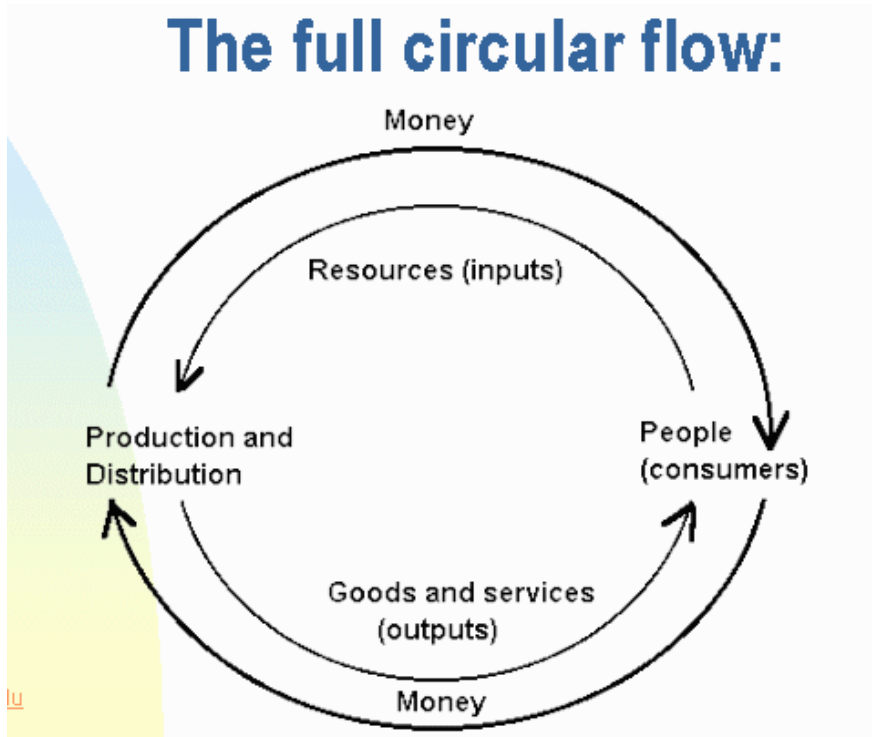
Ex. 2. Match the words listed below with the definitions that follow.

econometrics	wellbeing	wealth
distribution	exchange	money
production	economy	seller
investment	banking	buyer
economist	finance	value
enterprise	income	price

1. The business engaged in by a bank.
2. A person who buys; purchaser; customer.
3. The division of the total income of a community among its members.
4. The application of mathematical and statistical techniques to economic problems and theories.
5. A specialist in economics.
6. The complex of human activities concerned with the production, distribution, and consumption of goods and services.
7. A business unit; a company or firm.
8. The system by which commercial debts between parties in different places are settled by commercial documents, esp. bills of exchange, instead of by direct payment of money.
9. The system of money, credit, etc., esp. with respect to government revenues and expenditures.
10. The amount of monetary or other returns, either earned or unearned, accruing over a given period of time.
11. The act of investing money.
12. The official currency, in the form of bank-notes, coins, etc., issued by a government or other authority.
13. The cost at which anything is obtained.
14. The creation or manufacture for sale of goods and services with exchange value.
15. A person who sells.
16. The worth attached by someone to something.
17. All goods:md services with monetary, exchangeable, or productive value.

18. The condition of being contented, healthy, or successful; welfare.

Ex.3. Describe the picture



Ex.4. Make nouns from these verbs by adding the suffix -er to make the name of the person who does each action. Add as many words as you can to the list.

Verb	Noun
buy	
consume	
export	
farm	
follow	
found	
import	
manufacture	
own	
produce	
purchase	
read	
sell	
supply	
think	
trade	
work	
write	

Ex.5. Group the words that follow into six antonymous groups:

Buyer, expenditure, infinite, consumer, finite, producer,

decline, growth, seller, employment, income, unemployment.

UNIT 1.2. Microeconomics. Supply and Demand

Microeconomics is the study of the economic behaviour of individual consumers, firms, and industries and the distribution of total production and income among them. It considers individuals both as suppliers of labour and capital and as the ultimate consumers of the final product. For the individual or household it is concerned with the optimal allocation of a given budget, the labour supply choice, and the effects of taxation. Microeconomics analyses firms both as suppliers of products and as consumers of labour and capital. For the firm it is largely concerned with the production process, costs, and the marketing of output, dependent on the type of competition faced. Microeconomics seeks to analyze the market or other type of mechanism that establishes relative prices among goods and services and allocates society's resources among their many alternative uses.

Unlike macroeconomics, microeconomics looks at how individual markets work and how individual producers and consumers make their choices and with what consequences. This is done by analyzing how relevant prices of goods are determined and the quantities that will be bought and sold.

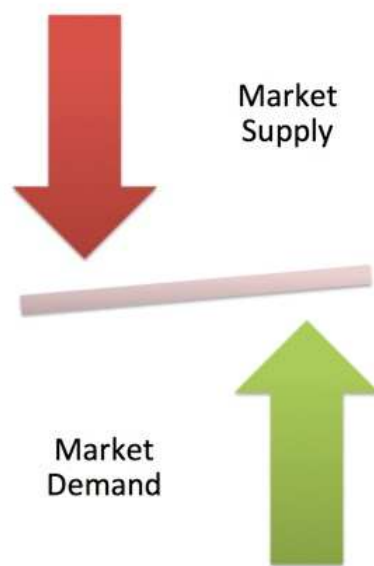
For simplicity, microeconomics begins by analyzing a market in which there is perfect competition, a theoretical state that exists only when no individual producer or consumer can influence the market price. In the real world, there is always imperfect competition for various reasons (monopoly practices, barriers to trade, and so on), and microeconomics examines what effect these have on wages and prices.

Microeconomic analysis offers a detailed treatment of individual decisions about particular commodities. For example, we might study why individual households prefer cars to bicycles and how producers decide whether to produce cars or bicycles. In microeconomic theory, the *opportunity cost*, also known as alternative cost, is the value (not a benefit) of the choice of a best alternative cost while making a decision. Simply put, opportunity cost is what you must forgo in order to get something. The benefit or value that was given up can refer to decisions in your personal life, in a company, in the economy, in the environment, or on a governmental level. For example, someone gives up going to see a movie to study for a test in order to get a good grade. The opportunity cost is the cost of the movie and the enjoyment of seeing it. A player attends baseball training to be a better player instead of taking a vacation. The opportunity cost was the vacation. Jill decides to drive to work instead of taking the bus. It takes her 90 minutes to get there and the bus ride would have been 40, so her opportunity cost is 50 minutes. When the government spends \$15 billion on interest for the national debt, the opportunity cost is the program the money might have been spent on, like education or healthcare.

The central components of microeconomics are demand, supply, and market equilibrium. *Demand* is the quantity of goods or services consumers are willing and able to buy at a given price. Usually the quantity demanded changes as price changes, and we can use a demand curve to represent this change. *Supply* is the quantity of goods or services marketers are willing and able to sell at a given price at a given

period of time.

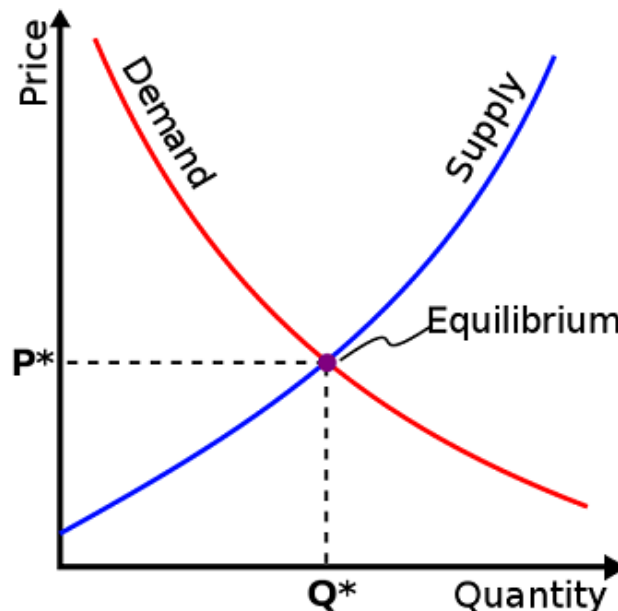
Determination of Equilibrium Market Prices



- Equilibrium means a **state of equality or balance** between market demand and supply
- Prices where demand and supply are out of balance are called points of **disequilibrium**.
- Most demand & supply exam questions present the student with an event(s) that causes either the demand or supply curve (or both) to shift. The student is then expected to find and analyse the new equilibrium.

The *demand curve* is a graphic representation of the relationship between various prices sellers charge for goods or services and the amount of those goods or services buyers will desire to buy at a certain price.

The *supply curve*, or schedule of supply, graphically represents the amount of goods or services marketers will supply at various prices. Demand and supply theories form the core of microeconomics. Market-supply and market-demand curves can be used to find the *equilibrium price* and rate of production in a market.



Price and production rates change until the market reaches the equilibrium price and the equilibrium production rate. This is the price and production rate that clears the market. The market mechanism is not perfect and may fail if there externalities, and it may not allocate income in a desirable way, but it does answer the basic ques-

tions of every economy *what* to produce, *how* to produce, and *for whom* to produce.

Ex. 1. Match the words listed below with the definitions that follow. Look up the words in the Glossary at the back of this book if necessary.

entrepreneur	marketing	labour
competition	taxation	supply
commodity	demand	profit
production	capital	wage
household	budget	firm
monopoly	market	cost

1. An itemized summary of expected income and expenditure of a country, company, etc., over a specified period, usually a financial year.

2. Wealth available for or capable of use in the production of further wealth, as by industrial investment.

3. An article of commerce.

4. The act of competing; rivalry.

5. The price paid or required for acquiring, producing, or maintaining something, usually measured in money, time, or energy; expense or expenditure;-outlay.

6. Willingness and ability to purchase goods and services; the amount of a commodity that consumers are willing and able to purchase at a specified price.

7. The owner or manager of a business enterprise who, by risk, and initiative, attempts to make profits.

8. A business partnership; any commercial enterprise.

9. The people living together in one house collectively.

10. Productive work, esp. physical toil done for wages.

11. An event or occasion usually held at regular intervals, at which people meet for the purpose of buying and selling merchandise.

12. The provision of goods or services to meet consumer needs.

13. Exclusive control of the market supply of a product or service; an enterprise exercising this control.

14. The creation or manufacture for sale of goods and services with exchange value.

15. Excess of revenues over outlays and expenses in a business enterprise over a given period of time, usually a year.

16. The amount of a commodity that producers are willing and able to offer for sale at a specified price.

17. The act or principle of levying taxes or the condition of being taxed.

18. Payment in return for work or services, esp. that made to workmen on a daily, hourly, weekly, or piece-work basis.

Ex. 2. Group the following words into six synonymous groups.

allocation, drop, recession, complicated, fall, rises,
shortage, slump, sophisticated, distribution, increase, scarcity

Ex. 3. Group the words that follow into eight antonymous groups

complexity, demand, output, simplicity, consumer, fall, producer, shortage,

supply, consumption, increase, production, surplus, decrease, input, rise

Ex.4. Complete the following sentences with the appropriate terms from the list below.

factors of production, market demand, government failure, demand theory, market mechanism, supply theory, equilibrium price, factor market, opportunity cost, laissez faire, microeconomics, demand, market shortage, market, shift in demand, supply

1. ...is the theory that concerns the relationship between the demand for goods and their prices.
2. When quantity demanded equals quantity supplied, this correspondence establishes the....
3. Resources are exchanged for money in a
4. Households are suppliers of...in the factor market.
5. ...is a term that describes government interference with markets that worsens economic outcomes.
6. ...is the theory that government should not interfere in most economic affairs.
7. Any place where individuals get together to buy or sell is referred to as a... .
8. The sum of the quantities demanded by all of the individual buyers in a market at every price is called
9. When prices are determined by buyers and sellers in a market, the economy is using the...to allocate resources.
10. A decline in market prices below the market equilibrium level causes a
11. The branch of economics that focuses on the activities of individual decision-making units is....
12. The value of the next most desirable use of resources is called the....
13. Changes in tastes, income, or prices of other goods may cause a
14. The amount of a commodity that producers are willing and able to offer for sale at a specified price is....
15. The theory, largely based on producer theory, analyzing the way in which goods and services are brought to the market by firms or entrepreneurs is called....
16. The amount of a commodity that consumers are willing and able to purchase at a specified price is

Ex.5. Fill in the gaps with the necessary prepositions.

1. You should pay for the goods ... 30 days.
2. If we concentrate ... the problem, we will find the solution.
3. The results of his work do not compare ... those of the average employee.
4. It can be done only ... certain conditions.
5. Their control ... the marketplace is insignificant.
6. Have you investigated the demand ... this product?
7. They cannot influence ... the situation.
8. Our products are known ... the borders of the country.
9. What price have you charged ... our new TV set?
10. Their policy will lead ... the failure, I'm afraid.
11. She asked them ... financial support but they refused.
12. We work ... maximizing our profit.
13. I don't want you to interfere ... my business.
14. Their influence ... her is enormous.
15. We can't rely ... his information because we have no factual evidence.
16. Refer ... some other sources of

information. 17. They are not concerned ... production. They are distributors.

UNIT 1.3. Macroeconomics

Macroeconomics is one of the two major fields of standard economics. It is the branch of economics that examines and explains economic facts in the aggregate, i.e. in totals for the whole community or nation. It is concerned with the study of whole economies or systems, including such aspects as government income and expenditure, the balance of payments, interest rates, fiscal policy, investment, inflation, money, consumption, employment and unemployment, GDP. The gross domestic product (GDP) measures of national income and output for a given country's economy. The gross domestic product (GDP) is equal to the total expenditures for all final goods and services produced within the country in a year.

GDP measures a country's economic activity. A healthy economy grows steadily, over a period of months or years. When the international activities of a country's residents are added to GDP, a wider more global measure of a country's total economic activity is created: gross national product or GNP. Both measures tell more or less the same story – GDP concentrates on the purely «domestic» production of goods and services covering only the economic activity which takes place within the country's borders, while GNP includes net international trade and investment, which includes everything from exports of movies and compact disks to foreign earnings and travel abroad. GDP and GNP try to measure every legal good and service that an economy produces.

Macroeconomics seeks to understand the influence of all relevant economic factors on each other and thus to quantify and predict aggregate national income. Its main purpose is to explain the alternating periods of expansion and contraction known as *the business cycle*. The top of a cycle is called the *peak*. A very high peak, representing a big jump in output, is called a boom. When the economy starts to fall from that peak, there's a downturn in business activity. If that downturn persists for more than two consecutive quarters of the year, that downturn becomes a *recession*. In a *recession* the economy isn't doing so great; many people are unemployed and a number of people are depressed. A large recession is called a depression. There is no formal line indicating when a recession becomes a depression. In general, a depression is much longer and more severe than a recession. This ambiguity allows some economists to joke, «When your neighbor is unemployed, it's a recession; when you're unemployed, it's a depression». It is generally accepted that if unemployment exceeds 12 percent for more than a year, the economy is in a depression.

Macroeconomics emphasises the interactions in the economy as a whole. It deliberately simplifies the individual building blocs of the analysis in order to retain a manageable analysis of the complete interaction of the economy. For example, macroeconomists typically do not worry about the breakdown of consumer goods into cars, bicycles, televisions, and calculators. They prefer to treat them all as a single bundle called «consumer goods» because they are more interested in studying interaction between households' purchases of machinery and buildings.

Today economists focus on aggregate demand and aggregate supply to explain

how the economy works. These concepts are the macroeconomic counterparts to demand and supply in individual markets. Shifts in aggregate demand and/or aggregate supply can lead to unemployment, inflation, or, worse yet, stagflation - a combination of the two. Modern macroeconomics may be summarised as an attempt to assess how stable the economy is and what forces cause instability, and to establish what role, if any, the government should play in the economy to promote steady economic growth.

Ex. 1. Match the words listed below with the definitions that follow. Look up the words in the Glossary at the back of this book if necessary.

macroeconomics, recession, investor, consumption, prosperity,
output, expenditure, currency, deficit, resurgence, payment, credit,
depression, inflation, crisis, stagflation, savings, price

1. Expenditure on goods and services for final personal use.
2. The sum of money that a bank makes available to a client in excess of any deposit; the practice of permitting a buyer to receive goods or services before payment.
3. An unstable period, esp. one of extreme trouble or danger in politics, economics, etc.
4. A metal or paper medium of exchange that is in current use in a particular country.
5. The amount by which an actual sum is lower than that expected or required.
6. An economic Condition characterized by substantial and protracted unemployment, low output and investment, etc.; an extended slump in business activity.
7. Something expended, such as time or money.
8. A continual increase in prices throughout a nation's economy.
9. One who lays out (money or capital in an enterprise, esp. by purchasing shares) with the expectation of profit.
10. The branch of economics concerned with the economy as a whole, including total production, overall employment, and general price levels.
11. The act of production or manufacture.
12. Payment - a sum of money paid.
13. The cost at which anything is obtained.
14. The condition of prospering; success or wealth
15. A period of decreased business activity.
16. The act of rising again, as to new life, vigor, etc.
17. Money saved for future use.
18. A situation in which inflation is combined with stagnant or falling output and employment.

Ex.2. Group the following words into nine synonymous groups

aggregate, extend, outcome, slump, consider, fall,
prediction, techniques, control, forecast, recession, total,

depression, manage, result, treat, discuss, methods, rise, widen
Ex.3. Group the words that follow into eight antonymous groups

abundance, deficit, expenditure, simple, complicate, deflation,
 income, simplify, complicated, employment, inflation, spending,
 contraction, expansion, investment, unemployment

Ex. 4. Complete the following sentences with the appropriate terms from the list below.

macroeconomic, equilibrium, business cycle, aggregate demand, price stability,
 aggregate, supply, labour force, macroeconomics, inflation, unemployment, deflation

1. ...is the sum of demands for all the goods and services in an economy at any particular time.
2. ...is the total supply of all the goods and services in an economy.
3. The observed pattern of economic growth and contraction is known as the... .
4. A reduction in the level of total spending and economic activity resulting in lower levels of output, employment, investment, trade, profits, and prices is known as
5. When the average level of prices increases continuously, the process is known as....
6. Every person 16 years of age or older who is either employed for pay or actively seeking employment is considered a part of the....
7. The branch of economics that focuses on the behaviour of the entire economy is
8. For...to occur, aggregate supply must equal aggregate demand.
9. When the inflation rate is low and does not vary much, we say there is... .
10. An inability to find work although it is actively sought is called....

Ex. 5. Match the halves

<ol style="list-style-type: none"> 1. Economy is 2. Economics is 3. Learning economic reasoning 4. Opportunity costs are 5. Resources refer to anything 6. Demand is 7. Supply is 8. Economic competition often leads 9. Pure competition exists 10. Industries with only one producer 11. Making the right prediction can 12. Whatever is not consumed in the country 13. Policymakers use GNP 	<ol style="list-style-type: none"> a. that can be used to manufacture products. b. to lower prices and the introduction of differentiated products. c. determine whether the business will be profitable or not. d. can be sold to other countries as exports. e. to forecast trends and the analyze the economy's performance. f. when there are no barriers to competition. g. are called monopolies. h. means learning how to think as an economist. i. willingness and ability to purchase goods and services. j. a community's system of wealth creation. k. social science concerning behaviour in the fields of production, consumption, distribution, and exchange. l. providing of what is needed. m. benefit lost by not employing an economic
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UNIT 1.4. Market

A market is one of the many varieties of systems, institutions, procedures, social relations and infrastructures whereby parties engage in exchange. While parties may exchange goods and services by barter, most markets rely on sellers offering their goods or services (including labor) in exchange for money from buyers. It can be said that a market is the process by which the prices of goods and services are established. Markets bring together buyers and sellers of goods and services. In some cases, such as a local fruit stall, buyers and sellers meet physically. In other cases, such as the stock market, business can be transacted over the telephone, almost by remote control.

Markets vary in form, scale (volume and geographic reach), location, and types of participants, as well as the types of goods and services traded; nevertheless, violence and extortion are common to many markets. The following is a non exhaustive list:

- *Physical consumer markets* (food retail markets, retail marketplaces, big-box stores like supermarkets and hypermarkets, used goods markets, etc.)

- *Physical business markets* (physical wholesale markets: sale of goods or merchandise to retailers, to industrial, commercial, institutional, or other professional business users or to other wholesalers and related subordinated services; markets for intermediate goods used in production of other goods and services; labor markets: where people sell their labor to businesses in exchange for a wage)

- *Non-physical markets* (media markets, Internet markets or electronic commerce, artificial markets created by regulation to exchange rights for derivatives that have been designed to ameliorate externalities, such as pollution permits).

- *Financial markets* (Financial markets facilitate the exchange of liquid assets, like shares and bonds).

There are also:

- *currency markets* are used to trade one currency for another, and are often used for speculation on currency exchange rates

- *the money market* is the name for the global market for lending and borrowing

- *futures markets*, where contracts are exchanged regarding the future delivery of goods are often an outgrowth of general commodity markets

- *prediction markets* are a type of speculative market in which the goods exchanged are futures on the occurrence of certain events. They apply the market dynamics to facilitate information aggregation.

In most markets there is a definite market leader: the firm with the largest market share. This is often the first company to have entered the field, or at least the first to have succeeded in it. Market leaders usually want to increase their market share even further, or at least to protect their current market share. One way to do this is to try to find ways to increase the size of the entire market.

In many markets there is often also a distinct market challenger, with the second largest market share. In the car hire business, the challenger actually advertises this fact: for many years Avis used the slogan «We're number two. We try harder». Market challengers can either attempt to attack the leader, or to increase their market share by attacking various market followers.

A market follower which does not establish its own niche is in a vulnerable position: if its product does not have a «unique selling proposition» there is no reason for anyone to buy it. In fact, in most established industries, there is only room for two

or three major companies, for example Belarusian market of mobile connection.

Ex. 1. Look through the following list of the derivatives and complete the sentences given below

market, to market, marketeer, marketing, marketable, marketability, marketer
--

1. Fruit and vegetables are much cheaper from/in/on the ... than in supermarket.
2. ... were trying to convince men that such products were not just for women.
3. We like to get the ... done on Thursday so we can have the weekend free.
4. How do you expect us to sell something that has such low
5. She's hoping for a career in ..., advertising or public relations.
6. We estimate the potential ... for the new phones to be around one million people in this country alone.
7. We put our house on the ... as soon as house prices started to rise.
8. The indoor flower ... is a big tourist attraction.
9. Dad's gone ... but he'll be back in an hour.
10. Thanks for the offer but I'm not in the ... for another car at the moment.
11. Our ... people have come up with a great idea for the launch of the model.
12. This is a highly ... product.
13. Free ... are vehemently opposed to the safety regulations which they say will increase employers' costs.
14. They are asking \$60000 for their flat, but the ... price is nearer \$55000.
15. The product would have sold more if it had been ... better.

Ex. 2. Match the two halves of the following compound nouns

1. auction	a) plan
2. merchandising	b) site
3. feedback	c) board
4. platform	d) discussion
5. forum	e) market
6. research	f) ecommerce

Ex. 3. Describe the picture

The Characteristics of a Free Market



Ex. 4. Read the text about target market. Find target market for following businesses. Explain your point of view.

Café coffee house pizzeria five stars hotel
SPA saloon Business school Tattoo saloon

Target market

A target market is the market a company wants to sell its products and services to, and it includes a targeted set of customers for whom it directs its marketing efforts. Identifying the target market is an essential step in the development of a marketing plan. A target market can be separated from the market as a whole by geography, buying power, demographics and psychographics. A target market consists of customers that share similar characteristics, such as age, location, income and lifestyle, to which a business directs its marketing efforts and sells its products. As marketing efforts are becoming increasingly online based, the need to find the right market for marketing campaigns is essential. One of the first steps in developing an effective marketing campaign is determining an appropriate target market so that marketing goals can be set and implemented.

Target markets can be separated into primary and secondary target markets. Primary target markets are those market segments to which marketing efforts are primarily directed and secondary markets are smaller or less important. For instance, the primary target market for a jewellery store might be middle aged women who care about fashion, and their secondary target market could be middle aged men who may want to buy gifts for the women in their lives. It is important for a business to identify and select a target market so it can direct its marketing efforts to that group of customers and better satisfy their needs and wants. This enables the business to use its marketing resources more efficiently, resulting in more cost and time efficient

marketing efforts. It allows for better understanding of customers and therefore enables the creation of promotional materials that are more relevant to customer needs. Also, targeting makes it possible to collect more precise data about customer needs and behaviors and then analyze that information over time in order to refine market strategies effectively.

Target markets or also known as target consumers are certain clusters of consumers with similar or the same needs that most businesses target their marketing efforts in order to sell their products and services. Market segmentation including the following:

Geographic – Addresses, Location, Climate, Region

Demographic / socioeconomic segmentation– Gender, age, wage, career, education.

Psychographic– Attitudes, values, religion, and lifestyles

Behavioral segmentation– occasions, degree of loyalty

Product-related segmentation– relationship to a product

*Ex. 5. Read the text about **needs and wants**. Write an essay about your family and your friends needs and wants.*

A *need* is something you have to have, something you can't do without. A good example is food. If you don't eat, you won't survive for long.

A *want* is something you would like to have. It is not absolutely necessary, but it would be a good thing to have. A good example is music. Now, some people might argue that music is a need because they think they can't do without it. But you don't need music to survive. Abraham Maslow a US psychologist, developed the well known «Hierarchy of needs» motivation theory. Under this theory Maslow suggests that everybody has a series of needs and these needs can be organized into a hierarchy of priority. Maslow also stated that if you want to motivate an individual you will need to know which of their needs have been satisfied.

There are five hierarchical levels: physiological needs, safety needs, social needs, esteem needs and self actualization needs.

Physiological needs: This category holds basic survival needs such as food, clothes, shelter and sexual satisfaction.

Safety needs: This category encompasses the need to feel safe within your environment. As this includes emotional as well as physical safety, the need to be free from anxiety is part of this group of needs.

Social Needs: This need category is about companionship, it includes the need for love, friendship and belonging.

Esteem needs: This higher level need focuses on things that make a person feel better about themselves, the need for self respect, status and recognition from others.

Self actualization: This category is about excelling in your life, personal achievement and reaching your potential.

UNIT 1.5. The Belarusian economy

Belarus has a rather developed economy. It retained well-developed industrial base following the break-up of the USSR. The country also has a broad agricultural base and a high education level. Among the former republics of the Soviet Union, it had one of the highest standards of living. Nowadays approximately 5.3 million

people contribute to the economy of Belarus. Of this total, 42 percent are employed in industry; 21 percent in agriculture and forestry; 17 percent in culture, education, and health services; 7 percent in trade; 7 percent in transportation, and 6 percent in miscellaneous pursuits.

Official unemployment rate is lower than 1%. Methods of International Labour Organization (international standard) also include job-seekers who are not registered officially. Many unemployed people in Belarus are trying to avoid registration, because of obligatory public works, while unemployment benefits are very low. In July 2012 World Bank concluded that the real unemployment rate is seven times higher than the official rate.

The Gross Domestic Product (GDP) in Belarus was worth 54.61 billion US dollars in 2015. The GDP value of Belarus represents 0.09 percent of the world economy. GDP in Belarus averaged 32.27 USD Billion from 1990 until 2015, reaching an all time high of 76.10 USD Billion in 2014 and a record low of 12.14 USD Billion in 1999. Belarus is a member of Commonwealth of Independent States (CIS) and Eurasian Economic Union (EAEU).

Belarus is relatively poor in terms of natural resources. It does not have vast amounts of most of the minerals used in modern industrial production. The country has small reserves of petroleum and natural gas.

In the south-west there are small reserves of hard coal, brown coal, and petroleum, but they are not easily accessible and remain undeveloped. The country has large forest reserves. About one-third of the republic is covered in forest.

Belarus does possess, however, one of the world's largest reserves of potassium salts - discovered in 1949 south of Minsk and exploited from the 1960s around the new mining town and fertilizer-manufacturing center of Soligorsk. Although exports of potash to other former Soviet republics declined significantly in the 1990s, exports to other countries remained at a high level.

The country also is a world leader in the production of peat, which is especially abundant in the Pripyat Marshes. Peat is used as a mulching material in agriculture. In briquette form it is used as fuel.

Among the other minerals recovered are salt, an important deposit of which, near Mozyr, was opened in the 1980s; building materials, chiefly limestone and, near Grodno, quartz sands for glassmaking, both used locally; and small deposits of gold and diamonds.

Belarus is heavily reliant on oil and gas supplies from Russia. These fuel imports reach Belarus via two major pipelines: the Friendship Pipeline carrying oil, and the Natural Lights Pipeline carrying natural gas. The government is attempting to accelerate the development of its raw-material base, but Belarus remains dependent on Russia for most of its energy and fossil-fuel requirements.

Belarus generates only about 12 percent of its own energy needs. Nearly all electricity is generated at thermal power stations using piped oil and natural gas; however, there is some local use of peat, and there are a number of low-capacity hydroelectric power plants.

Belarus is a highly developed industrial country. The main industries include machine building, instrument making, chemicals, timber processing, textile and clothing manufacture, and food processing.

Manufacturing contributes most of the country's industrial output. The country is known for its heavy-duty trucks, transport vehicles, and tractors. Belarus also manufactures computers, engineering equipment, metal-cutting tools, and such consumer goods as clocks and watches, motorcycles, bicycles, refrigerators, radios, television sets and others. Forests yield many wood products, including furniture, matches, plywood and paper goods. Heavy industry is the most highly developed sector of the economy. Machine-building industry is mostly concentrated in Minsk. It makes various types of tractors, heavy-duty trucks, other heavy machinery and electrical equipment. Minsk's satellite town, Zhodzino, produces large-capacity dump trucks. Dump trucks are also made in Moghilyov.

Agriculture accounts for about a seventh of Belarus' economic output. Belarus has a large amount of farmland. But a short growing season and a lack of fertile soil make farming difficult. Most of Belarus has soils of only moderate fertility, but the better-drained uplands can be productive with fertilizer application. Considerable areas of the swampy lowlands have been drained since the late 19th century, with much of the reclaimed land being used for fodder crops. The agricultural sector in Belarus is dominated by large state and collective farms. State farms operate like government factories, called *sovkhozy*.

Independent Belarus restructured its banking system into a system consisting of the National Bank of Belarus and a number of commercial banks. Six commercial banks, four formerly state-owned specialized banks Belagroprombank (agricultural sector), Promstroibank (industrial sector), Vneshekonombank (foreign trade), and Belarusbank (savings bank) and two universal banks (Priorbank and Belbusinessbank) dominated the banking system. These banks account for over 80 percent of the banking system outstanding loans and approximately 70 percent of domestic currency deposits. In 1992 Belarus became a member of the International Bank for Reconstruction and Development, the International Monetary Fund, and the European Bank for Reconstruction and Development.

Belarus has an extensive transportation system, including railroad and highway networks connecting its cities with other major European cities. Belarus has several international airports, the largest of which is Minsk-2, located about 50 km east of its capital.

Ex. 1. Match the words listed below with the definitions that follow. Look up the words in the Glossary at the back of the book if necessary.

supermarket, currency, imports, output, expenditure, inflation, exports, crop, workforce, meadow, partner, soil, farmland, industry, pasture, livestock, security, upland

1. The produce of cultivated plants, esp. cereals, vegetables, and fruit.
2. A metal or paper medium of exchange that is in current use in a particular country.
3. Something expended, such as time or money.
4. Goods or services sold to a foreign country or countries.
5. Land used or suitable for farming.
6. Goods or services that are bought from foreign countries.

7. Organized economic activity concerned with manufacture, extraction and processing of raw materials, or construction.

8. A progressive increase in the general level of prices brought about by an expansion in demand or the money supply or by autonomous increases in costs.

9. Cattle, horses, poultry, and similar animals kept for domestic use but not as pets, esp. on a farm or ranch.

10. An area of grassland, often used for hay or for grazing of animals.

11. The act of production or manufacture.

12. An ally or companion.

13. Land covered with grass or herbage and grazed by or suitable for grazing by livestock.

14. A certificate of creditorship or property carrying the right to receive interest or dividend, such as shares or bonds.

15. The top layer of the land surface of the earth that is composed of disintegrated rock particles, humus, water, and air.

16. A large self-service store retailing food and household supplies.

17. An area of high or relatively high ground.

18. The total number of workers employed by a company on a specific job, project, etc.

Ex. 2. Group the following words into eight synonymous groups:

amount, low-priced, occupation, swamp, cheap, machinery,
profession, various, equipment, marsh, pursuit, vast, extensive,
miscellaneous, quantity, inexpensive, need, requirement

Ex. 3. Group the words that follow into six antonymous groups:

cheap, high, poor, rich, employment, long, private, short,
expensive, low, public, unemployment

Ex. 4. Complete the following sentences with the appropriate terms from the list below.

agriculture, industrial production, CIS countries' markets, energy needs, livestock, farming, farmland, potassium salts, forest reserves, service industries, heavy industry, small businesses, industrial output, trading partner
--

1. Minerals are used in modern....

2. The country has large....

3. Belarus possesses one of the world's largest reserves of....

4. Belarus generates only about 12 percent of its own....

5. Manufacturing contributes most of the country's....

6. ...is the most highly developed sector of the economy.

7. ...accounts for about a seventh of Belarus' economic output.

8. Belarus has a large amount of....

9. A short growing season and a lack of fertile soil make...difficult.

10. Cattle, hogs, and sheep are the most important ...raised in the country.

11. ... are industries that produce services, not goods.

12. Many individuals and families are starting....

13. A great amount of goods produced by Belarusian industries and agriculture is oriented towards the

14. Russia, which supplies most of the country's fuel imports, is the most important....

Ex. 5. Do you think the following statements are true or false? Discuss your answers in pairs.

1. The national economy of Belarus is well-developed.

2. Belarus has vast amounts of most of the minerals used in modern industrial production.

3. The country has large reserves of petroleum and natural gas.

4. The country is a world leader in the production of peat.

5. Belarus is heavily reliant on oil and gas supplies from Russia.

6. Belarus satisfies all its energy needs.

7. Heavy industry is the least developed sector of the economy.

8. The chief chemical product is potassium fertilizer.

9. The Gomel area is Belarus' leading manufacturing center.

10. Agriculture accounts for about a half of Belarus' economic output.

11. Belarus has a large amount of farmland.

12. The agricultural sector in Belarus is dominated by private farms.

13. The transition to private farms proved to be slow and difficult.

14. Service industries are well developed in Belarus.

15. Belarus proper consumes most of the goods produced.

16. Belarus has an extensive transportation system

CHAPTER 2. MARKETING

UNIT 2.1. What is marketing?

Each day is filled consuming products made available by an extremely sophisticated and efficient marketing infrastructure. Marketing is a powerful force in our society. Marketing is everywhere. You see it. You hear it. You wear it. Everywhere you go, you are exposed to some marketing message.

Marketing is the study and management of exchange relationships. The American Marketing Association has defined marketing as «the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large». Marketing is used to create the customer, to keep the customer and to satisfy the customer.

Marketing is responsible for creating demand, products, and jobs in many fields such as research and development, transportation, advertising, and retailing. And marketing satisfies consumers, which in turn increases their standards of living.

Each and every person in the world is a target for some marketer. After all, everyone eats, shops, and dreams of owning something of particular value to them. In their everyday lives people continuously interact with marketers and even perform the role

of marketer at times. You are marketing clothing and shoes for Nike whenever you wear their products flashing the company name. You are marketing yourself when you send out your resume to a potential employer. Marketing is an exciting, dynamic field, a subject worth studying for several reasons. Each of us also pays for marketing – when we buy a product, part of the money we spend covers the advertising, promotional, packaging, and research costs for the item.

Most people, if asked, would say that marketing is just selling or advertising. Given the number of commercials on television, in magazines and newspapers and all the signs and offers in and around the shops this is not surprising. However, advertising and selling are only the tip of the marketing iceberg. Marketing includes selling and advertising activities, but it is much more.

Someone is always trying to sell us something, so we need to recognize the methods they use. Students also need to know marketing in their roles as consumers and citizens. When students enter the job market, they must do «marketing research» to find the best opportunities and the best ways to «market themselves» to prospective employers. Many will start their careers with marketing job in sales forces, in retailing, in advertising, in research, or in one of a dozen other marketing areas.

Marketing must not be understood as salesmanship which means manufacturing something and making another person want it. Marketing is the art of finding out what the other person wants, then manufacturing it for him. And finally, marketing is a major force in our society responsible for the quality of life we enjoy and the satisfaction we receive.

Ex. 1. Give English equivalents for:

удовлетворять требования потребителя с выгодой, со- действовать отношениям обмена, динамичная среда, создание и продвижение товаров, процесс управления, принимать решения, решать проблему, поток товаров и услуг, маркетинговые инструменты, отдел маркетинга, реклама на телевидении, искусство продаж, покупать, продавать

Ex. 2. Decide whether the following statements are true or false.

1. Advertising is a part of marketing.
2. Selling is the most important function of marketing.
3. Marketing means manufacturing something and making another person want it.
4. The marketing department creates customer satisfaction by itself.
5. Satisfying customer needs is a key to success.
6. Marketing is used only by producers.
7. The basic concept of marketing is essential to all types of organizations.
8. Everyone must know the methods used in marketing.
9. Students need to know marketing in their roles as consumers and citizens.
10. Think of your own true or false statements using the text.

Ex. 3. Find 12 useful words connected with marketing. Read vertically, horizontally or diagonally:

A	Q	P	R	I	C	E	M	P	A	L	N
C	U	S	T	O	M	E	R	N	P	O	Q
S	A	A	M	A	R	K	E	T	I	N	G
H	L	B	L	F	G	D	J	T	S	T	O
O	F	F	E	R	N	R	U	U	C	V	O
N	T	G	A	A	Y	B	B	C	E	A	D
E	Y	H	M	H	I	R	U	B	D	U	S
E	Q	E	P	R	O	D	U	C	T	Q	P
D	D	I	T	T	R	V	G	H	J	W	R
S	M	S	E	R	V	I	C	E	S	X	E
D	I	K	I	R	E	S	E	A	R	C	H
D	X	X	A	P	Q	U	A	N	A	F	H

Ex. 4. Match the definitions with the eight basic marketing functions

1. BUYING FUNCTION	a. this important function helps reduce risk by providing the marketing manager with intelligence required to make better decisions
2. SELLING FUNCTION	b. the firm assumes a number of troubles associated with buying, selling, storing and financing products
3. TRANSPORTATION (facilitating function)	c. products are sorted into different quality and quantity categories for more efficient storage and display
4. STORAGE (facilitating function)	d. arrangements are made for the firm to pay supplies and for customers to pay the firm for purchased products and services
5. GRADING (facilitating function)	e. products must be in inventory until they are purchased
6. FINANCING (facilitating function)	f. products must be delivered from producer to buyer
7. RISK TAKING (facilitating function)	g. searching for and obtaining products that will prove attractive to prospective customers
8. DEVELOPING MARKETING INFORMATION (facilitating function)	h. prospective customers must be informed and persuaded to purchase these products

Ex. 5. Completesentenceswiththefollowing

superfluous, needs, tools, advertising, sells itself, selling, commercials, place, salesmanship product, price, profit

- Many people mistakenly think of marketing as (1 ...) and (2 ...). Given the number of (3 ...) on television, this is not surprising. However, they are only two of several marketing (4 ...), and not necessarily the most important ones.
- Marketing must not be understood as (5 ...) which means manufacturing something and making another person want it. The aim of marketing is to make selling (6 ...).

- The aim is to know and understand the customers so well that the product or service fits him and (7 ...).
- Marketing is concerned with getting the right (8 ...) to the right (9 ...) at the right (10 ...).
- Marketing is about meeting consumer (11 ...) at a (12 ...).

UNIT 2.2. Marketing orientations

An orientation, in the marketing context, relates to a perception or attitude a firm holds towards its product or service, essentially concerning consumers and end-users. There exist several common orientations:

Product orientation. A firm employing a product orientation is chiefly concerned with the quality of its own product. A firm would also assume that as long as its product was of a high standard, people would buy and consume the product. This works most effectively when the firm has good insights about customers and their needs and desires, as for example in the case of Sony Walkman or Apple iPod, whether these derive from intuitions or research.

Sales orientation. A firm using a sales orientation focuses primarily on the selling and promotion of a particular product, and not determining new consumer desires as such. Consequently, this entails simply selling an already existing product, and using promotion techniques to attain the highest sales possible. Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a product that is in high demand, with little likelihood of changes in consumer tastes diminishing demand.

Production orientation. A firm focusing on a production orientation specializes in producing as much as possible of a given product or service. Thus, this signifies a firm exploiting economies of scale, until the minimum efficient scale is reached. A production orientation may be deployed when a high demand for a product or service exists, coupled with a good certainty that consumer tastes do not rapidly alter (similar to the sales orientation).

The *pure marketing orientation* holds that a company gains competitive advantage by understanding needs and wants of a clearly defined target market, and using this understanding to do a superior job of delivering satisfaction to these customers.

The *societal marketing orientation* questions whether the pure marketing orientation is adequate in an age of environmental problems, resource shortages, rapid population growth, worldwide economic problems, and neglected social services. It asks if the firm that senses, serves, and satisfies individual wants is always doing what's best for customers and society in the long run. According to the societal marketing orientation, the pure marketing orientation overlooks possible conflicts between consumer short-run wants and consumer long-run welfare. This orientation calls upon marketers to balance three considerations in setting their marketing policies: company profits, consumer wants, and society's interests. In other words the societal marketing orientation expands on the marketing orientation by stressing that a company should seek to generate customer goodwill, but must also enhance long-term societal well-being.

The *relationship marketing orientation* emphasizes maintaining ongoing relationships with existing customers, rather than focusing only on attracting new customers.

The intention is to gain a greater proportion of an existing customer's purchases over a prolonged period. The relationship marketing orientation has forced marketers to more properly develop service initiatives and programs for maintaining links with existing customers.

Ex. 1. Decide whether the following statements are true or false.

1. The production orientation is still a useful philosophy in certain economic situations.
2. The marketing orientation philosophy does not differ much from predecessor philosophies.
3. The relationship orientation has forced marketers to develop service initiatives for maintaining closer links with existing customers.
4. Today the selling orientation is also applied to non-profit area.
5. The product orientation holds that consumers will favour products that offer the most quality, performance, and innovative features.
6. The pure marketing orientation stresses possible conflicts between consumer short-run wants and consumer long-run welfare.
7. Buyers may be looking for a better mouse-trap as a solution to a mouse problem.

Ex. 2. Match the philosophies in the left and in the right columns.

a) production orientation	1. the company should focus on selling and promotion
b) product orientation	2. the company should focus on the needs of its customers
c) sales orientation	3. the company should focus both on the needs of its customers and on the needs of the society as a whole
d) marketing orientation	4. the company should focus on improving production and distribution efficiency
e) the societal marketing orientation	5. the company should focus on making product improvements
f) the relationship marketing	6. the company should develop service initiatives and programs for maintaining links with existing customers

Ex. 3. Following a discussion about the direction a certain company should take. Allocate each orientation to each of the speakers.

1. As I see the problem, the major focus of investment must be in improving productivity. We've also got to make sure there are no delays in delivery. In this way we can aim to bring down the price and make our products more readily available. We are in a mass market, where price and availability are what matter most to our customers.

2. I think we'd agree with you as far as you go. But I feel what we are still failing to do is to establish a strong enough brand. The only way we can do this in an increasingly competitive market is to increase our budgets in advertising and make our sales force even more effective.

3. I'm not sure I agree with either of you. You are both taking a too restricted view looking at it from inside-out. What we need is to take an outside-in approach.

What I mean by this is we've got to know our customers better, what their needs and wants are. If we are just production or – sales-oriented, that'll keep the turnover going in the short term but we've got to stay ahead of the competition in the long term. No, I feel we must certainly ensure quality and price for our existing products and, of course, promote them well, but above all we need to look to the future - a strategy for the next twenty years in terms of growth. That means better market research - generally a more integrated approach.

4. Geoff takes the longer-term view but I feel he misses an important dimension. It's not enough to focus just on our customers' present and future needs. We have to take a wider view – there are strong pressures in society now which have little to do with individual needs and wants – I'm thinking of the environment in particular. I feel we need to look at what type of world we are...

5. Oh, come on Julie. Let's come down to earth. This company has made its name and its money by being first in the field in new areas. You only have to look at the Japanese to see what they are spending on R&D. Product innovation is where the future is...

6. As you know, I've just returned from Sweden. What is typical of their companies? They are all developing on-going relations with their customers maintaining links between marketing quality and customer service. Probably, that's what is in store for us.

Ex. 4. Complete the sentences with the following terms:

competition, profits, retention, retaining, to retain, to attract, attracting, postsale, to show, markets, offensive, accounting, formulating, defensive, reducing, transactions, satisfaction, relationships, presale, companies

Today, outstanding companies go all out (1 ...) their customers. Many markets have settled into maturity, and there are not many new (customers) entering most categories. (2 ...) is increasing, and the costs of attracting new customers are rising. In these (3 ...), it might cost five times as much (4 ...) a new customer as to keep a current customer happy. (5 ...) marketing typically costs more than (6 ...) marketing, because it takes a great deal of effort and spending to coax satisfied customers away from competitors.

Unfortunately, classic marketing theory and practice centre on the art of (7 ...) new customers rather than (8 ...) existing ones. The emphasis has been on creating (9 ...) rather than (10 ...). Discussion has focused on (11 ...) activity and sale activity rather than on (12 ...) activity. Today, however, more (13 ...) recognize the importance of retaining current customers. According to one report, by (14 ...) customer defections by only 5 percent, companies can improve (15 ...) anywhere from 25 to 85 percent. Unfortunately, most company (16 ...) systems fail (17 ...) the value of loyal customers.

Thus, although much current marketing focuses on (18 ...) marketing mixes that will create sales and new customers, the firm's first line of defense lies in customer retention. And the best approach to customer (19 ...) is to deliver high customer (20 ...) and value that result in strong customer loyalty.

Ex. 5. Identify which of reasons for starting up a business are market-led and which are product-led (what sparked off the idea - the need for the product, or the product itself?):

1. There are lots of sporty, horse-riding and golfing people round here, so I reckon there are a good few fishing enthusiasts. But there's nowhere to fish. I wonder whether I could dig a lake in my field, turn it into a trout farm, and charge people for coarse fishing...?

2. I'd like to be my own boss, and I've never really used all those skills I picked up at Art College. I really like painting on to china - maybe I should sell hand-painted china mugs.

3. I've invented an ingenious attachment for a food mixer, that grinds up the ends of soap bars and mixes them together into a fresh bar of soap. I could go into business selling it.

4. I've just noticed (that the car roof-rack is constructed similarly to a sledge. I could make roof-racks that people can take off and turn into sledges for their kids in the winter.

5. I'd love to take the kids sledging but there isn't room in the car for a decent sized sledge. What I need is one that attaches to the roof - then I could strap their bicycles and tennis rackets to it as well.

UNIT 2.3. Marketing research

Marketing research is the process or set of processes that links the producers, customers, and end users to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

It is the systematic gathering, recording, and analysis of qualitative and quantitative data about issues relating to marketing products and services. The goal of marketing research is to identify and assess how changing elements of the marketing mix impacts customer behavior.

Marketing research and marketing information systems are crucial to the success of modern companies. The *marketing information system* (MIS) is the framework for managing and accessing internal and external data, using data processing, retrieval and transmission technology. They provide the information that links marketers with their customers, and the background needed to make effective decisions on a wide range of issues. The purpose of a well designed marketing information system is to provide marketers with the right type and the right amount of needed information. This process begins with assessing information needs by interviewing marketing managers and surveying their decision environment to determine what information is desired, needed, and feasible to offer.

Sampling is the selection of survey targets that reflect their overall larger population. Sampling is typically required, as most markets are too large to permit census studies. Probability sampling is classified as:

–*random* (when everyone in a position has an equal chance of inclusion in a survey);

–*stratified* (where each group identified in the population warrants a proportional representation)

–*area* (geographic units)

–*judgmental sampling* (quota-based).

There are *four steps* in the market research process: firstly defining the problem and the research objectives, secondly developing the research plan, then implementing the plan, and finally interpreting and presenting the findings.

There are *three main research approaches*: the observational approach involves gathering information by observing relevant people, actions and situations. For example, a museum checks the popularity of certain exhibits by noting the floor wear around them. This approach is most suited where the objective is exploratory. For descriptive research, surveys are best suited. These can be structured using formal lists of questions asked of all respondents in the same way or unstructured where the interview is guided by the respondent's answers. Finally for causal research, an experimental approach is most effective. Experiments involve selecting matched groups of subjects, giving them different treatments, controlling unrelated factors and checking for differences in group responses. Information can be gathered either by mail, telephone, or personal interview.

The purpose of marketing research is to provide management with relevant, accurate, reliable, valid, and up to date market information. Competitive marketing environment and the ever-increasing costs attributed to poor decision making require that marketing research provide sound information. Sound decisions are not based on gut feeling, intuition, or even pure judgment.

Managers make numerous strategic and tactical decisions in the process of identifying and satisfying customer needs. They make decisions about potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, and control. These decisions are complicated by interactions between the controllable marketing variables of product, pricing, promotion, and distribution.

Ex. 1. Match the definitions(1-7) with the words and phrases (a-g).

1. Focus group	a) is the composite of all the data, findings, ideas and experience available within a marketing function.
2. Market testing	b) is a sampling or partial collection of facts, figures or opinions and analysis of the data.
3. Marketing intelligence	c) is a set of questions designed to yield usable information for marketing purposes.
4. Panel	d) is a group of people that meets with an interviewer to discuss products and consumer needs. Advertising strategies and product development may develop from the ideas presented in such a discussion.
5. Questionnaire	e) is a statistically selected sampling of people representing a specific
6. Quota	
7. Survey	

	<p>population, for example, homeowners or young professionals, who agree to provide information and answer questionnaires for marketing research firms or advertising agencies.</p> <p>f) is an assigned goal of the total volume of sales to be reached within a specific time period.</p> <p>g) is a research technique in which the product is sold at selected locations while its reception by consumers is observed.</p>
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Ex. 2. Read and discuss

Defining the problem and research objectives is often the hardest step in the research process. The manager may know that something is wrong, but not the specific causes. For example, managers of a discount retail chain store hastily decided that failing sales were caused by poor advertising. When the research showed that the current advertising was reaching the right people with the right message, the managers were puzzled. It turned out that the stores themselves were not providing what the advertising promised.

When the problem was carefully defined, the research objectives must be set. The research may be exploratory - in order to gather information to better define the problem. It may be descriptive - in order to describe market potential, customer attitudes, etc. Sometimes, it may be causal - to test hypotheses about cause and effect relationships: for example, would a ten per cent decrease in price lead to significantly higher sales or not?

Ex. 3. Give English equivalents for:

маркетинговая информационная система, иметь решающее значение для успеха, разрабатывать и осуществлять план, процедура выборки, поисковые, описательные и причинно-следственные исследования, описать проблему, цели исследования, принимать решения, подготовить опросник, подвергаться воздействию, единица выборки, собирать информацию.

Ex. 4. Decide whether the following statements are true or false:

1. The research objectives must be set, when the problem was carefully defined.
2. Marketing research is not crucial to the success of all modern companies.
3. Marketing information system links marketers with their customers
4. If all the decisions concerning the research plan have been made properly, then the implementation phase is generally less subject to error.
5. To be well understood the researcher should try to provide managers with all statistics.
6. The research may be exploratory, descriptive, or causal.
7. There are three variables in terms of the research instruments i.e. the sample unit, the sample size, and the sampling procedure.

Ex. 5. Match each word on the left with an appropriate word on the right to make a phrase common in market research

1. closed	a. analysis
2. random	b. population
3. biased	c. trial
4. computer	d. brief
5. clinical	e. awareness
6. consumer	f. sampling
7. personal	g. interview
8. total	h. sample
9. quota	i. question
10. research	j. survey

UNIT 2.4. Marketing Mix

The *marketing mix* also known as the *4 Ps* is a foundation concept in marketing. The marketing mix has been defined as the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. Thus the marketing mix refers to four broad levels of marketing decision, namely: product, price, promotion, and place. Marketing practice has been occurring for millennia, but marketing theory emerged in the early twentieth century. The contemporary marketing mix, or the 4Ps, which has become the dominant framework for marketing management decisions, was first published in 1960. In services marketing, a modified and expanded marketing mix is used, typically comprising 7 Ps made up of the original 4 Ps plus process, people, physical environment. Occasionally service marketers will refer to 8 Ps; comprising the 7 Ps plus performance. In the 1990s, the concept of 4 Cs was introduced as a more customer-driven replacement of the 4 Ps. There are two theories based on 4 Cs: Lauterborn's 4 Cs (consumer, cost, communication, convenience), and Shimizu's 4 Cs (commodity, cost, communication, channel).

The original marketing mix, or 4 Ps, as originally proposed by marketer and academic E. Jerome McCarthy, provides a framework for marketing decision-making. McCarthy's marketing mix has since become one of the most enduring and widely accepted frameworks in marketing.



Product refers to what the business offers for sale and may include products or

services. Product decisions include the quality, features, benefits, style, design, branding, packaging, services, warranties, guarantees, life cycles, investments and returns.

Price refers to decisions surrounding list pricing, discount pricing, special offer pricing, credit payment or credit terms. Price refers to the total cost to customer to acquire the product, and may involve both monetary and psychological costs such as the time and effort expended in acquisition.

Place is defined as the direct or indirect channels to market, geographical distribution, territorial coverage, retail outlet, market location, catalogues, inventory, logistics and order fulfilment. Place refers to providing customer access. It refers either to the physical location where a business carries out business or the distribution channels used to reach markets. Place may refer to a retail outlet, but increasingly refers to virtual stores such as a mail order catalogue, a telephone call center or a website.

Promotion refers to the marketing communication used to make the offer known to potential customers and persuade them to investigate it further. Promotion elements include advertising, public relations, direct selling and sales promotions.

Ex.1. Complete the text using words from the box

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 fashion wear (5...)

Ex. 2. Do the following words and expressions refer to product, price, place, promotion, or people?

product	price	place	promotion	people

Ex.3. Replace the underlined words and expressions with alternative words and expressions from the box.

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.

Ex. 4. Complete the text with the following terms

production, demand, idea, something of value, utilities, an entire population, marketing mix, function, features, exchange, bridge, a consumer, target market, needs, services

Marketing serves an important (1 ...) in today's society for all types of businesses both for-profit and not-for-profit. The basis for marketing is (2 ...) whereby two or more parties give (3 ...) to each other to satisfy each party's perceived (4 ...). A service, product or (5 ...) can be exchanged. Natural separations such as geographical location, lack of information, and timing in (6 ...) versus (7 ...) exist between exchange parties. Marketing is the process that (8 ...) these separations.

Marketing creates time, place, and possession (9 ...) for exchange parties. Products are available when and where (10 ...) wants them thanks to marketing. And (11...) such as credit extension or financing make exchange possible for many parties. Marketing efforts are not generally directed at (12 ...) but rather at specific target markets. Marketers develop a coordinated (13 ...) consisting of 4Ps (product, price, place, and promotion) to appeal to and convert target consumers into product users. These (14 ...) can be combined in an-unlimited number of ways. The ultimate challenge for the marketer is to develop the appropriate marketing mix that best matches the needs of the (15 ...).

Ex. 5. Match the halves

Mass marketing is	a) is designed to offer variety to the market and set the seller's apart from competitor's products.
Product differentiation is	b) the act of dividing a market into distinct groups of buyers.
Market segmentation is	c) the decision to mass-produce and mass-distribute one product and attempt to attract all kinds of buyers
Target marketing is	d) the decision how many segments cover.
Market positioning is	e) the decision to identify the different groups that make up a market and to develop products for selected target markets
Market targeting is	f) the decision whether to take a position similar to that of some competitor or go after a hole in the market.

UNIT 2.5.SWOT

SWOT analysis is an acronym for *strengths, weaknesses, opportunities, and threats* and is a structured planning method that evaluates those four elements of an organization, project or business venture. A SWOT analysis can be carried out for a company, product, place, industry, or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that

are favorable and unfavorable to achieve that objective. Some authors credit SWOT to Albert Humphrey, who led a convention at the Stanford Research Institute in the 1960s and 1970s using data from Fortune 500 companies. However, Humphrey himself did not claim the creation of SWOT, and the origins remain obscure. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit.

- *Strengths*: characteristics of the business or project that give it an advantage over others
- *Weaknesses*: characteristics of the business that place the business or project at a disadvantage relative to others
- *Opportunities*: elements in the environment that the business or project could exploit to its advantage
- *Threats*: elements in the environment that could cause trouble for the business or project

Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, decision-makers should consider whether the objective is attainable, given the SWOTs. If the objective is *not* attainable, they must select a different objective and repeat the process.

Users of SWOT analysis must ask and answer questions that generate meaningful information for each category (strengths, weaknesses, opportunities, and threats) to make the analysis useful and find their competitive advantage.

SWOT analysis aims to identify the key internal and external factors seen as important to achieving an objective. SWOT analysis groups key pieces of information into two main categories:

Internal factors – the strengths and weaknesses internal to the organization.

External factors – the opportunities and threats presented by the environment external to the organization.

Analysis may view the internal factors as strengths or as weaknesses depending upon their effect on the organization's objectives. What may represent strengths with respect to one objective may be weaknesses (distractions, competition) for another objective. The factors may include all of the 4Ps as well as personnel, finance, manufacturing capabilities, and so on.

The external factors may include macroeconomic matters, technological change, legislation, and sociocultural changes, as well as changes in the marketplace or in competitive position. The results are often presented in the form of a matrix.

SWOT analysis is just one method of categorization and has its own weaknesses. For example, it may tend to persuade its users to compile lists rather than to think about actual important factors in achieving objectives. It also presents the resulting lists uncritically and without clear prioritization so that, for example, weak opportunities may appear to balance strong threats.

In many competitor analyses, marketers build detailed profiles of each competitor in the market, focusing especially on their relative competitive strengths and weaknesses using SWOT analysis. Marketing managers will examine each competitor's cost structure, sources of profits, resources and competencies, competitive positioning and product differentiation, degree of vertical integration, historical responses to

industry developments, and other factors.

Marketing management often finds it necessary to invest in research to collect the data required to perform accurate marketing analysis. Accordingly, management often conducts market research to obtain this information.

Ex.1. Make written translation.

Pat Albright is the senior marketing manager for PetraServer. 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 program. 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».

Ex.2. The extracts below are from a SWOT analysis. Do they describe strengths, weaknesses, opportunities or threats?

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 jewelry, toys and games, food and more. It has an innovative Customer Relationship Management programme.

Ex.3. Complete the table with words. Then complete the sentences below using words from the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjectives</i>
<i>strengthen</i>		
<i>threaten</i>		
<i>weaken</i>		

- 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.

Ex.4. Correct the mistakes.

- 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 threat by the emerging trend towards online shopping.
- 6) A war of prices has weakened our profitability.

Ex.5. Complete the sentences with the following terms:

product research, primary research, agency research, clinical trials, desk research, marketing research, pricing research, exploratory research, distribution research, marketing communications research, omnibus survey

1. ...is the opposite of in-house research.
2. Pharmaceutical companies carry out....
3. ...is research carried out using published material.
4. ...is important when making decisions about where to locate retail outlets or where agents are needed.
5. ...is designed to help marketers understand problems.
6. ...is the investigation of ways to talk to consumers and the public in general.
7. ...is about collecting, studying and analyzing information which affects marketing decisions.
8. ...is research carried out on behalf of several companies together?
9. ... examines the relationship between price and demand.
10. ...is original research carried out by a company.
11. ...involves the design and concept of a product, then testing of the product, then market acceptance of the product.

CHAPTER 3. PRODUCT AND PRICE

UNIT 3.1. Product

In marketing, *a product* is anything that can be offered to a market that might

satisfy a want or need. In retailing, products are called merchandise. In manufacturing, products are bought as raw materials and sold as finished goods. A product line is "a group of products that are closely related, either because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges. The product mix is the composite group of products that a company makes available to target markets. Business-to-business or industrial products are items bought for use in a company's operations or to produce other products. There are raw materials, major equipment, accessory equipment, component parts, process materials, consumable supplies and industrial services.

Productivity describes various measures of the efficiency of production. A productivity measure is expressed as the ratio of output to inputs used in a production process, i.e. output per unit of input. Productivity is a crucial factor in production performance of firms and nations. Increasing national productivity can raise living standards because more real income improves people's ability to purchase goods and services, enjoy leisure, improve housing and education and contribute to social and environmental programs.

The *product quality* means the ability of a product to perform its functions, such as durability, reliability, precision, ease of operation and repair, and other valued attributes. An important indicator of quality is a warranty for the product. A warranty is a promise or guarantee given. A warranty is usually a written guarantee for a product and declares the maker's responsibility to repair or replace a defective product or its parts. A guarantee is an agreement assuming responsibility to perform, execute, or complete something and offering security for that agreement.

Products can be grouped in a variety of ways. One approach is to distinguish between goods and services, which differ in fundamental respects.

A *good* is an object people want that they can touch or hold. *Consumer* goods are the «final» goods purchased by consumers. *Capital* goods are those used to produce other goods and services (e.g. tools, equipment, machinery). *Durable* goods are those used over an extended period of time. *Non-durable* goods are those quickly consumed, usually in a single use or a few usage occasions. A service is an action that a person does for someone else. Examples: Goods are items you buy, such as food, clothing, furniture, and toothpaste. *Services* are actions such as haircuts, medical check-ups, mail delivery, car repair, and teaching.

Goods are *tangible objects* that can be perceived with the senses. Services are actions, such as haircuts and car repair. Services are often *intangible* objects. The buyer obtains value from an experience or event. A key point to emphasize is that goods and services must be produced - they don't appear magically on store shelves, so they are products. Similarly, they are produced using scarce productive resources: natural, human, and capital. Although the distinction between goods and services is important, the line between the two types of products is often blurry. There is a continuum with pure goods, like toothpaste, on one end and pure services, like medical attention, on the other. In between lies a vast middle ground where goods and services are bundled to create a total package that satisfies the consumer.

Ex. 1. Match the explanations

1. A product mix is	a) an organization's entire offering of product items.
2. A product line is	b) a group of products that are related because of customer, marketing, or production consideration.
3. Breadth of product line	c) refers to the number of different product lines.
4. Depth of product line	d) refers to the number of product items within each line.
5. Production is	e) products for which the purchase of one increases the likelihood that the second will be purchased.
6. Inputs are	f) products that satisfy the same basic needs but differ slightly in terms of specific characteristics.
7. Both tangible goods and intangible services require	g) a person who buys goods or services from a shop or a business
8. Complementary products are	h) the conversion of inputs into outputs
9. Substitute products are	j) resources required by an organization to enable it to produce goods or services
10. Customer is	k) process by which inputs are converted into outputs

Ex. 2. Read the words in the box. Be sure you know their meaning. Fill in the gaps with these words. Mind your grammar

<p style="text-align: center;">Manufacture customer product temporary tangible durable service intangible classify nondurable generalization example</p>
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Scientists ... similar plants and animals into groups to study them. Marketers classify goods and services into groups to develop ... about desirable marketing mixes for the different groups of Thus, ... can be grouped into three classes (1) durable goods, (2) nondurable goods and (3) services.

Goods have a ... form—that is, you can see, hear, feel, taste, or smell them. ... goods, such as automobiles and refrigerators, last over an extended period of time. ... goods are quickly used, worn out, or outdated and are consumed in a single usage or a few uses. Chewing gum, paper towels, and hand soap are ... of nondurables.

A ... is any task (work) performed by another person or business. A service may provide a product or facility for someone's ... use, but ownership is not transferred to the customer. Services differ from goods because they are A company that produces intangible services operates its business differently than one that ... durable or nondurable goods.

Ex. 3. Decide whether the following statements are true or false

1. A product is everything a buyer receives in an exchange with a seller.
2. Durable goods are usually consumed in a single use.
3. An augmented product excludes a core product and an actual product.
4. Services do not result in ownership of anything.

5. Consumer goods are sold to the end-user for personal consumption.

6. Categories of business-to-business products include installations, accessories, raw materials, component parts, materials, supplies, and business-to-business services.

Ex. 4. Match the definition on the right with the term on the left:

1. Buyer	a. ultimate user of a product or service
2. Benefit	b. readiness to sell something on terms
3. Consumer	c. state of felt deprivation
4. Product	d. guarantee given by a seller to a buyer
5. Exchange	e. any activity or benefit that does not result in the ownership of anything
6. Offering	f. the person who makes an actual purchase
7. Warranty	g. the advantage that a product brings to the consumer
8. Need	h. the activities of designing and producing the container or wrapper for a product
9. Packaging	i. the act of obtaining the desired object
10. Service	j. anything that can be offered to the market

Ex. 5. Match the terms in the left column with the examples in the right column.

Convenience products	<i>life insurance and blood donations to the Red Cross</i>
Shopping products	<i>specific brands of cars and high-priced photographic or sports equipment</i>
Specialty products	<i>furniture, clothing and major appliances</i>
Unsought products	<i>soap, candy and newspapers</i>

UNIT 3.2.Product life-cycle

Every product goes through its life-cycle. The conditions in which a product is sold changes over time and must be managed as it moves through its succession of stages. It is difficult to forecast how long the public will go on liking a product. Public tastes change very quickly. Even if a product is successful at first, this may not last for very long, as rival products may begin flooding the market or another manufacturer may produce a more advanced product. Few products last forever. Most go through a product life cycle, passing through four distinct stages in sales and earnings: introduction, growth, maturity, and decline. Products require different marketing, financing, manufacturing, purchasing, and human resource strategies in each life cycle stage. Marketers must track sales and benchmark performance against rivals' products and market conditions in order to deploy the *PLC concept*.

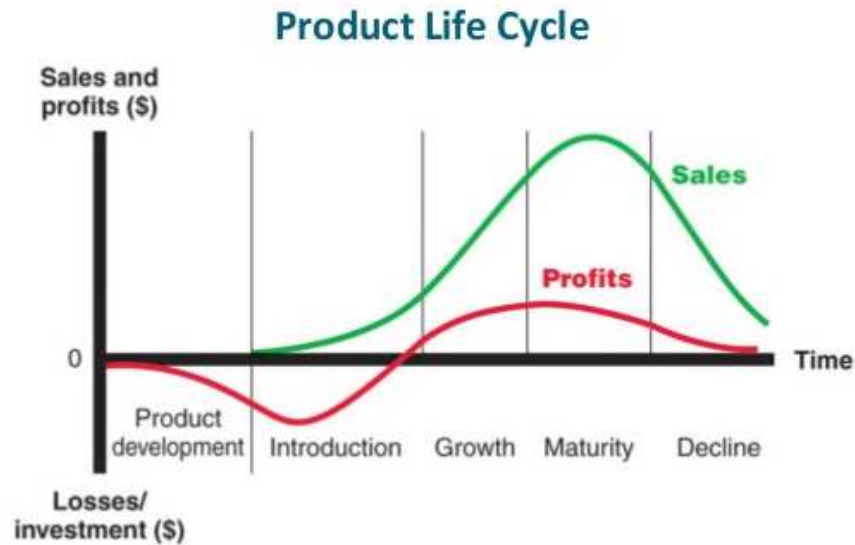
The *introduction stage* is when sales are zero, the product is first offered to the target segment and profits are negative owing to the product development and marketing costs incurred before sales commence.

Assuming the product satisfies target market needs and is adequately resourced in terms of marketing, it should enter the *growth stage*. Sales take off, but the number of competitors is likely to be low, leading to a peak in profits. Towards the end of this stage, competitors enter, increasing the number of rival products and reducing profitability.

During the *maturity stage* of the PLC, sales level and then decline. Customers switch to new technologies or simply no longer desire the product. Gradually, companies withdraw their products in the face of declining sales. Those competitors remaining must modify their marketing mix tactics in order to rejuvenate their sales performance.

By the *decline stage*, most customers have moved on, preferring alternative products or solutions to their needs. Most suppliers will have withdrawn their products. The few companies remaining may make a reasonable return as niche players in a much smaller marketplace. The decline stage, too, must be recognized to avoid heavy financial losses or in order to consciously alter to a niche marketing strategy, utilizing little marketing resource.

Product Life-Cycle Strategies



The goals of Product Life Cycle management are to reduce time to market, improve product quality, reduce prototyping costs, identify potential sales opportunities and revenue contributions, and reduce environmental impacts at end-of-life. To create successful new products the company must understand its customers, markets and competitors.

Ex.1. Describe the tables 1 & 2.

Stage	Characteristics
1. <i>Market introduction stage</i>	<ol style="list-style-type: none"> 1. costs are very high 2. slow sales volumes to start 3. little or no competition 4. demand has to be created 5. customers have to be prompted to try the product 6. makes little money at this stage
2. <i>Growth stage</i>	<ol style="list-style-type: none"> 1. costs reduced due to economies of scale 2. sales volume increases significantly 3. profitability begins to rise 4. public awareness increases 5. competition begins to increase with a few new players in establishing market 6. increased competition leads to price decreases
3. <i>Maturity stage</i>	<ol style="list-style-type: none"> 1. costs are decreased as a result of production volumes increasing and experience curve effects 2. sales volume peaks and market saturation is reached 3. increase in competitors entering the market 4. prices tend to drop due to the proliferation of competing products 5. brand differentiation and feature diversification is emphasized to maintain

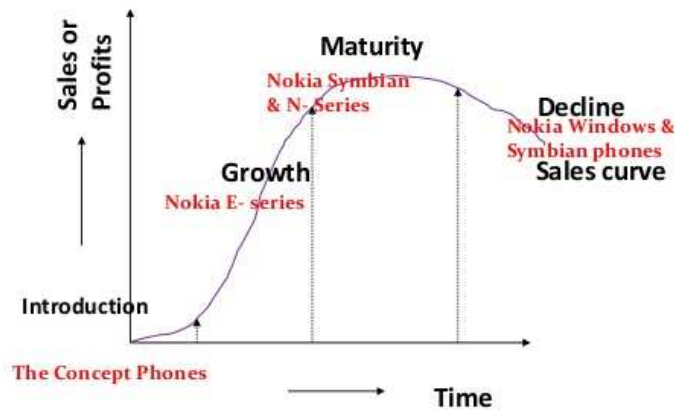
	or increase market share 6. industrial profits go down
4. Saturation and decline stage	1. costs become counter-optimal 2. sales volume decline 3. prices, profitability diminish 4. profit becomes more a challenge of production/distribution efficiency than increased sales Note: Product termination is usually not the end of the business cycle, only the end of a single entrant within the larger scope of an ongoing business program.

Table 2

Identifying features	Stages			
	Introduction	Growth	Maturity	Decline
Sales	Low	High	High	Low
Investment cost	Very high	High (lower than intro stage)	Low	Low
Competition	Low or no competition	High	Very high	Very high
Profit	Low	High	High	Low

Ex.2 Write an Essay about Nokia PLC

PRODUCT LIFE CYCLE OF NOKIA



10/6/2013

Ex.3. Complete the sentences with appropriate terms using the following:

market, customer, company, removing, modifying, products, change, benefits, profitable, price, need, services, range

When people buy (1 ...) or (2 ...) they are, in effect buying the (3 ...) which those physical or non-physical objects bring. A company which wants to remain (4 ...) must constantly monitor what its customers (5 ...) at a (6 ...) that the (7 ...) will pay but which will provide a profit to the (8 ...). Customer wants will almost certainly (9 ...)

through time. The company will be constantly (10 ...) its products, adding new ones to its (11 ...) and(12 ...) others from the (13 ...).

Ex.4. Use the following terms to complete the definitions below:

product line, line-stretching, product elimination, shopping goods, product, product mix, line-filling, convenience goods, specialty goods

1. A ... is defined by marketers as anything capable of satisfying a need or want (including services such as a bank loan, a haircut a meal in a restaurant, or a skiing holiday).

2. A ... is a group of closely related products, which usually have the same function and are sold to the same customer groups through the same outlets.

3. A ... is the set of all the product lines and items offered by a company.

4. ... are cheap and simple "low involvement" products which people use regularly and buy frequently with little effort, without comparing alternatives.

5. ... are durable goods with unique characteristics that informed consumers have to go to a particular store to buy.

6. ... are "high involvement" products for which consumers generally search for information, evaluate different models, and compare prices, and take time to make a selection.

7. ... is the process of withdrawing products from the market when they are no longer profitable

8. ... means adding further items in that part of a product range which a line already covers, in order to compete in competitors' niches, to utilize excess production capacity, and so on.

9. ... means lengthening a company's product line, either moving up-market or down-market in order to reach new customers, to enter growing or more profitable market segments, to react to competitors' initiatives, and so on.

Ex.5. World building

Verbs	Present Participles	Nouns
to buy		consumer
	productive	
to price		distribution
		reference
to expand		
	selling	
		relation
to increase		

UNIT 3.3.Brands and product identification

Most marketers believe a key focus for their activity is the differentiation of their product offer versus competing products and services. For many consumer, service or industrial products, such differentiation entails a mix of product design, features and

attributes with the creation of a distinctive image. This generally involves creating a brand and brand identity for products or services.

The term «Brand» appeared in Middle Ages and referred to the branding of cattle. In Middle Ages some products were equipped with guild marks. The guild controlled the work of craftsmen in certain businesses like silversmiths and thereby guaranteed certain level of quality. But long before brick makers in ancient Egypt used symbols to identify their bricks. Brand names first appeared in sixteenth century, when whiskey distillers burned their names in the top of each barrel to alert consumers to the source of the product and to prevent substitution with cheaper products. In the eighteenth and nineteenth centuries branding took on broader purposes. Names or pictures of places, famous people, or animals were used as brand names to increase memorability and to differentiate products.

Brand is a name, sign, symbol, slogan or anything that is used to identify and distinguish a specific product, service, or business. The brand name is that part of a brand that can be spoken – letter, numbers, or words. A trademark is a legal term meaning the same as brand. A logo (abbreviation of logotype) is graphic mark, emblem, or symbol commonly used by commercial enterprises, organizations, and even individuals to aid and promote instant public recognition. There are purely graphic emblems, symbols, icons and logos, which are composed of the name of the organization. An eye-catching, or attractive and noticeable, image will be remembered and recognized regardless of size. A descriptive design uses an image to depict, or represent, the company's name or business. The Batman logo is a good example of a descriptive design. An abstract design is a symbolic representation and doesn't show product or service. The Nike is a good example. A typographic design uses the company's name or initials. Good examples are the Ford Motor Company or McDonalds.

Branding is a set of marketing and communication methods that help to distinguish a company from competitors and create a lasting impression in the minds of customers. The key components that form a brand's toolbox include a brand's identity, brand communication (such as logos and trademarks), brand awareness, brand loyalty, and various branding (brand management) strategies.

Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment. Brand loyalty is where an individual buys products from the same manufacturer repeatedly rather than from other suppliers.

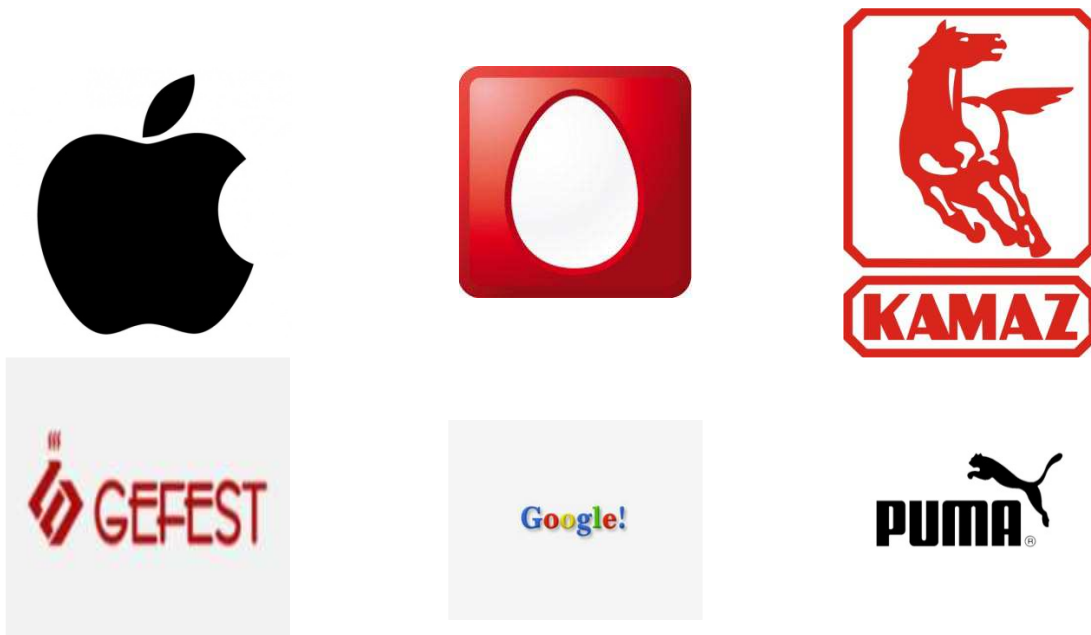
All marketers strive for brand loyalty and hope to switch customers away from competing brands. This involves the creation of brand recognition, so that targeted customers are at least aware that a brand exists and is an alternative to purchase. Brand preference is the term used to describe a situation that is stronger than basic brand loyalty: here a customer definitely prefers a particular brand over competitive offers and will only purchase this favoured brand if it is available. If there is such strong brand preference that stock-out or limited availability makes purchase difficult but the consumer continues to seek the preferred brand and will not accept a substitute, there is brand insistence.

A notion receiving much attention in recent years in the marketing and financial journals is that of brand equity. This is a marketing and financial value placed on a brand resulting from its strength and desirability in the marketplace. Indeed, some brands have been given a financial book value on companies' balance sheets. A well-managed brand is an asset to a company,

Businesses whose value rests in a large part on their brand loyalty are said to use the loyalty business model. In the 1950s, consumer packaged goods companies like Procter and Gamble, General Foods and Unilever developed the discipline of brand management, or marketing as we know it today, when they noticed the quality levels of products being offered by competitors around them improve. A brand manager would be responsible for giving a product an identity that distinguished it from nearly indistinguishable competitors.

This required an understanding of the target consumer and what we call a «branded proposition» that offered not only functional but also emotional value. Over time, the emotional value would create a buffer against functional parity. As long as the brand was perceived to offer superior value to its competitors, the company offering the brand could charge a little more for its products. If this brand «bonus» was bigger than the cost of building a brand (the additional staff and often advertising costs), the company came out ahead.

Ex.1. Are logos below descriptive, abstract or typographic designs?



Ex.2. Decide whether the following statements are true or false.

1. Brand loyalty is a distinctive image for the brand.
2. Brand equity is the marketing and financial value associated with a brand's strength in the market.
3. A firm can choose from two basic market and product development strategies.
4. All customers strive for brand loyalty.

Ex.3. Complete the sentences below by inserting the right derivative of the verbs

in brackets.

For example: to produce a product, production, productive, productivity

1. The contract is not... (to negotiate)
2. We did a very... survey of consumer behaviour, (to extend)
3. We need to assess the ... qualities of our new managers. (to lead)
4. There is a ... between product mix and product depth. (to distinguish)
5. He have a ... about the company's performance, (to present)
6. To increase ... , we have offered ... bonuses to the employees, (to produce)
7. Before we can decide about developing new products, we need to how ... the existing products are. (toprofit)
8. He's one of the best.... I've met. (to negotiate)

Ex.4. Complete the sentences using words from the previous task.

1. Coca Cola, Sony and Mercedes Benz are all famous brand ...s.
2. Deciding a financial value for a brand name is called brand
3. Consumers usually expect to pay less for products that are. Products like Chanel or Christian Dior have a brand ... which is more glamorous than that of many less well-known competitors.
5. In the 1990s most supermarkets began to sell... products.
6. A brand name is valuable not only for the main products that are represented by the name, but also for a complete range of... assets that accompany that name.
7. A key concern for marketers is to establish brand ... among their customers so that they do not buy similar products made by other companies.
8. Consumers are often prepared to pay high prices for... brands which they believe represent high quality.
9. A new product must create a brand ... so that it is easily recognized and associated with specific qualities.

Ex.5. Match the words with their definitions:

Words	Definitions
1. Brand	a. is a brand or part of a brand that is given legal protection
2. Brand name	b. is the exclusive legal right to reproduce, publish or sell the matter
3. Brand mark	c. is a name, term, sign, symbol, or a design or a combination of them intended to identify the goods or services
4. Trade mark	d. is that part of the brand which can be recognized but is not utterable, such as a symbol design, coloring or lettering
5. Copyright	e. is that part of a brand that can be vocalized is utterable

UNIT 3.4. Price and Pricing

In ordinary usage, *price* is the quantity of payment or compensation given by one party to another in return for goods or services. In modern economies, prices are

generally expressed in units of some form of currency. For commodities, they are expressed as currency per unit weight of the commodity, e.g. 10 rubles per kilogram. Although prices could be quoted as quantities of other goods or services this sort of barter exchange is rarely seen. Prices are sometimes quoted in terms of vouchers such as trading stamps and air miles. In some circumstances, cigarettes have been used as currency, for example in prisons, in times of hyperinflation, and in some places during World War 2. In a black market economy, barter is also relatively common.

Price sometimes refers to the quantity of payment requested by a seller of goods or services, rather than the eventual payment amount. This requested amount is often called the asking price or selling price, while the actual payment may be called the transaction price or traded price. Likewise, the bid price or buying price is the quantity of payment offered by a buyer of goods or services, although this meaning is more common in asset or financial markets than in consumer markets.

Economists sometimes define price more generally as the ratio of the quantities of goods that are exchanged for each other. The *break-even point* is that at which the costs of producing a product equal the revenue made from selling the product.

We should also mention psychological aspect of pricing, which is designed to encourage purchases based on emotional rather than rational responses. *Perceived value* for money is the benefit consumers believe to be inherent in a product or service weighed against the price demanded. The paradox of value was observed and debated by classical economists. Adam Smith described what is now called the diamond – water paradox: diamonds command a higher price than water, yet water is essential for life and diamonds are merely ornamentation. Use value was supposed to give some measure of usefulness, later refined as marginal benefit while exchange value was the measure of how much one good was in terms of another, namely what is now called relative price.

Despite the increased role of non-price factors in the modern marketing process, price remains an important element in the marketing mix. *Pioneer pricing* is the setting of a base price for a new product. There are many internal and external factors to consider when setting prices. Pricing objectives often include survival, current profit maximization, market-share leadership, and product-quality leadership. In addition to meeting these objectives, price decisions must be carefully coordinated with the marketing-mix strategy.

The amount of freedom a seller has in pricing varies with different types of markets, and markets characterized by monopolistic competition or oligopoly are especially restrictive.

Ultimately, consumer perceptions of price and value determine whether the company has set the right price. If the price is higher than the sum of the perceived values, consumers will not buy the product. Consumers differ in the values they assign to different product features, and marketers often vary their pricing strategies for different price segments. When assessing the market and demand, the company estimates the *price elasticity of demand* (a measure of sensitivity of demand to changes in price) and the demand curve, which shows the probable quantity purchased per period at alternative price levels. The more inelastic the demand for

a product, the higher the company can set the price. Demand and consumer value perceptions set the ceiling for prices.

Consumers also compare a product's price to the prices of competitors' offers, and choose the product that offers the best value. Marketers must carefully *monitor the pricing* and quality of all competitor's products, and use this information as a starting point for their own pricing.

Ex. 1. Match the words (1-7) with the definitions (a-g).

1. break-even point	a. The price wholesalers and distributors pay for goods
2. discounting	b. A pricing strategy based on low pricing and low unit profits
3. factory gate price	c. The point in the development of a product when sales begin to exceed the investment.
4. inelastic demand	d. Consumers who are very attentive to price changes and look for lower-priced items.
5. overheads	e. Sales of a product do not change much with variations in price.
6. penetration strategy	f. Reducing prices from a level at which the product was previously offered for sale.
7. price sensitive buyers	g. The day-to-day costs of running a business.

Ex. 2 .Complete the sentences choosing from the following:

budget priced, going fate, retail margin, unit cost, demand curve, price war, selling costs

1. The amount of money necessary to produce one individual example of a product is the
2. The difference in price between what retailers pay for a product and what they sell the product at is called the....
3. The total amount of money spent on all aspects of selling, including advertising, commissions and promotion, is known as the
4. A period during which several competitors aggressively lower their prices in an effort to build up market share is called a....
5. Products at the lowest end of the price scale are sometimes referred to as ... goods.
6. The price for a product or for services which the market wiltaccept is the....
7. The line on a graph which shows the relationship between prices and consumer demand is called the

Ex. 3. Match each word on the left with a word on theright.

<ol style="list-style-type: none"> 1. penetration 2. down 3. fixed 4. budget 5. elastic 	<ol style="list-style-type: none"> a. demand b. priced c. market d. costs e. strategy
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Ex. 4. Read the text and then match the price term with the person or organization that charges it:

Price goes by many names
by P. Kotter

All profit organizations and many non-profit organizations face the task of setting a price on their products or services. Price goes by many names.

Price is all around us. You pay *rent* for your apartment, *tuition* for your education, and a *fee* to your physician or dentist. The airline, railway, taxi, and bus companies charge you a *fare*; the local utilities call their price a *rate*; and the local bank charges you *interest* for the money you borrow. The price for driving your car on Florida's Sunshine Parkway is a *toll*, and the company that insures your car charges you a *premium*. The guest lecturer charges an *honorarium* to tell you about a government official who took a *bribe* to help a shady character steal *dues* collected by a trade association. Clubs or societies to which you belong may make a special *assessment* to pay unusual expenses. Your regular lawyer may ask for a *retainer* to cover her services. The «price» of an executive is a *salary*, the price of a salesperson may be a *commission*, and the price of a worker is a *wage*. Finally, although economists would

disagree, many of us feel that *income taxes* are the price we pay for the privilege of making money.

Price term	Person/organization charging
1. salary	a. visiting lecturer
2. rate	b. insurance company
3. premium	c. white-collar worker
4. fare	d. local council
5. commission	e. social club, trade association
6. fee	f. blue-collar worker
7. rent	g. taxi driver
8. dues	h. sales agent
9. retainer	i. private school
10. tuition	j. lawyer
11. wage	k. bridge owner
12. toll	l. bank
13. honorarium	m. architect
14. interest	n. property owner
15. bribe	o. assessor
16. assessment	p. judge or any official

Ex. 5. Translate the text. What is the main difference between salary and wages ?

You should be aware that some people use the terms wages and salary interchangeably. I and many others make the following distinction.

Wages is best associated with employee compensation based on the number of hours worked multiplied by an hourly rate of pay. For example, an employee working in an assembly plant might work 40 hours during the work week. If the person's hourly rate of pay is \$15, the employee will receive a paycheck showing gross wages of \$600 (40 x \$15). If the employee had worked only 30 hours during that week, her or his paycheck will show gross wages of \$450 (30 x \$15). Because the paycheck needs to be computed based on the actual hours worked, the employee earning wages will likely receive her or his paycheck five days after the work period.

Salary is best associated with employee compensation quoted on an annual basis. For example, the manager of the assembly plan might earn a salary of \$120,000 per year. If the salaried manager is paid semi-monthly (perhaps on the 15th and last day of each month), her or his paycheck will show gross salary of \$5,000 for the half-month. Since the salary is the same amount for each pay period, the salaried employee's paycheck will likely cover the work period through the date of the paycheck.

Generally, the hourly-paid employees will earn wages at the rate of time and one-half for the hours in excess of 40 per week. The salaried employees in high pay positions are not likely to receive additional pay for the hours in excess of 40 per week. However, employees with low salaries are entitled to overtime pay.

UNIT 3.5.Pricing strategies

Pricing is a dynamic process. Companies design a pricing structure that covers all their products. They change this structure over time and adjust it to account for

different customers and situations. A business can use a variety of pricing strategies when selling a product or service. The price can be set to maximize profitability for each unit sold or from the market overall. It can be used to defend an existing market from new entrants, to increase market share within a market or to enter a new market.

There are some models of pricing strategies:

Absorption pricing strategy is the method of pricing in which all costs are recovered. The price of the product includes the variable cost of each item plus a proportionate amount of the fixed costs.

In *cost-plus pricing*, a company first determines its *break-even* price for the product. This is done by calculating all the costs involved in the production such as raw materials used in its transportation etc., marketing and distribution of the product. Then a markup is set for each unit, based on the profit the company needs to make, its sales objectives and the price it believes customers will pay.

In most *price skimming* strategies, goods are higher priced so that fewer sales are needed to break even. Selling a product at a high price, sacrificing high sales to gain a high profit is therefore «skimming» the market. Skimming is usually employed to reimburse the cost of investment of the original research into the product: commonly used in electronic markets when a new range are firstly sold at a high price. This strategy is often used to target early adopters of a product or service. Early adopters generally have a relatively lower price-sensitivity – this can be attributed to: their need for the product outweighing their need to economize; a greater understanding of the product's value; or simply having a higher disposable income. This strategy is employed only for a limited duration to recover most of the investment made to build the product. To gain further market share, a seller must use other pricing tactics such as economy or penetration. This method can have some setbacks as it could leave the product at a high price against the competition.

Decoy pricing strategy is a method of pricing where the seller offers at least three products, and where two of them have a similar or equal price. The two products with the similar prices should be the most expensive ones, and one of the two should be less attractive than the other. This strategy will make people compare the options with similar prices, and as a result sales of the more attractive high-priced item will increase.

Freemium strategy is a revenue model that works by offering a product or service free of charge (typically digital offerings such as software, content, games, web services or other) while charging a premium for advanced features, functionality, or related products and services. The word «freemium» is a portmanteau combining the two aspects of the business model: «free» and «premium». It has become a highly popular model, with notable success.

High-low pricing strategy is a method of services offered by the organization are regularly priced higher than competitors, but through promotions, advertisements, and or coupons, lower prices are offered on key items. The lower promotional prices are designed to bring customers to the organization where the customer is offered the promotional product as well as the regular higher priced products.

Limit pricing is a strategy when a limit price is the price set by a monopolist to discourage economic entry into a market, and is illegal in many countries. The limit

price is the price that the entrant would face upon entering as long as the incumbent firm did not decrease output. The limit price is often lower than the average cost of production or just low enough to make entering not profitable. The quantity produced by the incumbent firm to act as a deterrent to entry is usually larger than would be optimal for a monopolist, but might still produce higher economic profits than would be earned under perfect competition.

Loss leader is a strategy when product sold at a low price (i.e. at cost or below cost) to stimulate other profitable sales. This would help the companies to expand its market share as a whole. Loss leader strategy is commonly used by retailers in order to lead the customers into buying products with higher marked-up prices to produce an increase in profits rather than purchasing the leader product which is sold at a lower cost. Supermarkets and restaurants are an excellent example of retail firms that apply the strategy of loss leader.

Marginal-cost pricing strategy is the practice of setting the price of a product to equal the extra cost of producing an extra unit of output. By this policy, a producer charges, for each product unit sold, only the addition to total cost resulting from materials and direct labor. Businesses often set prices close to marginal cost during periods of poor sales. If, for example, an item has a marginal cost of \$1.00 and a normal selling price is \$2.00, the firm selling the item might wish to lower the price to \$1.10 if demand has waned. The business would choose this approach because the incremental profit of 10 cents from the transaction is better than no sale at all.

Cost plus pricing is a cost-based method for setting the prices of goods and services. Under this approach, the direct material cost, direct labor cost, and overhead costs for a product are added up and added to a markup percentage (to create a profit margin) in order to derive the price of the product.

In *odd pricing* strategy, the seller tends to fix a price whose last digits are just below a round number (also called just-below pricing). This is done so as to give the buyers/consumers no gap for bargaining as the prices seem to be less and yet in an actual sense are too high, and takes advantage of human psychology. A good example of this can be noticed in most supermarkets where instead of pricing at £10, it would be written as £9.99.

Penetration pricing strategy includes setting the price low with the goals of attracting customers and gaining market share. The price will be raised later once this market share is gained. A firm that uses a penetration pricing strategy prices a product or a service at a smaller amount than its usual, long range market price in order to increase more rapid market recognition or to increase their existing market share. This strategy can sometimes discourage new competitors from entering a market position if they incorrectly observe the penetration price as a long range price. Penetration pricing strategy is usually used by firms or businesses who are just entering the market. In marketing it is a theoretical method that is used to lower the prices of the goods and services causing high demand for them in the future.

The firm's decision on the price of the product and the pricing strategy impacts the consumer's decision on whether or not to purchase the product. When firms are deciding to consider applying any type of pricing strategy they must be aware of the following reasons in order to make an appropriate choice which will benefit their business. The competition within the market today is extremely high, for this reason,

businesses must be attentive to their opponent's actions in order to have the comparative advantage in the market.

Ex.1. Choose any goods of your everyday use (e.g. your smartphone, toothpaste, food, etc.) and identify the seller price strategy.

Ex.2. Give English equivalents for:

инициировать изменения цены, реагировать на изменения цены, учитывать реакцию покупателей, предвидеть вероятную реакцию поставщиков, различные последствия инициирования сокращения цен, столкнуться с изменением цены, совершенствовать качество, поднимать цену, корректировать цену, справедливая цена, удовлетворять различным условиям, продавать ниже себестоимости, ценообразование с учетом скидок, выбирать ценовые стратегии для нового продукта, оценивать эластичность спроса по цене, анализ безубыточности, воспринимаемые ценности, устанавливать цены, неценовые факторы.

Ex.3. Decide whether the following statements are true or false.

1. The non-price factors play an increasing role in the modern marketing process.
2. The pricing strategy, is exclusively determined by the company's marketing objectives.
3. Pricing objectives of the company often include survival and current profit maximization.
4. The amount of freedom a seller has in pricing varies with different types of market.
5. In contrast to oligopoly markets characterized by monopolistic competition are especially restrictive.
6. Whether the company has set the right price depends on consumer perceptions of price and value.
7. Marketers carefully monitor the pricing and quality of all competitor's products, although this information is useless for their own pricing.

Ex.4. Read the report on a meeting about pricing policy in Callan Ltd, a manufacturing company. Explain, what the words in bold type mean. Then mark sentences 1-11 as true or false.

Report

Subject: Marketing Focus Group Meeting

Date: 4 December 20...

The following decisions were taken regarding pricing strategy for the New Year.

I. Budget priced goods shall only be sold in Category «C» stores. Goods can only be sold at a budget price where they have already been offered at the recommended retail price for a period of not less than three months.

II. Agents shall be instructed that from January 1, we do not allow discounts on any goods not sold at a previously higher price for a period of three months.

III. Decisions on pricing must realize margins for the retailer of up to 25%. Prices below 15% are unlikely to be economic for any of our retailers.

IV. Similarly, our own factory gate price must allow the company to cover all production costs and also to realize a profit of between 25 and 35%. Our marketing team should watch the market prices to ensure that we do not price ourselves above the going rate.

V. Wherever possible, we should sell our products to retailers. This will cut out intermediaries and avoid retail prices being forced higher by high wholesale prices.

1. Budget priced goods are sold at a lower price than they were offered at before.
2. The recommended retail price is the price the manufacturer thinks a retailer should charge for a product.
3. A discount is a reduced price offered after a period on offer at a higher price.
4. The margin is the difference between the cost of a product to a manufacturer or retailer and the price the manufacturer or retailer receives when the product is sold.
5. An economic price is a price that allows a reasonable profit.
6. The factory gate price is the cost of producing the product for the factory.
7. Production costs are the expenses a manufacturer has to pay for labour.
8. The market price is the price one company charges for a product.
9. The going rate is the price the consumers are prepared to pay.
10. Retail price is the price consumers actually pay.
11. The wholesale price is the price paid by consumers who buy many examples of the same product.

Ex. 5. Read an example of Skimming price strategy. Discuss it.

When iPhone 4s was introduced in the market 4 years ago, its price was huge. Few people could actually afford an iPhone. With the passing of time, prices of the iPhone 4s have decreased gradually, such that nowadays many people can afford an iPhone. A few days ago iPhone 6 has been launched in the market. Before that iPhone 5S was launched. Both these phones sold in large quantities and at a very heavy price. In fact, after long debates and reviews regarding the quality and the increased price of the phone, people decided to wait until they will be able to buy the iPhone 6S. Presumably, the price of the current iPhone 6 will decrease drastically in the next year. The strategy that Apple is using is known as the skimming pricing strategy. And Apple is only just an example of one of the companies performing skimming pricing, but the list can go on and on, especially in the electronics industry.

As it can be understood from the iPhone example, the strategy that Apple is using consists keeping the highest initial price that the first customers will pay and as soon as the demand of the first customers is satisfied (commonly known as innovators group), the company will lower down the prices over time. But if we were to think in matter of perspective, then you wouldn't buy an iPhone 4 now because it will be inferior to the current iPhone. This can be one big disadvantage of the skimming pricing strategy, as the companies can develop negative publicity if they lower the

price too fast and without significant product changes.

CHAPTER 4.PROMOTION

UNIT 4.1.Advertising

Three major tools of mass *promotion* are *advertising*, *sales promotion*, and *public relations*. They are mass-marketing tools as opposed to personal selling, which targets specific buyers.

Advertising – the uses of paid media by a seller to inform, persuade, and remind about its product or organization – is a strong promotion tool. Advertising decision making is a five-step process consisting of decisions about the objectives, the budget, the message, the media, and finally, the evaluation of results. Advertisers should set clear objectives as to whether the advertising budget is supposed to inform, persuade, or remind buyers. The advertising budget may be based on what is affordable, on a percentage of sales, on competitors' spending, or on the objectives and tasks. The message decision calls for defining reach, frequency, and impact goals; choosing major media types; selecting media vehicles and scheduling the media timing. Message and media decisions must be closely coordinated for maximum campaign effectiveness. Finally, advertising evaluation calls for measuring the communication effect and measuring the sales effects of advertising before, during and after the advertising is placed.

The history of advertising can be traced to ancient civilizations. Egyptians used papyrus to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompeii and Arabia. The Romans painted walls to announce gladiator fights and the Phoenicians painted pictures promoting their wares on large rocks along parade routes. A Pompeii wall painting praised a politician and asked for the people's votes. Another early form of advertising was the town crier. During the Golden Age in Greece, town criers announced the sale of slaves, cattle, and other goods.

Another early advertising form was the mark that tradespeople placed on their goods, such as pottery. As the person's reputation spread by word of mouth, buyers began to look for his special mark, just as trademarks and brand names are used today.

The turning point in the history of advertising came in the year 1450 when Gutenberg invented the *printing press*. Advertisers no longer had to produce extra copies of a sign by hand. The first printed advertisement in the English language appeared in 1478.

In 1622, advertising got a big boost with the launching of the first English *newspaper*, «The Weekly News».The first early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advances in the printing press; and medicines, which were increasingly sought after as modern people rejected traditional cures.In June 1836, the French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower

its price, extend its readership and increase its profitability and the formula was soon copied by all titles.

In 1911, the Woodbury Soap Company became the first to *use images of sexual contact to sell a product*. Their ad slogan, created by Helen Lansdowne, claimed that women who used the soap would have «Skin You Love To Touch». Her copy promised the soap would increase the beauty of one's skin; it offered a color print and a week's supply of the soap for 10 cents. The slogan became so popular that Woodbury used it until the 1940s.



In 1936, Woodbury was one of the first companies to use *nudity in its advertisements*. The ad, known as «The Sun Bath», was photographed by Edward Steichen and showed a nude woman lying on stairs on her side with her back to the camera. The text advertised that Woodbury Soap was now enriched with "filter sunshine". Many celebrities appeared in advertisements for Woodbury Soap.

In the beginning of the 20th century, psychologists Walter D. Scott and John B. Watson contributed applied *psychological theory* to the field of advertising. Scott said, «Man has been called the reasoning animal but he could with greater truthfulness be called the creature of suggestion. He is reasonable, but he is to a greater extent suggestible». He demonstrated this through his advertising technique of a direct command to the consumer.

In the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. Madison Avenue early on recognized the importance of radio as a new advertising medium. Advertising provided the major funding for most stations. The Era of non-printed media advertising began.

Ex. 1. Name main checkpoints of the history of advertising.

Ex. 2. Write an Essay: «Influence TV and Internet on the History of advertising»

Ex. 3. Fill in the gaps with the correct modal verb.

1. It is quite possible that one person ... hold remarkably different views about advertising at the same time; for instance, one individual ... simultaneously hold different beliefs. 2. Advertising ... be more stringently regulated by the government. 3. Commercial advertising ... be directed at ultimate consumers or business buyers. 4. Advertising is many things and it ... have a variety of meanings to the same person at a given point of time. 5. Intuitively, we ... suspect that advertising is most likely to exist and prosper in those societies that have moved beyond a subsistence existence. 6. In addition we ... suspect that advertising would be more important as specialization develops in manufacturing and as manufacturers become more remote from the consumer. 7. The larger the manufacturer, the less likely is he to be in regular contact with his potential customers and the more he ... depend on advertising.

Ex. 4. Complete the sentences below with a suitable word from the list below

ad, advert, advertise, advertiser, advertisement, advertising, advertorials

1. Some people don't like ..., because they think the deceptive. 2. There's no harm in applying for other jobs, but if I were you, I wouldn't ... the fact at work. 3. She scanned the job ... in the paper. 4. I always make a cup of coffee during the ...s. 5. I don't have much respect for the ... industry. 6. While claiming to promote positive images of women, ... are in fact doing the very opposite. 7. I'm afraid, I'm not a very good ...for the diet since I've actually put on weight. 8. If a firm has a really new message, publicity may be more effective than 9. Trade magazines, for example, may carry articles featuring the newsworthy products of regular ... - in part because they are regular 10. Much ... tries to persuade and influence consumers rather than inform them. 11. Has an ... ever led you to do something that you would not have done had you not seen the ...? 12. ... often attempt to associate their product with desirable imagery to make it seem equally desirable.

Ex. 5. Decide whether the following statements are true or false

1. Advertising is the best-known form of marketing communications.
2. Promotion mix traditionally includes product, price, place and promotion.
3. A large part of the audience of the medium will not be in the advertiser's target market.
4. Using the money-off coupons marketers try to tempt consumers to sample their products.
5. Personal selling incurs no direct cost for the company.

UNIT 4.2. Advertising media

Print publications advertising and outdoor displays

Advertising media selection is the process of choosing the most efficient media for an advertising campaign. To evaluate media efficiency, planners consider a range

of factors including: the required coverage and number of exposures in a target audience; the relative cost of the media advertising and the media environment. *Media planning* may also involve buying media space. Media planners require an intricate understanding of the strengths and weaknesses of each of the main media options. The media industry is dynamic – new advertising media options are constantly emerging. Digital and social media are changing the way that consumers use media and are also having an impact on how consumers acquire product information.

Virtually *any medium can be used for advertising*. Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television adverts, web banners, mobile telephone screens, shopping carts, web popups, skywriting, bus stop benches, human billboards and forehead advertising, magazines, newspapers, town criers, sides of buses, banners attached to or sides of airplanes, shopping cart handles, posters, and the backs of event tickets and supermarket receipts. Any place an «identified» sponsor pays to deliver their message through a medium is advertising. The most commonly used are newspapers, television, direct mail, web, radio, magazines, and outdoor displays.

Print media continue to offer varied advertising opportunities. Print publications such as magazines, books, newspapers and Special Issue publications such as annuals offer a variety of advertising opportunities.

Magazines, especially those that target specific niche or specialized interest areas, are more tightly targeted compared to broadcast media. Additionally, magazines offer the option of allowing marketers to present their message using high quality imagery and can also offer advertisers the ability to integrate interactive, tactile experiences through the use of scratch-it papers impregnated with scents (e.g., perfume). Magazines have a number of advantages over newspapers as an advertising medium. They are usually read in leisurely manner and often kept for weeks or months before being discarded. Another advantage of magazines is that they offer better printing and color reproduction than newspapers do. Advertisers can choose from a wide variety of magazines. Some magazines, such as newsmagazines, appeal to a mass audience. Others are designed for specific groups of people, such as teenagers, homemakers, or amateur photographers. Certain companies advertise in trade publications, which are devoted to particular businesses, industries, or professions.

Newspapers. Newspapers make up the largest category of the advertising media. Firms can advertise in newspapers distributed locally, regionally, nationally, or internationally. Newspapers offer good coverage for firms of any size, because there is at least one newspaper in every local market and many people read the newspapers every day. Newspapers are well suited for immediate needs since they can run advertisements with little lead time. Advertisers can choose ads of any size, from a few lines in the classified section to full pages or separate supplements. Because they reach diverse audiences, newspapers do not always allow advertisers to target their audience precisely. The life span of newspapers is very short since readers usually discard them quickly, although readers can clip or refer back to ads if they wish. Also, the quality of the paper is generally low, and the use of color is limited.

Special Issue publications can offer very selective targeting since these often focus on extremely narrow topics (e.g., auto buying guide, tour guides, college and

university ratings, etc.).

Direct mail. Thousands of organizations send catalogs, advertisements, flyers, brochures, and fund-raising materials to homes, offices, or stores of target individuals. For direct mail to be effective, the material must reach the target group through up-to-date mailing lists. Advertisers can develop or purchase mailing lists that will reach nearly any target market imaginable, although selective mailing lists are expensive to buy. Direct mail's effectiveness is easily determined by the response: customers' orders or donations to fund-raising organizations. Even banks use direct mail. Direct mail, traditionally considered one of the less expensive forms of advertising, is becoming more costly as postal rates rise. Many firms are trimming mailing lists to include only their best customers or prospects.

Outdoor displays. The use of signs to communicate a marketer's message places advertising in geographically identified areas in order to capture customer attention. Large, colorful signs easily attract attention. However, the ads on outdoor signs must be short and simple because most passers-by see a sign for only a few seconds. The most obvious method of using signs is through billboards, which are generally located in high traffic areas. Outdoor billboards come in many sizes, though the most well-known are large structures located near transportation points intending to attract the interest of people traveling on roads or public transportation. Indoor billboards are often smaller than outdoor billboards and are designed to attract the attention of foot traffic while billboards are the most obvious example of signage advertising, there are many other forms of signage advertising include:

- sky writing where airplanes use special chemicals to form words;
- messages placed on hot air balloons or banners carried by small aircraft;
- mobile billboards where signs are placed on vehicles, such as buses and cars, taxis or even clapper-boards carried by paid agents;
- plastic bags used to protect newspapers delivered to homes;
- advertisements attached to grocery carts;
- holographic images projected into public spaces;
- laser projections onto city buildings.





Ex. 1. Discuss the advertisements above

1. Which do you like best? Why?
2. What kind of advertisement do you like?

Ex. 2. What makes a good advertisement? Use some of the words below.

clever, interesting, funny, inspiring, eye-catching, powerful, humorous, shocking, informative, sexy

Which of the following statements do you agree with?

1. People remember advertisements not products.
2. Advertising raises prices.
3. Advertising has a bad influence on children.

Ex. 3. Do you think that the advertising practices described below are acceptable? Why?

1. Using children in advertisements.
2. Using nudity in advertisements.
3. Promoting alcohol on TV.
4. Comparing your products to your competitors' products.
5. An image flashed onto a screen very quickly so that people are influenced without noticing it (subliminal advertising).
6. Exploiting people's fears and worries.

Ex. 4. Look at the words in the box below. Label each item 1 for advertising media, 2 for methods of advertising or 3 for verbs to do with advertising.

directories 1	persuade	publicize	sponsorship
run	mailshots	promote	cinema
commercials	public transport	place	free samples
exhibition	billboards/ hoardings	launch	leaflets
point-of-sale	posters	word of mouth	radio
target	endorsement	research	sponsor
press	Internet	slogans	television

Ex. 5. Choose the most suitable word from the words in brackets to complete these sentences.

1. Viacom Outdoor is an advertising company that specializes in placing adverts on (billboards / public transport / television) such as buses.
2. Some perfume companies provide (leaflets / commercials / free samples) so that customers can try the perfume on their skin before they buy.
3. Advertising companies spend a lot of money on creating clever (slogans / directories / mailshots) that are short and memorable such as the message for the credit card, Access: “Your flexible friend”.
4. Celebrity (exhibition / research / endorsement) is a technique that is very popular in advertising at the moment.
5. If news about a product comes to you by (word of mouth / press / Internet), someone tells you about it rather than you seeing an advert.
6. If you have something to sell, you can (target / place / launch) an advert in the local newspaper.

UNIT 4.3. Advertising media. Radio and TV

Television advertising offers the benefit of reaching large numbers in a single exposure. Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets. Television networks are attempting to improve their targeting efforts. In particular, cable television networks operating in the pay-to-access arena are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences. However, television remains an option that is best for products that targeted to a broad market. The geographic scope of television advertising may vary, from local or regional advertising through to national coverage, depending on whether public broadcasting or subscriber-based cable services are used. The major drawback of network television advertising is the high cost. To keep costs down, many advertisers now use 15-second ads, with networks running more of these shorter ads during a commercial break. At any rate, TV ads have an extremely short life, which prompts creators to use special effects, unusual sounds, music, humor, and distinctive characters to encourage viewers to remember advertisements and products. Television advertising, once seen as the mainstay of media advertising, is facing numerous challenges from alternative media, especially interactive and social media.

Radio serves a large and various audiences. Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station. Because of the wide variety of programming that caters to numerous interests – such as talk shows, all news, hard rock, classical music, jazz, oldies, and easy listening – advertisers can easily pinpoint target audiences. Spending on radio advertising has grown significantly because of its low cost and its ability to reach precisely defined target audiences. In many ways radio suffers the same problems as television, namely, a mass medium that is not highly targeted and offers little opportunity to track responses. Radio advertisements have the disadvantage of an extremely short life. Messages are limited because radio relies only on the sense of hearing. Listeners may keep radios turned on for background

music or mere noise and ignore the advertisements. Unlike television, radio presents the additional disadvantage of limiting advertisers to audio-only advertising. For some products advertising without visual support is not effective.

Ex. 1. Fill in the gaps with the correct modal verb.

1. Promotional messages ... inform consumers about organizations and products and influence them to make a purchase or adopt a special cause or belief. 2. Promotional programs ... be built around a single objective or multiple objectives. 3. A promotional mix ... contain any of all of the four elements, depending on the firm's objectives. 4. It is important to keep in mind that the elements in the promotion mix ... be coordinated and linked together. 5. When consumers enter into a service transaction, they ..., as a general rule, interact with service firm employees. 6. The role of an advertising agency ... vary from a simple supplier to a genuine business partner.

Ex. 2. Match the halves.

<p>1. If money were not spent on advertising it would give manufacturers the opportunity to</p> <p>2. Some firms spend large sums of money on advertising to</p> <p>3. Many manufacturers see advertising as an insurance policy which gives them the opportunity to</p> <p>4. Advertising can be seen as the means to</p> <p>5. The advent of satellite TV has opened up possibilities for international advertising agencies to</p> <p>6. If manufacturers do not advertise when sales fall they might have to</p> <p>7. A jingle is a short tune to</p> <p>8. A hoarding is site for poster advertising which some firms use to</p> <p>9. The Trade Description Acts were passed to</p> <p>10. The purpose of much advertising expenditure on established brands</p> <p>11. The target audience is the section of the population to</p> <p>12. Ego bait is intended to</p>	<p>a. communicate between those with goods and services to sell and those who might benefit from those goods and services.</p> <p>b. make large numbers of their workers redundant.</p> <p>c. which the advertising message of a TV or radio commercial is sung</p> <p>d. ensure that advertisers do not make false statement about their products and services.</p> <p>e. restrict the entry of competitors into the market.</p> <p>f. substantially reduce the cost of the goods to the consumer.</p> <p>g. whom the advertisement is intended to appeal.</p> <p>h. remind the public of the name of the product.</p> <p>protect themselves against their own too-optimistic forecasts.</p> <p>i. advertise throughout the world with a single commercial</p> <p>j. flatter the target audience by pandering to their self image and making them more respectful to the advertising message.</p> <p>k. attract the attention of people such as pedestrians and motorists.</p>
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Ex. 3. Put these four media types into the correct place in the table. Explain your choice.

junk mail, TV, newspapers, billboards, spam

Media type	Advantages	Disadvantages
1. _____	very good for short sharp messages	can be affected by the weather

2. _____	can be targeted	may be totally ignored by the recipient
3. _____	can provide a lot of details or information	a company's advertisement be lost amongst many others, possibly those of its rivals
4. _____	can demonstrate the product in use	consumers may not pay attention
5. _____	can reach a lot of people very-quickly	can be deleted before it reaches customer

Ex. 4. Read the following advertisements and say which advertisement the following statements refer to.

A. This dynamic and pioneering company, a member of a well-established group, continues to expand significantly its market share, both through emphasis on technical excellence and a professional business approach. This new appointment is the cornerstone in the company's future diversification program.

B. If you've got an eye for detail, coupled with secretarial skills, then Bejam the freezer people have just the job for you at their busy, lively offices in Stanmore. You'll be responsible for checking that the prices and spelling are correct on our display material, liaising with the display company and store managers. This involves a lot of telephone work and keeping to deadlines, so you must be capable of working efficiently under pressure.

C. The company is a successful independent operator. It provides a range of services from a number of locations in the UK and on the Continent. Reporting to the General Manager, responsibility is to manage the finance and accounting functions. Developing controls and advising on financial policy and planning will be major tasks. Success in the role should lead to a Board appointment.

D. May-fair based public company is looking for the best sales people in Britain. You must be money motivated, aggressive, hardworking and above all, a good sales person. We sell ad space. If you can as well, you can move to any of our offices, all expenses are paid.

1. This advertisement emphasizes the importance of the position in the company's planned development.

A B C D

2. This advertisement seems to issue a challenge.

A B C D

3. This advertisement mentions the possibility of promotion.

A B C D

4. This advertisement promises a special benefit to the successful applicant.

A B C D

5. This advertisement adopts an informal, almost chatty style.

A B C D

Ex. 5. Fill in the blanks with the correct preposition

Advertisers believe the consumers will look ... and remember messages conveyed ... unexpected ways. They are using traditional media ... new ways. Some billboards now sport elaborate lights and music. One ... a Southern California hospital featured a huge, inflatable heart ... fans inside simulating beating motions. ... TV, both General Electric and Shearson Lehman Hutton have experimented ... different sounds—buzzes, hums, and weird music - to catch the public's ear. Magazines feature gate-folds (foldout ads attached ... front or back covers), pop-ups, and even computer chips that play Christmas carols. Newspapers offer ads ... red ink ... a strawberry scent; other scents, such as coffee, are being developed.

Then there are alternative media, everything ... matchbook covers ... blimps. Use ... nontraditional media represents a tiny share ... the advertising dollar but is growing fast. Human billboards – people wearing huge popcorn bags - hand out samples ... Smartfood cheese popcorn ... Chicago.

... supermarkets and drugstores, shoppers are bombarded ... electric signs, closed-circuit radios playing commercials ... aisles, and video recorders showing how to use products. Video screens mounted ... shopping carts play ads as customers may their way through stores. “Everywhere there's space, they're slapping something on it”.

UNIT 4.4.Social media marketing and advertising

Social media marketing and advertising is the use of social media platforms and websites to promote a product or service. Most of these social media platforms have their own built-in data analytics tools, which enable companies to track the progress, success, and engagement of ad campaigns. Just under half the world's population is currently on the Internet. Roughly 75% of those people are on social media and ¾ of those folks have social media accounts on their mobile phones. Mobile phone usage is beneficial for social media marketing because mobile phones have social networking capabilities, allowing individuals immediate web browsing and access to social networking sites. Mobile phones have grown at a rapid rate, fundamentally altering the path-to-purchase process by allowing consumers to easily obtain pricing and product information in real time and allowing companies to constantly remind and update their followers.

Mobile devices and the internet also influence the way consumers interact with media and has many further implications for TV ratings, advertising, mobile commerce and more. Mobile media consumption such as mobile audio streaming or mobile video are on the rise.

Social media can be a useful source of market information and a way to hear customer perspectives. Blogs, content communities, and forums are platforms where individuals share their reviews and recommendations of brands, products, and services. Businesses are able to tap and analyze the customer voices and feedback generated in social media for marketing purposes. In this sense the social media is a relatively inexpensive source of market intelligence which can be used by marketers and managers to track and respond to consumer-identified problems and detect market

opportunities.

One of the main purposes of employing social media in marketing is as a communications tool that makes the companies accessible to those interested in their product and makes them visible to those who have no knowledge of their products. These companies use social media to create buzz, and learn from and target customers. It's the only form of marketing that can finger consumers at each and every stage of the consumer decision journey. Marketing through social media has other benefits as well. Of the top 10 factors that correlate with a strong Google organic search, seven are social media dependent. This means that if brands are less or non-active on social media, they tend to show up less on Google searches. While platforms such as Twitter, Facebook, and Google+ have a larger amount of monthly users, the visual media sharing based mobile platforms, however, garner a higher interaction rate in comparison and have registered the fastest growth and have changed the ways in which consumers engage with brand content. Instagram has an interaction rate of 1.46% with an average of 130 million users monthly as opposed to Twitter which has a 0.03% interaction rate with an average of 210 million monthly users. Unlike traditional media that are often cost-prohibitive to many companies, a social media strategy does not require astronomical budgeting. The most popular platforms are the following.

Twitter allows companies to promote their products in short messages known as tweets limited to 140 characters which appear on followers' Home timelines. Tweets can contain text, Hashtag, photo, video, Animated GIF, or links to the product's website and other social media profiles, etc. Twitter is also used by companies to provide customer service. Some companies make support available 24/7 and answer promptly, thus improving brand loyalty and appreciation.

Facebook pages are far more detailed than Twitter accounts. They allow a product to provide videos, photos, and longer descriptions, and testimonials as other followers can comment on the product pages for others to see. Facebook can link back to the product's Twitter page as well as send out event reminders. As of May 2015, 93% of businesses marketers use Facebook to promote their brand. A study from 2011 attributed 84% of «engagement» or clicks to Likes that link back to Facebook advertising. By 2014, Facebook had restricted the content published from businesses' and brands' pages. Adjustments in Facebook algorithms have reduced the audience for non-paying business pages (that have at least 500,000 «Likes») from 16% in 2012 down to 2% in February 2014.

Google+, in addition to providing pages and some features of Facebook, is also able to integrate with the Google search engine. Other Google products are also integrated, such as Google Adwords and Google Maps. With the development of Google Personalized Search and other location-based search services, Google+ allows for targeted advertising methods, navigation services, and other forms of location-based marketing and promotion. Google+ can also be beneficial for other digital marketing campaigns, as well as social media marketing. Google+ authorship was known to have a significant benefit on a website's search engine optimization, before the relationship was removed by Google. Google+ is one of the fastest growing social media networks and can benefit almost any business.

LinkedIn, a professional business-related networking site, allows companies to create professional profiles for themselves as well as their business to network and meet others. Through the use of widgets, members can promote their various social networking activities, such as Twitter stream or blog entries of their product pages, onto their LinkedIn profile page. LinkedIn provides its members the opportunity to generate sales leads and business partners. Members can use «Company Pages» similar to Facebook pages to create an area that will allow business owners to promote their products or services and be able to interact with their customers. Due to spread of spam mail sent to job seeker, leading companies prefer to use LinkedIn for employee's recruitment instead using different a job portal. Additionally, companies have voiced a preference for the amount of information that can be gleaned from a LinkedIn profile, versus a limited email.

In May 2014, *Instagram* had over 200 million users. The user engagement rate of Instagram was 15 times higher than of Facebook and 25 times higher than that of Twitter. 95% of prestige brands have an active presence on Instagram and include it in their marketing mix. When it comes to brands and businesses, Instagram's goal is to help companies to reach their respective audiences through captivating imagery in a rich, visual environment. Moreover, Instagram provides a platform where user and company can communicate publicly and directly, making itself an ideal platform for companies to connect with their current and potential customers. Many brands are now heavily using this mobile app to boost their marketing strategy. Instagram can be used to gain the necessary momentum needed to capture the attention of the market segment that has an interest in the product offering or services. The marketers see it as a potential platform to expand their brands exposure to the public, especially the younger target group. On top of this, marketers do not only use social media for traditional Internet advertising, but they also encourage users to create attention for a certain brand. This generally creates an opportunity for greater brand exposure. Furthermore, marketers are also using the platform to drive social shopping and inspire people to collect and share pictures of their favorite products.

YouTube is another popular avenue. Advertisements are done in a way to suit the target audience. The type of language used in the commercials and the ideas used to promote the product reflect the audience's style and taste. Also, the ads on this platform are usually in sync with the content of the video requested, this is another advantage YouTube brings for advertisers. Certain ads are presented with certain videos since the content is relevant.

Blogs. Companies that recognize the need for information, originality and accessibility employ blogs to make their products popular and unique and ultimately reach out to consumers who are privy to social media. Blogs allow a product or company to provide longer descriptions of products or services, can include testimonials and can link to and from other social network and blog pages. Blogs can be updated frequently and are promotional techniques for keeping customers, and also for acquiring followers and subscribers who can then be directed to social network pages. Online communities can enable a business to reach the clients of other businesses using the platform.

VK (VKontakte) is the largest European online social media and social networking

service. It is available in many different languages and is especially popular among Russian-speaking users. VK allows users to message each other publicly or privately, to create groups, public pages and events, share and tag images, audio and video, and to play browser-based games. It is based in Saint Petersburg, Russia. As of January 2017, VK had at least 410 million accounts. VK is ranked 13 (as of February 2017) in Alexa's global Top 500 sites. It is the most popular website in Russia. According to SimilarWeb, VK is the 5th most popular website in the world.

OK.ru (Odnoklassniki) is a social network service for classmates and old friends. It is popular in the Russian Federation and former Soviet Republics. The site was developed by Albert Popkov on March 4, 2006. The website currently has more than 200 million registered users and 45 million daily unique visitors. Odnoklassniki also currently has an Alexa Internet traffic ranking of 56 worldwide and 7 for Russia.

WhatsApp was founded by Jan Koum and Brian Acton. WhatsApp joined Facebook in 2014, but continues to operate as a separate app with a laser focus on building a messaging service that works fast and reliably anywhere in the world. WhatsApp started as an alternative to SMS. WhatsApp now supports sending and receiving a variety of media including text, photos, videos, documents, and location, as well as voice calls. WhatsApp has a customer base of 1 billion people in over 180 countries. It is used to send personalized promotional messages to individual customers.

Viber is a free, cross-platform instant messaging and voice over IP (VoIP) application that was first developed and popularized by the Israeli company Viber Media that was bought by the Japanese multinational company Rakuten. In addition to instant messaging, users can exchange images, video and audio media messages by sending files to each other. As of December 2016, Viber had 800 million registered users.

Ex. 1. Answer the following questions

1. How much time do you usually spend searching social media?
2. What are the most popular social media among you friends?
3. Do you have your own public? How do you promote it?

Ex. 2. Name logos



Ex. 3. Imagine that you are owner of:

- SPA saloon
- Café
- Pizzeria
- Photo studio
- Touristic agency
- Car repairing service
- Bookshop

What social media will you choose for promotion your business? Why?
 Ex. 4. Describe pictures.

MAKING YOUR FACEBOOK POSTS MATTER

7 STATISTICS THAT CAN RAISE YOUR ENGAGEMENT RATE*

- #### 1 ADD PHOTOS

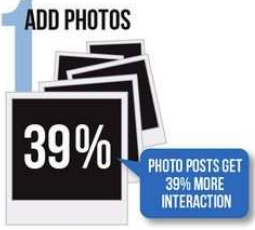
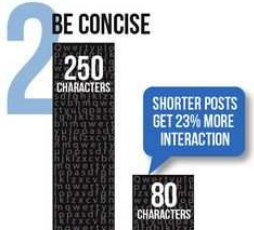


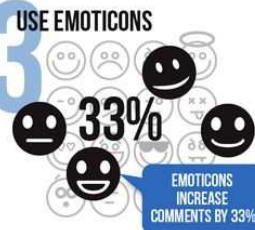
PHOTO POSTS GET 39% MORE INTERACTION

Photos account for 93% of the most engaging posts, and photo posts get 53% more likes, 104% more comments, and 84% more click-throughs than text-based posts.
- #### 2 BE CONCISE




SHORTER POSTS GET 23% MORE INTERACTION

Posts below 250 characters can get you 60% more engagement, while cutting to less than 80 characters will get you 56% more engagement.
- #### 3 USE EMOTICONS




EMOTICONS INCREASE COMMENTS BY 33%

Posts with emoticons get 33% more comments, get shared 33% more often, and get liked 57% more than posts without emoticons.
- #### 4 POST ON THURSDAY & FRIDAY




THURSDAYS & FRIDAYS HAVE 18% HIGHER ENGAGEMENT RATES

Engagement rates are 18% higher on Thursdays and Fridays, compared to other days of the week.
- #### 5 POST QUESTIONS




QUESTION POSTS GET 100% MORE COMMENTS

Questions generate 100% more comments than standard posts with statements, and questions with quick or limited answers tend to get the highest number of comments.
- #### 6 RUN CONTESTS



35% OF FANS LIKE A PAGE TO PARTICIPATE IN A CONTEST

35% of fans like a page to participate in a contest, and using contest-related words, such as winner, win, entry, contest, enter, and promotion are more likely to engage people.
- #### 7 GIVE COUPONS OR DISCOUNTS



42% OF FANS LIKE A PAGE TO GET A COUPON OR DISCOUNT

Coupon-based campaigns receive some of the highest engagement rates, with 42% of fans liking a page to get a discount or coupon.

ENGAGE YOUR USERS. POST, COMMENT, AND CONNECT!

5 FACEBOOK
MARKETING
TIPS

1. Boosted Posts

Boosted Facebook posts are effective for small businesses and startups.

In 2014, Space Walk of Gatesville, Texas purchased an inflatable water slide. The results of the \$20 boost:



4,500 people reached



1,000 post likes



8 reservations at \$300 a session in 7 days



\$2,400 of total revenue

2. Audience Insights

Audience understanding leads to an improved content strategy and ROI.

Facebook's Audience Insights allows brands to see what customers interact with most:



Custom-made images and photos



Specific topics of interest



Shared videos



Promotional contests

3. ActionSprout for Email Acquisition

Company pages are rarely visited.



Instead, users prefer to stay exclusively on their News Feed.

ActionSprout places a specific acquisition action directly in the News Feed.



All that's required for use is an email address.

4. Website Custom Audiences

Creativity with targeting leads to better customers.



Website Custom Audiences helps brands target those who've already visited their sites.

5. Digital Public Relations

Facebook has over 1 billion reporter profiles and Facebook Graph Search makes finding their details a breeze.



Through PR, a company can position itself as a reliable source for newsworthy knowledge.



http://www.socialmediasaminer.com/facebook-marketing-tips-from-the-pros/

Ex. 5. Fill the gaps with the correct article. Translate.

Social media marketing (SMM) is ... form of ... Internet marketing that utilizes social networking websites as ... marketing tool. The goal of SMM is to produce content that users will share with their social network to help ... company increase brand exposure and broaden customer reach. One of ... key components of SMM is ... social media optimization (SMO). Like search engine optimization (SEO), SMO is a strategy for drawing new and unique visitors to a website. SMO can be done two ways: adding social media links to content, such as ... RSS feeds and sharing buttons

or promoting activity through ... social media by updating statuses or tweets, or blog posts. SMM helps ... company get direct feedback from customers and potential customers while making ... company seem more personable. The interactive parts of ... social media give customers ... opportunity to ask questions or voice complaints and feel they are being heard. This aspect of SMM is called social customer relationship management (social CRM).

UNIT 4.5. Public relations and publicity

Every organization, no matter how large or small, ultimately depends on its reputation for survival and success. Customers, suppliers, employees, investors, journalists and regulators can have a powerful impact. They all have an opinion about the organizations they come into contact with – whether good or bad, right or wrong. These perceptions will drive their decisions about whether they want to work with, shop with and support these organizations.

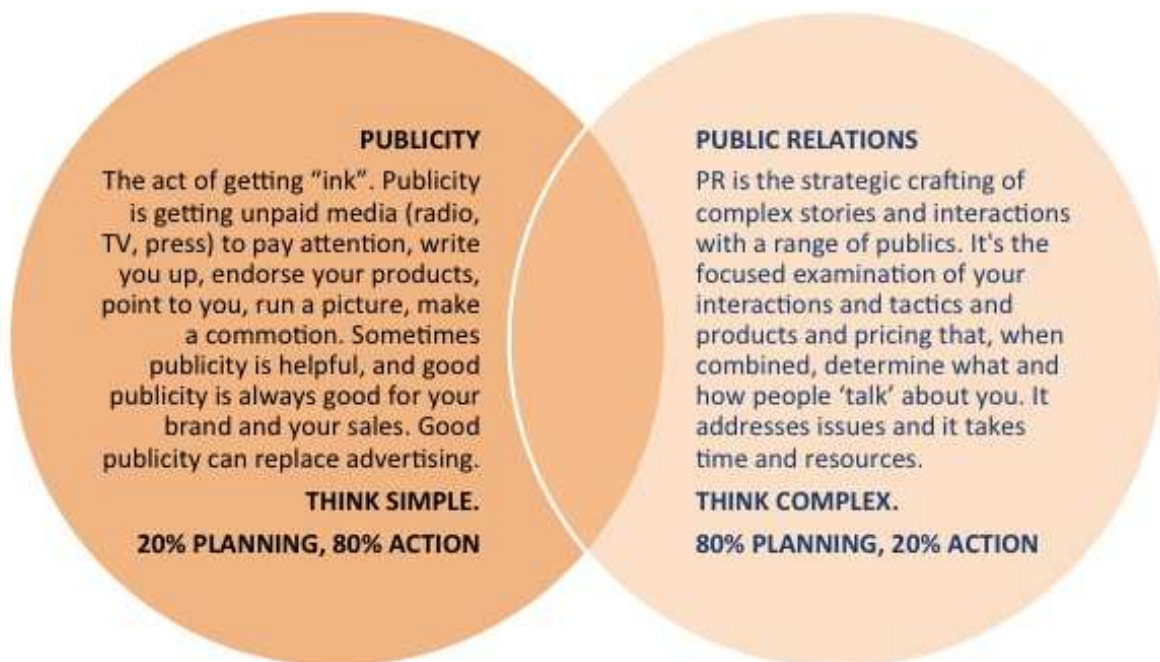
Public Relations is about reputation – the result of what you do, what you say and what others say about you. Public Relations is the discipline which looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics. In today's competitive market, reputation can be a company's biggest asset – the thing that makes you stand out from the crowd and gives you a competitive edge. Effective PR can help manage reputation by communicating and building good relationships with all organization stakeholders.

Public relations specialists establish and maintain relationships with an organization's target audience, the media, and other opinion leaders. Common responsibilities include designing communications campaigns, writing news releases and other content for news, working with the press, arranging interviews for company spokespeople, writing speeches for company leaders, acting as an organization's spokesperson, preparing clients for press conferences, media interviews and speeches, writing website and social media content, managing company reputation (crisis management), managing internal communications, and marketing activities like brand awareness and event management. Success in the field of public relations requires a deep understanding of the interests and concerns of each of the company's many stakeholders. The public relations professional must know how to effectively address those concerns using the most powerful tool of the public relations trade, which is publicity.

Publicity is often referred to as the result of public relations in terms of providing favorable information to media and any third party outlets; these may including bloggers, mainstream media, as well as new media forms such as podcasts. From a marketing perspective, publicity is one component of promotion and marketing. Publicity offers several advantages as a promotion tool. First, it may reach people who ordinarily do not pay attention to advertising, sales promotion, and salespeople. Second, it has greater credibility than advertising. Third, it is relatively inexpensive and provides coverage that would cost many advertising dollars.

Examples of promotional tactics include: announce an appointment, arrange a speech or talk, arrange for a testimonial, conduct a poll or survey, event sponsorship,

organize a tour of your business or projects and etc. The advantages of publicity are low cost and credibility. New technologies such as weblogs are changing the cost-structure. The disadvantages are lack of control over how your releases will be used, and frustration over the low percentage of releases that are taken up by the media.



PR Vs Publicity

Publicity	Public relation
1. It is short term strategy	1.This is a long term strategy, PR programme extends over a long period of time
2. Publicity may be positive or negative	2.PR is always positive
3. It is not always under the control of the person about whom publicity is made	3.It is under the control of the firm or its agent
4. It need not be paid by the organization	4.It is paid by the organization for doing PR
5. Creates impact by deeds	5.Creates impacts by proclamation
6. Uses press release to achieve the purpose	6.Uses sponsored event to achieve the purpose
7. Controlled by the firm. It can control the amount of impact that the event makes	7.The company is under the obligation to the press for the release of information

Ex. 1.Match the promotion mix component in the first column with the second column descriptor:

1. advertising	a. a regular flow of interesting stories is fed to the media
2. publicity	b. most important in marketing industrial goods, less important in marketing consumer goods
3. sales promotion	c. short-term incentives to buy or distribute product
4. personal selling	d. most important in marketing consumer goods, less important in marketing industrial goods

Ex. 2. Match up the following verb-noun collocations.

- | | |
|----------------|------------------|
| 1. to satisfy | a. an impact |
| 2. to develop | b. attention |
| 3. to inform | c. consumers |
| 4. to build up | d. needs |
| 5. to seek | e. politicians |
| 6. to draw | f. products |
| 7. to believe | g. publicity |
| 8. to have | h. relationships |

Ex. 3. Complete the sentences choosing from the following:

consumers, publicity, unique selling proposition, emotional appeal, rational appeal, targets, promotes
--

1. A set of characteristics that make a product different to its competitors is its
2. Any activity which increases consumer, awareness of a company or its products
3. Promotional techniques based on giving the consumer facts and technical information are concerned with
4. Promotional techniques aimed at people's fears, ambition, feelings, likes and dislikes are concerned with
5. Advertising ... consumers and ... products.
6. Mass media promotion aims to influence public perception, not only target

Ex. 4. Select the correct alternatives to complete the text.

1. a. mouth-to-mouth	b. mouth-to-ear	c. word-of-mouth
2. a. advertising agency	b. advertisingcompany	c. public relationscompany
3. a. account	b. arrangement	c. deal
4. a campaign	b. budget	c. effort
5. a. brief	b. dossier	c. message
6. a. facts	b. message	c. opinions
7. a. medium plan	b. media decision	c. media plan
8. a. aimed	b. segmented	c. target
9. a. campaign	b. mix	c. plan
10. a. promotions	b. publicity	c. public relations

Advertising informs consumers about the existence and benefits of products and services, and attempts to persuade them to buy them. The best form of advertising is

free (1 ...) advertising, which occurs when satisfied customers recommend products or services to their friends/but very few companies rely on this alone.

Large companies could easily set up their own advertising departments, but they tend to hire the services of a/an (2 ...). A contract to produce the advertisements for a specific company, product, or service is known as a/an (3 ...). The client company generally decides on its advertising (4 ...). The amount of money it plans to spend in developing its advertising and buying media time or space. It also provides a (5 ...) or a statement of the objectives of the advertising, as well as an overall advertising strategy concerning what (6 ...) is to be communicated. The choice of how and where to advertise (newspapers and magazine ads, radio and television commercials, cinema ads, posters on hoardings (UK) or billboards (US), point-of-purchase displays in stores, mailings of leaflets, brochures or booklets, and so on), and in what proportions, is called a (7 ...). The set of customers whose needs a company plans to satisfy, and therefore to expose to an advertisement are known as the (8 ...) market. The advertising of a particular product or service during a particular period of time is called an advertising (9 ...). Favorable mentions of a company's products or services, in any medium read, viewed or heard by a company's customers or potential customers, that are not paid for, are called (10 ...).

Ex. 5. Match the words below with the definitions that follow

junk mail, advertising campaign, hoarding, advertising agency, pre-testing advertising, publicity, promotion, advertising, logo, post-testing advertising, media, non-profit advertising
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1. Nonpersonal communication through media for which payment is made. 2. An independent company organized to supply specialized services in advertising and marketing. 3. Print and broadcast organizations used by advertisers to reach their customers. 4. Advertising by organizations such as governments, colleges, churches, labour unions, political parties. 5. Research designed to determine the effectiveness of an advertisement or advertising campaign after its general appearance in the media. 6. Research designed to determine the effectiveness of an advertisement or advertising campaign prior to its general appearance in the media. 7. An attempt to make a product or event popular or successful, especially by advertising. 8. Advertisements and publicity materials that you receive through the post, which you have not asked for and which you don't want. 9. A planned series of advertisements. 10. A company symbol, badge or name style. 11. A site for poster advertising. 12. The art of claiming attention.

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