

Market Leader - Unit 1

Vocabulary

A) 1 - d; 2 - c; 3 - b; 4 - e; 5 - a; 6 - i; 7 - j; 8 - f; 9 - h; 10 - g; 11 - m; 12 - n; 13 - k; 14 - o; 15 - L

B) 2 - brand loyalty; 3 - brand stretching; 4 - brand image; 5 - product endorsement; 6 - product lifecycle; 7 - product range; 8 - product placement; 9 - market leader; 10 - market segment; 11 - market challenger; 12 - market research.

C) 1. Advantages:

- Advertisers believe that consumers will buy products associated with people they admire and respect
- Celebrities make advertisement believable
- Influence consumer's purchase intentions

Disadvantages:

- Consumers might not believe that the endorsers really consume the product that they endorse
- Consumers give less credibility to celebrities who endorse many products.

2. Brand loyalty

1. reward customers for their loyalty: offering a discount, or a financial incentive; 2. Send the company magazine for free to customers and do a feature each month on some of your buyers; 3. Offer a good deal on trading, example: trade in their old car; 4. Free after-sales service for the first three years (costly); 5. Offer an expensive pen with your logo on it, if they complete and send in a questionnaire on their lifestyles and buying habits.

3. Examples of successful and unsuccessful brand stretching: Coke versus diet coke; Starbucks coffee liqueur; The Motorola ROKR phone with iTunes. Coca Cola had to make considerable efforts to regain customers who had turned to Pepsi cola. BIC Pens tried to produce BIC pantyhose.

4. A website; advertising.

5. **Market segments:** young singles; junior executives; senior executives; married women; the 30-65 year olds.

6. Increase your visibility in the market/ market brand visibility (search engine rankings); increase

brand image; businesses may move into e-commerce to expand their customer base (the people who buy or use a particular product or service).

Listening:

A. 1: 1, 4. B. brands are useful ways of conveying first information instantly and a brand is to enable customers to choose one thing from another; 4. C: firstly, they help Nokia in the question of brand image, and how it relates to its broad range of customers in ways that its competitors don't, to give that element of choice, why you should choose a Nokia over a Motorola; and they helped them with developing certain parts of their offer in order to react to the market and also to keep the brand fresh. They work with Nokia on their N series in order to satisfy the needs that an emerging consumer group has, primarily younger consumers. But also in order to sharpen Nokia's brand image as a technology leader.

D. *I thought the offer was good value (for money)/US also a good value (= a lot was offered for the amount of money paid). **top-of-the-range** adjective /ˌtɒp.əv.ðəˈleɪn//ˌtɑːp-/ UK (US **top-of-the-line**) used for describing something that is the most expensive in a group of similar products a top-of-the-range Mercedes*

reliable adjective /rɪˈlaɪə.bəl/ Something or someone that is reliable can be trusted or believed because they work or behave well in the way you expect *Is your watch reliable? reliable information Gideon is very reliable - if he says he'll do something, he'll do it.* Opposite: unreliable

durable adjective /ˈdjʊərə.bəl//ˈdʊr.ə-/ able to last a long time without becoming damaged

The machines have to be made of durable materials.

stylish adjective /ˈstɑɪ.lɪʃ/ approving of a high quality in appearance, design or behaviour

The film's direction is subtle and stylish.

timeless adjective (NOT CHANGING) /ˈtaɪm.ləs/ describes something that does not change as the years go past

The city has a timeless quality as if it had existed forever.

inexpensive adjective /ˌɪn.ɪkˈspɛnt.sɪv/ not costing a lot of money

It's an inexpensive perfume.

fashionable *adjective* /'fæʃ.ən.ə.bəl/ • popular at a particular time

a fashionable nightclub/restaurant - fashionable ideas/clothes

It's not fashionable to wear short skirts at the moment.

-made *suffix* /-meɪd/ produced in the stated way or place

On the bottom of the watch it said 'Swiss-made'.

cool *adjective* (FASHIONABLE) /ku:l/ informal fashionable or attractive

Angie's got some cool new sunglasses.

Now I know it won't look very cool, but this hat will keep the sun out of your eyes.

sexy *adjective* (INTERESTING) /'sek.si/ informal describes something that attracts a lot of interest and attention

product placement *noun* [C or U] when a company advertises a product by supplying it for use in films or television programmes

endorsement *noun* (APPROVAL) /ɪn'dɔːsmənt//-'dɔːr-/ • [C or U] when a famous person appears in an advertisement saying that they use and like a product

products which carry an endorsement from a famous person

corporate image *noun* [C] the way in which a company is seen and understood by people in general

Reading: A. What is the brand image of Dior? Luxury brand, a luxurious leather-goods house

luxurious *adjective* /lʌg'zʊəri.əs//-'zʊr.i-/ • very comfortable and expensive

They have a very luxurious house. We spent a luxurious weekend at a country hotel.

B. 2 1. 70;

C. 1. demands; 2. Label; 3. Exclusivity; 4. Look for; 5. Understand; 6. Forget; 7. Can double; 8. Of luxury.

Mistakes: communicates with his demanding boss, Bernard Arnault; wear, John Galliano and jewellery designer Victoire de Castellane; bad times: get out of

the office; good times: time on the organization; perfect our supply chain; develop network; the Middle East, Hong Kong; South Korea.

Language review:

A. *present simple: usually, often, nowadays, these days, every day, once a month, this year, currently*
Many people now own a video recorder.

B. *present continuous: at the moment, now, this year, currently*

B. 1. A) is working b) now spends; 2. A) sells b) is negotiating; 3. A) are launching b) have (state verb)

C. 1. Is growing; 2. Holds; 3. Dominates; 4. operates; 5. generates; 6. Focuses; 7. See; 8. Is beginning; 9. Are becoming; 10. generate; 11. currently holds; 12. Is growing

Skills

- A. 1. *The club is asking for too much money, the clients are looking for something more exciting.*
2. *Ice hockey; baseball, tennis, motor racing.*
3. *Motor racing would be perfect for Mario. It is fast, exciting and the TV coverage of Formula One races is excellent. It would strengthen their client's image.*
4. *David must check with their clients*

B. 1. How about; 2. What do you think; 3. I'm not so sure; 4. That's true. 5. How do you feel about this? 6. In my opinion; 7. Why don't we

C. 1. Asking for opinions: How do you feel about this? What do you think? 2. Giving opinions: in my opinion; 3. Agreeing: that's true; 4. Disagreeing: I'm not so sure about this; 5. Making suggestions: how about? Why don't we;

Vocabulary:

Target consumer: groupe cible, consommateur cible

Appealing idea: idée attrayante

Profit margins: marge bénéficiaire

Build customer loyalty: fidéliser la clientèle

Ready-to-wear: prêt-à-porter

Luxury buyers: consommateurs en quête de luxe

Craftmanship: connaissance du métier, art ; travail

Gain market share : gagner des parts de marché

Case study

Understand that the European market is very different to the US market.

To do the market research in the US before they come to Europe to find out why the market share is decreasing there, and then to do research in Europe

To be really clear on what the brand's message is

About the different marketing strategies:

Repositioning the brand is the most dangerous of the options because it does not build on the reputation of the brand and puts it in a 'me too' category, which is just the same as all the others.

Developing the brand is the best option. But there is the issue about which celebrities they are going to use and whether they would need to use different celebrities in different countries.

Hiring a top designer is a creative approach, but my concern would be that they would need to do the market research to identify what look they wanted.

Developing a wider product range is an option for further along in its development. The most important thing to do is to develop the central brand message first.

Stretching the brand is not a good idea because the Hudson brand is not yet well known in Europe.

Developing an e-commerce route I don't think is a good option for a luxury goods brand, People like to see and feel the quality. Also it could damage sales back in the US.

action plan

Definition

> a detailed set of instructions to follow in order to solve a problem or achieve something: **develop/draw up/produce an action plan** an action plan for sth These are the main recommendations in the 22-point action plan for trade liberalization.

Writing

To: David Wright

From: Peter Lewis

Subject: Action plan

Dear Mr Wright,

It was very good to see you again at our meeting in Paris on 6 July. I hope you had a safe journey home afterwards.

We should carry out the market research in the US before we come to Europe to find out why the market share is decreasing there, and then do research in Europe.

We agreed that the most important thing to do is to develop the central brand message first. We should know what we want the Hudson brand to be known for in Europe.

Developing the brand is the best option. But there is the issue about which celebrities we are going to use to advertise our products. George Clooney is very fond of our products and would like to endorse our new range. This strategy would boost sales and increase profits.

I suggest that we should meet to discuss the action plan in greater details. Can you make it on Tuesday 13 July at 9 a.m.? Please let me know if this date is good for you.

I enclose the action plan as an attachment.

Best wishes,

Peter Lewis

CEO

Hudson Corporation

English listening test

Directions: Listen to the four participants at a meeting giving their opinions about Hudson Wright, entering the European market.

This document deals with the problems Hudson Wright may face entering the

European market. This is the main topic on the agenda.

Four participants, Diana, Ruth and Tom and a chairman are attending a board meeting. Hudson Wright is an American brand manufacturer of branded pieces of luggage. The chairman kicks off and invites all participants to air their views on the difficulties they may face satisfying European consumers' needs.

Diana believes that they will need to do a lot of advertising to establish their brand overseas, which should be very expensive. They will need to adapt their luggage to the European consumers. That should be very costly too.

Ruth thinks that they will need to get the pricing right. But European consumers are not as price-conscious as Americans are. So that should not be too much of a problem. She reckons that European consumers will pay high prices for luxury goods if they like the design and if they give them status. She suggests that Hudson Wright should develop exclusive and made-in America products, that will mean high-quality and great value-for-money.

Tom does not agree at all with Ruth. He thinks that they should go downmarket, and aim to achieve high-volume sales. Offshoring part of their production should help cut their manufacturing cost.

The chairman of the board meeting agrees that they should carefully position Hudson Wright on the EU market. His feeling is that they need to increase their range of products, stretch their brand, and improve their brand image. They will have to choose the right product to enhance their corporate image, while going international.

Hudson Wright will get a report from the Consultants named *European Marketing* who conducted a market research before Hudson Wright taps the EU market. Research findings of the research should help them understand European consumers' needs.

(306 words)