

Marketing strategy and product development

7.1 Fill in the missing letters.

- 1 Data collected by market research can be 'qu__ itative' (= factual and numerical), or 'qu_ _ _ _ _ ve' (= opinions and attitudes that are difficult to measure).
- 2 Another word for the final consumer of a product is the 'e__-u__'.
- 3 The relationship between quality and price is referred to as 'v_ _ _ -for-m_ _ _'. This phrase often has the word good in front, to mean 'cheap' ('cheap' can have a negative connotation).
- 4 Marketers tend to emphasize 'be__ its' (= advantages for the customer) rather than 'fea__ es' (from a product design point of view).
- 5 A name or symbol that has legal protection is called a 'registered tr_ _ _ _ _'.
- 6 Two key concepts in pricing are 'm_ _ -up' (= the % added to the cost to give the selling price) and 'br_ _ _ even volume' (= the sales volume at which the product starts to make a profit).

7.2 Complete the text with the words in the box.

brand awareness	brand names	brand loyalty
market leader	market share	product lines
product mix	profitability	

Proctor & Gamble is a very well-known company in the household and personal goods sector. It has 22 different _____ including baby care, cosmetics, household cleaners, laundry, oral care, etc.

The combination of all these makes up P&G's _____ (= product range). P&G has many well-known _____ such as Ariel, Pampers, Pantene, but notice that the brand is not the same as the company name (although in other companies it is). P&G spends a very large marketing budget maintaining the _____ of its customers — it wants them to be satisfied and committed to further purchases. But even larger sums are needed when it launches a new product - _____ (= brand recognition) has to be built up from zero.

What about P&G's pricing policy? Well, they are a _____ so they don't have to set artificially low prices to gain sales volume and _____. Instead, they can focus on _____ - maximizing revenue and minimizing costs.

7.3 Complete the text with the words in the box.

advertising budgets	consumer tastes
differentiate products	early adopters
making a loss	reaches saturation
similar offerings	withdrawn from the market

The classic product life cycle is Introduction, Growth, Maturity and Decline. In the Introduction stage the product is promoted to create awareness. It has low sales and will still be _____. If the product has few competitors, a skimming price strategy can be used (a high price for _____ which is then gradually lowered). In the Growth phase sales are rising rapidly and profits are high.

However, competitors are attracted to the market with _____. The market is characterized by alliances, joint ventures and takeovers. _____ are large and focus on building the brand.

In the Maturity phase sales growth slows and then stabilizes. Producers attempt to _____ and brands are key to this. Price wars and competition occur as the market _____. In the Decline phase there is a downturn in the market. The product is starting to look old-fashioned or _____ have changed. There is intense price-cutting and many products are _____.

7.4 Make phrases and then complete the text below.

- | | |
|--------------------|------------------|
| 1 carrying out | sample of people |
| 2 gaps in the | a survey |
| 3 consumer | of competitors |
| 4 published | needs |
| 5 a representative | market |
| 6 statistically | sources |
| 7 the activity | reliable |

Market research is the process by which a company collects information about _____ and preferences. The information helps to identify market trends and spot _____.

The easiest data to collect is that from existing _____ such as government reports. Other valuable information can be obtained by studying consumer behaviour in more developed markets, or looking at _____ (benchmarking).

Primary data, collected for the first time, is more difficult to obtain. First, _____ has to be carefully chosen — it has to be large enough to be _____, and also checked for factors such as age, sex, and occupation. Common research methods include _____ using a questionnaire, or face-to-face interviews with existing customers.

Interview with a Marketing Director

1. What are the differences between the U.S. and Europe in terms of what customers want and like?
2. Why?
3. What lines does the company supply to the construction sector?
4. How much does the company earn on the lines supplied to the construction sector?
5. How many models do they have?
6. Why?
7. What happens every:
 - a) 2 years?
 - b) 3-4 years?
 - c) 6-7 years?
8. The interviewer asks if the new generation of products are _____ or _____. What is the answer?
9. What determines the pricing level of their products?
10. What adds most value?
11. The MD says in Europe a kitchen is a status symbol. How does he demonstrate that?
12. How does the company carry out market research?
13. What does the company sometimes realize after an advertising campaign?
14. Why and how often do they change advertising agencies?
15. What example of direct marketing does he give?
16. The MD says they do not increase the amount of _____ because (?)