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НИЖЕГОРОДСКИЙ ГОСУДАРСТВЕННЫЙ
ЛИНГВИСТИЧЕСКИЙ УНИВЕРСИТЕТ
ИМ. Н.А.ДОБРОЛЮБОВА

СБОРНИК ТЕСТОВ ПО АНГЛИЙСКОМУ ЯЗЫКУ
ДЛЯ СТУДЕНТОВ III – IV КУРСОВ
(специальность «Реклама»)

Нижний Новгород 2008

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Данное пособие предназначено для формирования и тестирования навыков и умений по лексике, грамматике и чтению студентов III – IV курсов, обучающихся по специальности «Реклама». Издание рекомендуется также широкому кругу изучающих деловой английский язык.

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INTRODUCTION

This collection of tests gives invaluable assistance to intermediate and upper-intermediate learners of Business English. The book places particular emphasis on testing reading comprehension skills, vocabulary and grammar.

It takes account of all new tendencies and changes in English language testing materials and offers a variety of tests. These include multiple matching, reading comprehension, multiple choice cloze, replacement, key word transformation, error correction, word formation, logical order.

The book comprises seven blocks of testing materials, grouped according to the four topics presenting the basic elements of marketing mix: product (and its brand), price, place (and distribution) and promotion (market research and advertising). The largest groups – place and promotion – are further subdivided.

The book provides challenging practice containing 52 varied and stimulating tests taken from authentic sources. Working through these tests learners will become increasingly familiar with Business English terminology and develop the appropriate strategies for dealing with each of the task types met at any exam in Business English.

PART 1. PRODUCT

TEST #1. Key words

Match the descriptions below with a suitable word or phrase from the box:

a)augmented product b)clone c)consumer durable d)core product
e)fast moving consumer goods f)generic product g)perishables
h)primary manufacturing i)sell-by date j)service

1. Organic products, usually food, that will go bad after a certain amount of time.
2. Products sold in very large quantities, such as groceries. They are bought often and move through stores quickly.
3. A new product, especially in the computer industry, which is almost the same as a successful one made by a more famous manufacturer.
4. Long-lasting products produced and sold in large quantities.
5. A basic product with additional features and services added to the total package.
6. A basic product which is bought because of a particular need, e.g. a drink for thirst.
7. Products which are not known by a brand name, e.g. pharmaceutical products like paracetamol for headaches.
8. Specialist expertise or advice to help companies or individuals in, e.g. legal matters, marketing.
9. A time suggested for reasons of safety by which perishable goods should be used.
10. The actual making of products or components for products.

TEST #2. Branding

A. Rearrange the letters to find words that are connected with branding.

1. nbard yitnedit
2. ardnb eman
3. dabrn igema
4. won-drabn
5. radbn nataviluo
6. burnadden
7. antilbinge stases
8. yallyot
9. rempuim barnd

B. Fill in the missing words in the sentences. Use words from part A.

1. Coca Cola, Sony and Mercedes Benz are all famous brand
2. Deciding a financial value for a brand name is called brand
3. Consumers usually expect to pay less for products that are
4. 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.

TEST #3. Product Marketing

Choose the best definition for each of the words or phrases.

1. *An augmented product*

- a) a product now selling at a higher price
- b) a product that is no longer made
- c) the core product plus additional benefits such as brand name, quality styling and design features, extended warranty, after-sales service, etc.

2. *Generic*

- a) not known by a special brand name
- b) for general use
- c) popular with all types of consumers

3. *Cannibalism*

- a) where a product eats into competitors' market share
- b) where a product reduces sales of other products made by the same manufacturer
- c) where an employee leaves his/her company to join a competitor

4. *The sell-by date*

- a) the limit placed on sales representatives to meet targets
- b) the date by which a food or drug must be sold
- c) the date on which the product is sold

5. *Launch*

- a) when a product is taken off the market
- b) when a product is tested before being sold
- c) when a product is first released onto the market

6. *The product life cycle*

- a) the normal pattern of sales for a product
- b) the process of development of a new product
- c) the different stages of improvement in an old product

TEST #4. Products and Services

Fill in the missing words in the sentences by changing the word in brackets.

1. We sell a very large range of goods, including fast moving goods such as canned foods and cleaning materials (*consume*).
2. Of course, we also sell goods like milk, cheese and meat, with a sell-by date of only a few days (*perish*).
3. It is not only food which have a very short shelf-life (*produce*).
4. For larger consumer like hi-fi and TVs, we also have to provide an after-sales service (*duration*).
5. An important aspect of marketing goods like CD players and televisions is possible value, such as free videos or CDs (*add*).
6. The business of a is to sell products (*retail*).
7. A industry is one that offers specialist expertise or advice. Lawyers, marketers, translators and financiers all do this (*serve*).
8. If you are not completely satisfied with any product in this store, you may return it and receive a complete refund or exchange it for a different product (*purchaser*).
9. A is a license to produce a product. The inventor may sell or lease it to the manufacturer (*patented*).
10. A product which was expensive to develop, manufacture and launch, and which does not have the sales that the manufacturer expected can be described as a (*flopped*).

TEST #5. Success and Failure

Fill in the missing words in the sentences. Choose from the following:

away back by into off on onto to

1. Perishable goods go in a short time.
2. If dairy products are not sold the sell-by date, they cannot be offered for sale.
3. Unsold perishable goods usually have to be thrown.....
4. If a safety fault is discovered in an electrical product, the manufacturer has to take all faulty examples of the product.
5. Thousands of new products are put the market every day, but only a few are successful.
6. Success or failure depends many factors, but the most important is the quality of marketing.
7. Customers with a strong sense of brand loyalty are rarely prepared to switch a new competitor.
8. Powerful advertising may help a new product to eat the market share of rival brands.

TEST #6. Brands as Intangible Assets

Arrange these sections from a *Financial Times* article into a logical order (a is the first paragraph and g is the last).

IBM PLUNGES TO BOTTOM OF BRAND NAME VALUE LEAGUE

a. IBM has plunged in one year from the third most valuable brand name in the world to the bottom of a league table of 290 brands, according to the annual survey that attempts the controversial task of evaluating “what’s in a name”.

b. To that figure it applies a “brand strength” multiple based on factors such as market position, degree of internalization and trends in the sector. Using the formula – which was originally developed by Interbrand, the UK-based brand consultancy – the value of the Compaq name climbed 149 per cent in 1993 to a value of 4 billion dollars and a league table position of 21, compared with a position of 65 in 1992.

c. The survey, to be published by the US magazine *Financial World*, uses a complex formula to arrive at its rankings. After breaking down company’s earnings by brand, it then subtracts what it calculates would be earned on a basic, unbranded version of the product.

d. Meanwhile, IBM’s name now has a negative value, says *Financial World*. That means that plant and equipment expenses and taxes wiped out any brand earnings. Other brands falling into this “negative worth” category include: Del Monte, Siemens, Corning, Krups, Moulinex, Michelin and Pirelli. The magazine says: “A competing generic product could have generated higher profits on the same level of sales.”

e. Evaluating brands, and attempting to capitalize them as intangible assets on balance sheets, is a controversial area. Last week Sir Michael Perry, chairman of Unilever, the Anglo-Dutch consumer products group, criticized “fancy brand accounting” in a speech in London to the Advertising Association.

f. Coca-Cola is ranked number one in the league table, with a brand name worth nearly 36 billion dollars followed by Marlboro at 33 billion, Nescafe 12 billion, Kodak 10 billion and Microsoft 10 billion.

g. “The seemingly miraculous conjuring up of intangible asset values, as if from nowhere, only serves to reinforce the view of the consumer sceptics, that brands are just about high prices and consumer exploitation,” he said...

TEST #7. Product Classes

In most lines of the following text, there is either a spelling or a punctuation error. For each line write the correctly spelled word(s) or show the correct punctuation. Some lines are correct. Indicate these with a tick.

1 The next genneration of telephone users will laugh when we explain
2 how we used to stand next to a wall in the kitchen to make a phone
3 call. Mobile communications highly advanced compared with
4 a decade ago will completly alter communications in the next few
5 years. Though there are millions of people using mobiles most
6 people know little about the mobile telecommunications and
7 its tecnology. There are three types of mobile phone. These are hand
8 portables mobiles and transportables. The smallest and most popular
9 are the pocket-sized hand portables. These work on rechargeable
10 batteries, which allow an average of up to 80 minute’s conversation.
11 Mobiles are fitted permanently in a vehicle, so do not rely on
12 seperate batteries. They require an external aerial on the vehicle.
13 This can mean a stronger signal with clearer speech. Transportables
14 have a higher power capability and can be used almost anywhere.
15 They come with a powerful battery pack for longer, continous use
16 and may also be put into a vehicle, using it’s electrics. They tend
17 to be bulkier than hand portables.

TEST #8. Brand Dilution

Read the article below and decide whether the following statements are true(T) or false(F).

STRETCHING A BRAND TO THE BREAK POINT

Both Marks and Spencer, by selling underwear and pensions, and Virgin, with flights to New York and cans of cola, have seized opportunities for extending their brand names into new areas. But it is difficult to manage successfully. If you stretch a brand too far, the elastic can snap and the core value of the name becomes devalued, as some companies have found to their cost.

Brand extension has become valuable in the past five years. During the recession, hard-pressed marketing directors in the food industry offered consumers more choice by adding new flavours, taking out fat or sugar, or moving from one tried and tested category, such as confectionary, to an allied one such as soft drinks. It was a low-risk strategy – it avoided the huge costs of new product development and offered variation on an existing purchase.

A new flavour or a move to an allied area, such as Persil washing-up liquid or Mars ice-cream is technically not too difficult to achieve, and does not require a leap of understanding by consumers who already recognize a brand's inherent qualities.

But some companies have extended into new and unexpected areas. Among them are tobacco companies, which – by moving into sectors such as luxury goods and clothing – keep their brand names in the mind of the public despite stringent regulations on advertising.

Dunhill was one of the first to recognize the power of its brand name, and has successfully built up a luxury goods empire. Marlboro and Camel are associated with clothing and even travel.

Laura Haynes, managing director of the branding specialist Beresfords, says: “A company must identify what it is about the brand that makes it special – what are its core values? Can you move in a linear way? Cadbury, for example, could not use its name on frozen fish – it wouldn’t work – but Porsche might be able to move into watches, because the name is synonymous with excellence and style.”

Perhaps the brand that is currently being stretched the most is Virgin. Last year, Richard Branson told the UK’s leading marketers that “Virgin was more than a bearded brand in a sweater.” The company has subsequently launched a cola and a vodka. More products are believed to be in the pipeline.

But is Virgin pushing it too far? Probably not. The Virgin brand probably has more elasticity than most. If you accept that Virgin mirrors Branson, then he has a certain chutzpah, and that quality can be embodied in a number of products.

1. Brands have limited elasticity and the elastic can snap or break.
2. The core value of a product is its central, most important characteristic.
3. Hard-pressed marketing directors in the food industry have contributed much to new product development recently.
4. Brand extension of Persil and Mars is beyond consumers’ understanding.
5. There are strict regulations on advertising cigarettes and other luxury goods.
6. Some tobacco companies extended their brands to a luxury goods sector successfully.
7. The name of Cadbury wouldn’t work on frozen fish as the two products are incompatible.
8. Porsche watches are stylish and of excellent quality.
9. Virgin is about to launch more products together with a cola and a vodka.
10. The Virgin brand has stretched itself to the breakpoint.

PART 2. PRICE

TEST #1. Fixing a Price

A. Match each word on the left with a word on the right.

- | | |
|----------------|-------------|
| 1. penetration | a) demand |
| 2. down- | b) priced |
| 3. fixed | c) market |
| 4. budget | d) costs |
| 5. elastic | e) strategy |

B. Now make another five phrases opposite in meaning to those in part A.

- | | |
|--------------|-------------|
| 1. inelastic | a) demand |
| 2. variable | b) priced |
| 3. premium | c) market |
| 4. skimming | d) costs |
| 5. up- | e) strategy |

TEST #2. Pricing Policy

Read the summary of a report on a meeting about pricing policy and decide whether the following statements are true(T) or false(F).

Report

Subject: Marketing Focus Group Meeting

Date: 4 December 1998

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 to 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 our 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 to 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.

TEST #3. Pricing Strategy 1

Fill in the missing phrases in the sentences. Choose from the following:

budget priced going rate 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 will accept is the
7. The line on a graph which shows the relationship between prices and consumer demand is called the

TEST #4. Pricing Strategy 2

Match the words with the definitions:

1 break-even point	a. The price wholesalers and distributors pay for goods.
2 discounting	b. A pricing strategy based on low pricing.
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 change 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.

TEST #5. Costs

Choose the best definition for each of the words or phrases:

1. Cost of labour

- a) cost of all work involved in making a product or service ready for sale
- b) cost of manual workers employed by a company
- c) cost of industrial action by employees

2. Cost of production

- a) selling price for a finished product
- b) all expenses for raw materials, heating, lighting, electricity, etc.
- c) all costs involved in making a product ready for distribution and sale

3. Cost of sales

- a) total costs involved in making a product or service, distributing it and selling it
- b) cost of selling a product in salaries, commissions, etc.
- c) the price of a product when it is sold

4. Commission

- a) a royalty paid to an inventor of a product
- b) a percentage of the selling price which is paid to the seller, usually an agent or distributor
- c) instructions given to a sales representative or to the shop which is asked to sell a product

5. Selling costs

- a) the total money raised selling a product or service
- b) the costs involved in distributing, promoting and selling a product
- c) the salaries and other expenses paid to the sales representatives

6. Direct costs

- a) all costs relating to production of a product, including development costs and raw materials, electricity and labour
- b) all taxes paid to the government
- c) the costs of labour involved in making a product

7. Direct labour costs

- a) all costs relating to production of a product, including development costs and raw materials, electricity and labour
- b) all labour costs involved in actual production of a product

c) all labour costs involved in producing of a product and, in addition, all supporting labour costs, such as secretarial and administrative work

8. Fixed costs

a) prices established by the government

b) costs which are decided by the management of a manufacturing company

c) costs which do not depend on quantity of production, e.g. heating, lighting, etc.

9. Variable costs

a) costs which change according to the quantity of production, such as materials, components, overtime pay, etc.

b) costs which are difficult to estimate as they may suddenly change because of changes in the market, such as competitors' pricing

c) costs which change according to the time of the year, e.g. warm clothes for winter or summer fashions

10. Overheads

a) regular costs associated with the day-to-day running of a company

b) additional expenses because of a higher than expected demand for products

c) extra costs above what was planned in the cost budget

11. Unit cost

a) the costs associated with all production of all products

b) the costs involved in making one single example of a product

c) the total costs for any one part of a factory producing one type of product

12. Labour input

a) the costs of labour in producing products for distribution and sale

b) additional payments to workers during periods of high demand

c) the costs of all non-managerial wages and salaries

TEST #6. Aggressive Pricing

Read the newspaper report and fill in the missing phrases in the sentences. Choose from the following:

advanced orders *high penetration* *production costs*
break even *premium price* *recommended retail*
factory gate *price war*

SAWA IN LOW PRICE GAME

The Japanese computer games company SAWA is planning an October launch for a new game called Zappo. The development of the game has taken two years but (1) are impressive. The company expects the product to (2) within one year. (3) are low as the labour input in this sector is relatively small.

Margins in computer games are usually high, but SAWA has promised a (4) strategy, with a competitive pricing policy. This is a change of policy for SAWA, whose products have always carried a (5), SAWA being a relatively exclusive brand.

The (6) price is expected to be around 45 dollars, with the (7) price being around 33% of that. Such a low price may have the effect of creating a (8) in the computer games market.

A further point of interest is that SAWA predict a long shelf-life for Zappo, perhaps five years, which is longer than normal in this sector.

PART 3. PLACE

TEST #1. The Distribution Chain

Replace the underlined words in the fax below with a word with the same or a similar meaning. Write the number next to the word. Choose from the following:

consumers ... *multiplés* ... *sales forces* ...
dispatch ... *producer* ... *sales representatives* ...
middlemen ... *retailers* ... *wholesalers* ...

FAX

Telephone: 00-33-1-43438492

Fax number: 33 1 43437319

To: Sara Alessi

From: Alain Bouzier

Subject: Distribution system

As the (1) manufacturer, we obviously must ensure that products reach (2) customers with maximum efficiency. Now, we use independent (3) distributors, but we should consider better alternatives. The following changes need urgent consideration:

- Cutting out (4) intermediaries – this would bring cost savings.
- Larger (5) sales teams.
- Many more (6) reps.
- Improved (7) shipment systems.
- Closer relations with (8) dealers.
- More links with (9) chains.

Call to discuss.

Regards,

Alain

TEST #2. Distribution 1

Fill in the missing phrases in the sentences. Choose from the following:

commission agent *franchise agreement* *shipping line*
container port *independent distributor* *vending machine*
distribution agreement *sales force*
electronic trading *shelf space*

1. An agent who receives a percentage of the sales is a
2. An agreement to sell only one manufacturer's goods is called a sole
3. All the people involved in selling a company's goods or services are the
4. A place where ships are loaded with special metal boxes full of goods is called
5.s buy from companies and sell to retailers.
6. Trading through computers, with orders or payment transmitted along telephone network, is called
7. The amount of space given over in a shop for displaying a particular product is called
8. An agreement to pay a license fee to use a well-known name is called
9. A machine in which you put coins to buy confectionery or other small items is called a
10. A company that owns a lot of ships is called a

TEST #3. Key Planning Terms 1

A. Match each word (1-5) with its opposite (a-e):

- | | |
|--------------------|------------------------|
| 1. overseas | a) free market economy |
| 2. strength | b) demand |
| 3. buyer | c) domestic |
| 4. supply | d) weakness |
| 5. command economy | e) supplier |

B. Fill in the missing words in the sentences using some of the words from part A.

1. Nabisco has dominated the biscuit market in the USA for over 60 years.
2. The enormous of the McDonald's brand name has helped the company to enter new markets all over the world.
3. A of small retail businesses is their inability to compete with larger competitors in fixing favourable terms withs.
4. Most major European manufacturers have to look to markets to increase their sales volume.
5. When a needs to purchase large quantities of goods, it is often possible to achieve important cost savings.
6. Effective pricing policy depends on the and relationship.

TEST #4. Marketing Planning 1

Fill in the missing phrases in the sentences. Choose from the following:

economies of scale external audit marketing planning
economies of scope marketing audit marketing research

1. Increasing production by 25% does not increase costs by much, because we are able to take advantage of
2. A complete will demonstrate all aspects of performance in terms of meeting our marketing objectives.
3. is essential to prepare clear objectives and a strategy for reaching them.
4. The examines factors which are not under the company's control.
5. By having documentation which can be used in various markets we are able to take advantage of
6. We are conducting to try to improve all aspects of our company performance.

TEST #5. Banking

Choose from the list A-G the best title for each numbered paragraph in the text. Do not use any letter more than once.

The People's Bank is one of Sri Lanka's biggest banks with 6.5 million accounts out of population of 18.3 million. It provides a full range of domestic and international banking services. In particular, it tries to help the weaker sectors of the economy by providing financing and credit. So far, most of the bank's branches have been situated in the towns.

1.....

But now, one of the main objectives of the People's Bank is to improve financial services throughout the whole country. To achieve this goal, the Bank has taken a number of measures, including: opening branches in rural areas, recruiting staff locally and carrying out business dealings in local languages. Above all, it has created a new village-based institution called the "Rural Bank".

2.....

There are now 1206 Rural Banks countrywide, with more planned. The People’s Bank has identified the needs of the rural sector and has introduced various credit schemes to suit farmers and other rural entrepreneurs. For example, the bank has granted credit for rice cultivation. It is also providing credit facilities to the organizations which buy agricultural produce from farmers. In this way, farmers can sell their crops during the harvesting seasons instead of having to wait or store them.

3.....

The People’s Bank understands the importance of Micro Small and Medium Enterprise (MSME) sector in creating employment and encouraging economic activity. Unlike large factory-based centralized enterprises, which go into mass production of a few products, the small and medium enterprises in the MSME sector cover a wide range of products. A good example of the way in which the People’s Bank is assisting industrial development in rural areas is its support for electrification: it has already provided more than 2 billion dollars.

4.....

The MSME sector is the fastest-growing sector of the Sri Lanka economy. It is clear, too, that small entrepreneurs are desperate for credit facilities. They are already paying very high interest rates to private lenders. The People’s Bank intends to provide credit to these small businesses at attractive rates of interest. The People’s Bank is therefore working on a scheme aimed specifically at them. It is called the “Rural Banking Innovation Project”, which will be introduced within the next 18 months. It will have a number of financial innovations, including competitive interest rates, linking credit with savings, and repayment of loans in regular installments.

- A. Plans for the future
- B. Urban financial services
- C. A new kind of bank

- D. Mass-production and other factory schemes
- E. Helping agriculture
- F. Fixing market interest rates
- G. The importance of investment in rural industries

TEST #6. Financial Centres

Read the article and choose the answer which you think fits best:

Why London?

How secure is London's role as a Financial Centre?

He is merchant-bank Bertie, who sets off at 6.30, and a dapper, well-heeled fellow he is, to be sure. Yet he crowds, with thousands of others, into a shabby train or bus headed for the City of London. They will all swarm through damp, grimy streets to their skyscrapers to do what? To cluster in some of the world's most expensive office space, to stare at flickering screens and pore over pages of numbers, and to talk on the telephone to other disembodied voices about this deal and that price.

Bertie's business has its ups and downs, but why does he do it in London? Much the same can be asked about New York and Tokyo, the other financial centres, now that computers, satellites and an end to capital controls have made money mobile. Yet only London is worrying about its future as a financial capital...

London is right to worry. Of the three main financial centres, its position is the most fragile. In New York and Tokyo a small amount of international finance is perched on a vast domestic market. In London, it is the other way round. The

businesses it attracted in the past 30 years could easily be done in New York, Tokyo or elsewhere.

In five short years, Tokyo has managed to wrest leadership of international bank-lending away from London. And then there is continental Europe, where Paris and Frankfurt are on the up. For the first time in centuries, London has rivals in continental Europe.

Its easiest defence starts with the earth's rotation. Yes, some international business might revert to America or Japan, but until the world's Berties give up both sleep and dinner, there will be trading and other deals in the European time zone. For that business, London's rivals are still far behind. But this begs another question. Why have a centre at all?

Communication is now cheap and reliable, making it easy to trade, borrow and invest from the warmth of southern France or the cheapness of Glasgow. Businesses in which people have to see the whites of each other's eyes – such as mergers advice – might have to stay in finances inner cities. Others do not...

1. Banking business in London is

- a) deteriorating.
- b) flourishing.
- c) OK, on the whole.

2. London's position among other financial centres is

- a) rather insecure.
- b) the least secure.
- c) the most safe.

3. Recently London has lost its position on the international bank-lending market to its rivals in

- a) continental Europe.

b) New York.

c) Tokyo.

4. London still preserves its role as a financial centre because

a) the earth rotates.

b) international business has reverted to America or Japan.

c) the world's Berties have given up sleep and dinner.

5. There is no need for a financial centre as

a) people may easily travel from France to Glasgow.

b) it is less time and money consuming to communicate via the phone and Internet.

c) businessmen want to discuss things face-to-face.

TEST #7. International Marketing

Read the extract from a report on options for Apsa, a Spanish food distribution company, to expand into an international market. Then decide whether the following statements are true(T) or false(F).

Recommendations for Latin American expansion: Options

There are three possible ways for Apsa to expand its activities in the region.

One is to set up subsidiaries. However, this can be expensive and risky without a lot of preliminary research into the target market. International research should include finding out about the economy, local habits and customs, as well as about the markets for the products you are involved with. We suggest research of this type would be appropriate for Argentina, where establishing a subsidiary may be the best option.

An alternative is to use overseas agents and distributors. This can be effective, and is definitely much cheaper. We recommend this type of relationship in Mexico and Chile. A possible problem is conflict of interest where an agent also handles a competitor's products. We suggest Apsa should try to obtain sole distribution agreements for these countries.

A third option – probably best for Peru and Bolivia – with the advantage that it is common in the food and drinks industry, is franchising. With franchising individuals pay to use the name of a well-known manufacturer. The franchisor can insist on various policies, standards and purchasing practice, as well as receiving a payment and a regular royalty from the franchisees.

1. In Mexico the preferable expansion method is through agents and distributors.
2. In Peru and Chile franchising is the best option.
3. The cheapest expansion is considered to be in Argentina.
4. The source of income in Bolivian franchises will be payment and regular royalties.
5. In all mentioned countries it is advisable to obtain sole distribution agreements.

PART 4. PLACE

TEST #1. Retail Outlets and Systems

Replace the underlined words in each of the newspaper extracts below with a word with the same or a similar meaning. Write the number next to the word. Choose from the following:

chain stores

hypermarkets

specialist retailers

cold calling

large multiples

telesales staff

commission

mail order

warehouses

door-to-door selling

mail order companies

franchises

purchasing power

(1) Companies which specialize in selling goods through a catalogue sent out through the post normally have (2) large buildings full of goods from where the goods are dispatched.

(3) Companies which own many stores have (4) strength in negotiating prices where manufacturers are concerned. Small shops do not have this.

(5) Retail outlets which pay a licence fee to trade under a famous brand name often benefit from increased business, since the name is a powerful advertisement.

(6) Going from one house to another, knocking on doors is a highly-intensive type of sales operation. This type of work is normally paid on the basis of a (7) percentage of the sales achieved being paid to the seller. Another type of selling is by (8) a combination of catalogue and ordering by post. This may be complemented by (9) personnel who sell by phone, trained to deal with customers' calls. Another kind of telephone selling is through (10) telephoning someone who

is not expecting your call but who you think might buy your product. The idea is to get your prospective customer to agree to buy your products or receive a home visit for a demonstration.

(11) Large out-of-town stores selling a huge range of goods have had a serious effect on business for smaller, city centre shops.

(12) Small shops offering a personalized and highly specialized service can survive better than small shops which try to compete directly with the larger outlets and other (13) retail outlets owned by the same company and trading under the same name.

TEST #2. Distribution 2

Read the extract from a marketing consultant's report on distribution systems. The report describes three distribution systems. Write the number of each description next to the correct system.

1. vertical marketing system (VMS)
2. conventional marketing system (CMS)
3. total systems approach (TSA)

Distribution systems

We can identify three main distribution systems:

1. Traditionally there used to be a line consisting of independent producers, wholesalers and retailers. Each was a separate business.
2. Now, many businesses work together in a unified system where producers, wholesalers and retailers act together. They may be under common ownership, or they have contracted to work together as a single system.

3. However, a new trend is a distribution system which is designed to accommodate consumer needs at minimum cost, and places every step of the distribution channel under a single control.

TEST #3. Key Planning Terms 2

Decide if the following terms are the same(S) or different(D). If they are different, explain why.

- | | |
|---------------------------------------|---|
| 1. Strategy/ plan | 6. Marketing mix/ advertising mix |
| 2. Customer/ client | 7. Product mix/ marketing mix |
| 3. Marketing brief/ set of objectives | 8. Mission statement/ corporate mission |
| 4. Free market/ market economy | 9. Opportunities/ threats |
| 5. Market trend/ market survey | 10. Royalty/ franchise agreement |

TEST #4. Marketing Planning 2

Choose the correct term for each of the definitions. In some cases there are two correct answers.

1. The market consisting of the country where a company is based and no other countries.

- a) servant market b) domestic market c) home market

2. Factors which 1) may have a negative effect on company performance, but which 2) are outside the company's control and 3) are identified during an analysis of marketing performance and prospects.

- a) weaknesses b) threats c) competitors

3. A contract which allows another company to make your product and states the terms of payment.

- a) franchise b) patent c) licence agreement

4. The action of making illegal duplicates of copyright material.

- a) pirating b) cloning c) copyright infringement

5. A large company with subsidiaries in many different countries.

- a) transnational b) corporation c) multinational

6. Factors which 1) probably have a negative effect on company performance, 2) are within the company's control, and 3) are identified during an analysis of marketing performance and prospects.

- a) weaknesses b) threats c) failures

TEST #5. Marketing Audit

Fill in the missing words in the personal letter. Choose from the following:

domestic external audit marketing audit threat

export internal audit SWOT analysis

J.A.W. Electrical Supplies Limited

P.O. Box 28,
Beech Road Industrial Estate,
Basildon SS32 1 PX

12 October 1997,

Dear Isabelle,

Just a short note to bring you up-to-date while you are away.

Since there has been a decline in our (1) sales we have decided to carry out a (2) to identify areas where improvement can be made. This consists of a typical (3) with an (4)to look at factors within the company and an (5) examining factors outside our immediate control. We expect

that the major (6) to improved performance in our domestic markets is the weakness of the national economy.

The good news is that while home sales have fallen, our (7) performance has been good.

Please call me when you return to the office to discuss this in more detail.

Best regards,

John

TEST #6. New Ways of Shopping

Arrange the sections of this article from *The Economist* into a logical order (*a* is the first paragraph).

THE INTERACTIVE BAZAAR OPENS

a. ...In both trials of multimedia technology, consumers will be able to use their television screens to browse through constantly updated “catalogues” containing images and information about, say, shirts or vacuum cleaners; to place orders for goods by means of a remote control or mouse; and to get their chosen products delivered to their home.

b. In the trials, consumers should be able to switch on a shopping service provided by CUC International, a small Connecticut company that looks set to be the leader of interactive retailing...Walter Forbes, CUC’s chairman, claims that interactive retailing has three advantages over local shops.

c. Mr Forbes's third claimed advantage is convenience. Survey evidence suggests that many consumers find shopping boring, and are increasingly reluctant to leave the house because of fear of crime. Interactivity means that shopping no longer needs to involve a wearying trip to the local mall or supermarket in the rain.

d. The first two also underlie CUC's growth in non-interactive form: information and cost. CUC's "Shoppers Advantage" service offers sales information about 250000 products from hundreds of manufacturers. And since the retailer is eliminated from the transaction, CUC's members get discounts of up to 50% on shop prices.

e. This embryonic industry is already posing questions over the future of every other part of America's 2.1 trillion dollars retailing industry. Is there, some wonder, a future for department stores at all? Will the fast-growing mail-order catalogue business worth 70 billion dollars a year, be submerged into interactivity? More immediately, should retailers fight against interactive shopping, or should they join it?...

f. Unlike existing home-shopping TV channels, these interactive trials will give the customers control over what image is on the screen. Ultimately, the customers should be able to create their own, personalized home shopping services.

PART 5. MARKET RESEARCH

TEST #1. Key Words

Use the definitions to help you rearrange the letters to find words connected with market research.

1. A study of what people think or what they do.

yesvur

2. A person who finds out information from the public in order to discover what they want or can afford to buy.

kemrat charseerer

3. A set of questions to find out people's opinions on particular issues, often used in studies of political opinion and preference.

lolp

4. Something that is given away free to make customer aware of the product.

plesma

5. A set of questions designed to find out what people think about a product or service.

teronequinsia

6. Information collected from research. The researcher then analyses the information before making conclusions.

atad

7. Subjectivity or personal preferences in how one collects information or analyses the results of a survey.

saib

8. The person who is asked questions or is studied in market research.

justceb

9. Another name for the person who answers questions in market research, often by returning a complete questionnaire.

pestendron

TEST #2. Survey Results

Look at the statistics collected from a survey. Then read the newspaper report of the results and mark statements 1-8 true(T) or false(F).

Method: Telephone

Age		15	16	17	18	19	20
Social group	A	3	9	12	14	12	12
	B	23	41	26	34	25	22
	C1	49	20	29	35	32	38
	C2	14	10	19	10	18	16
	D	6	12	6	2	10	4
	E	5	8	8	5	3	8
1. Is eating healthy food important for you?							
Yes		7	19	5	8	27	6
No		4	5	3	2	12	2
2. How often do you eat healthy food?							
Always		1	2	-	-	3	-
Most of the time		2	3	6	1	2	1
Sometimes		4	2	1	-	11	1
Rarely		1	3	1	7	14	2
Never		3	14	-	2	9	4

Survey shows young prefer healthy food

An omnibus survey carried out by Audience Research Limited for the Food Manufacturing Alliance, a food manufactures' marketing group, has revealed that young people are increasingly concerned about healthy eating.

The survey, (1) ... based on telephone interviews using a (2) ... random sample of 1200 teenagers (3) ... aged 14-19, showed that (4) ... the majority, 72 %, thought eating healthy food was "important" for them. A much smaller percentage, (5) ... 25 %, actually claimed that "most of the time" they ate "reasonably healthy food".

The report also showed marked variation in the results, depending on social status. Respondents' social status was assessed on the basis of parents' occupation. (6) ... Higher status groups were clearly more interested in healthy eating.

However, it was (7) ... not possible to draw firm conclusions regarding the relationship between age and healthy eating, as there is no consistent trend in the results.

The ARL research was criticized by Helen Shawcross of the Consumer Association, who said that the survey failed to offer proper guidance to young respondents on what actually constitutes healthy eating. She said the report was biased, since (8) ... most of the respondents were in higher socio-economic groups. She said the report could easily be used to defend the present marketing of unhealthy foods. "A lot of food marketing specifically targets young people," she said.

TEST #3. Market Research Objectives

A clothing manufacturer, Corallo, wants to know why its sales of jeans are falling at the rate of 10 % a year. They have asked Abacus Data Research (ADR), a major research consultancy, to find it out.

Replace the underlined words in ADR's letter below with a phrase of similar meaning. Write the number next to the word. Choose from the following:

<i>advertising research</i>	<i>in-house research</i>	<i>population</i>
<i>casual research study</i>	<i>market research</i>	<i>questionnaire</i>
<i>consumer awareness</i>	<i>market research brief</i>	<i>representative</i>
<i>consumer panels</i>	<i>observational research</i>	<i>secondary research</i>
<i>consumer research</i>	<i>pilot questionnaire</i>	

ADR

Abacus Data Research

South Dakota Blvd., Englewood Cliffs, 07632 New Jersey

Sam Klein

Corallo Clothing Company

P.O. Box 230

Englewood Cliffs

May 20, 2007

Dear Sam,

Thank you for your letter dated May, 15. As I said when we met briefly last week, we at ADR would be very pleased to help you with (1) studies on your products and their markets. What I need now is a detailed (2) description of your objectives for this study – a statement of exactly what you need to know.

If we set up a (3) study that aims to explain a particular phenomenon, in this case on why you are experiencing a sales fall, we should of course go direct to consumers and ask their opinions. This type of (4) study of what consumers think will be vital. We can do this in three ways:

1. Using (5) groups of typical consumers that we bring together for detailed questioning. The members of the panel need to be (6) typical of the whole (7) mass of jeans buyers.

2. A conventional (8) paper with a lot of questions sent out to consumers. Alone, this is less effective, even if we use a (9) test set of questions to make sure we are asking the right questions. But it is much cheaper.

3. We can use (10) studies of actual sales. But this kind of studies is based on figures, rather than on what people say, so it gives only limited information.

A further area to think about is (11) how much consumers actually know about your company and its products. We can carry out some (12) studies into the effects of your advertising.

Please send us any (13) studies you have carried out yourselves, or any (14) studies using published material that you have used in the past. This will help our background investigations.

Looking forward to hearing from you.

Yours truly,

Robert R. McCawley

Deputy Vice-President

TEST #4. Types of Research

Below are 11 types of market research, each followed by four statements. Two are true, two are false. Mark the statements true(T) or false(F).

1. Agency research

A ... It compares one agency with another.

B ... It is carried out by independent agencies, usually experts in particular fields.

C ... It is the opposite of in-house research.

D ... It is research work for governments.

2. Clinical trial

A ... It is research carried out by clinical agencies.

B ... It is research into the effects of drugs or treatment methods.

C ... Pharmaceutical companies carry out clinical trials.

D ... It is a test to find out if a finished product works.

3. Desk research

A ... It is research carried out using published material.

B ... It can include information about geography, politics, economics.

C ... It involves going out to ask consumers for their opinions.

D ... It is the study of research results using computer analysis.

4. Distribution research

A ... It is the system of sending research material to different consumers.

B ... It is about sending out information to various research companies.

C ... It is research into the ways products or services are distributed.

D ... It is important when making decisions about where to locate retail outlets or where agents are needed.

5. Exploratory research

A ... It is about choosing the best research methods.

B ... It is designed to help marketers understand problems.

C ... An example of it is a detailed study of why a particular product is low in sales.

D ... It is the study of new markets.

6. Marketing communications research

A ... It is the investigation of ways to talk to consumers and the public in general.

B ... It is a kind of marketing research.

C ... It is about the telecommunications sector.

D ... It looks only at the results of communication methods.

7. Marketing research

A ... It is the same as market research.

B ... It is about looking at the effects of advertising.

C ... It includes market research.

D ... It is about collecting, studying and analyzing information which affects marketing decisions.

8. Omnibus survey

A ... It is research carried out on behalf of several companies together.

B ... It is research on the performance of many different products.

C ... Omnibus surveys look at several companies and compare their performance.

D ... It is a survey which companies can buy from the government.

9. Pricing research

A ... It examines the relationship between price and demand.

B ... It is about the cost of research.

C ... It is very important, since price is a key element in determining market share.

D ... It is about profit and loss accounts.

10. Primary research

A ... It is the first research that companies do.

B ... It is the most important research into a product and its market.

C ... It is original research carried out by a company.

D ... It is contrasted with secondary research, which uses published information that is easily available.

11. Product research

A ... It looks at the market acceptance of a product.

B ... It involves the design and concept of a product, then its testing and market acceptance.

C ... It is about competitors' products.

D ... It is principally the same as quality testing.

TEST #5. Research Terms

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 |

TEST #6. Decision Making

Read the extract about the decision making process. Fill in the missing words in the personal letter. Choose from the following:

- | | |
|--|----------------------------------|
| <i>differentiated marketing strategy</i> | <i>extensive problem solving</i> |
| <i>decision maker</i> | <i>positioning</i> |
| <i>decision making unit</i> | <i>prospects</i> |

In the field of industrial marketing, usually no one person is the (1) It is more likely that several individuals form a (2)

If the product is very specialized or complex, the selling company will need a clearly (3) If the product offers many benefits, the potential buyers, or (4) will have many needs and many questions. They are therefore involved in (5) Part of this will involve making comparisons, because there are often several broadly similar competitors. Consequently, products need a clear (6) to make them distinctive and attractive to buyers.

TEST #7. Research Methods 1

Match the definitions (1-8) with words and phrases (a-h).

1. A sampling method based on using small groups that are representative of much larger groups.	a) opinion poll
2. Analysis of numerical information to test that results are accurate and reliable.	b) validity
3. A limited study carried out on a small number of people to test your research methods.	c) cluster sampling
4. A survey designed to find out what people think, often on politics or environmental issues.	d) extrapolation
5. A set of questions in which the answers given affect what question(s) will be asked next.	e) statistical analysis
6. Original study carried out among the population, not by finding out information from published sources.	f) pilot survey
7. An essential quality for research, without which the research is not reliable.	g) fieldwork
8. Using information gained from a small number of people to estimate how large numbers of (similar) people would behave in similar circumstances.	h) unstructured survey

TEST #8. Market Segmentation 1

Mark the following statements true(T) or false(F). If a statement is false, correct it.

1. *Social marketing* targets particular consumers according to socio-economic group.
2. *Target marketing* is concerned with advertising to particular groups of consumers.
3. *Differentiating marketing* aims to appeal to specifically identified groups of potential users of a product.
4. *Undifferentiated marketing* is all kinds of marketing techniques used at once.
5. *Segmentation strategy* is an attempt to divide the total market into specific types of consumers.
6. *Product positioning* is a way of promoting goods in stores.

PART 6. ADVERTISING 1

TEST #1. Planning Advertising

SPEAR, a mail order company, is planning a new advertising campaign. Read the extract from an internal report to senior marketers in the company. Fill in the missing words in the personal letter. Choose from the following:

<i>advertisements</i>	<i>commercials</i>	<i>hard sell</i>
<i>advertising mix</i>	<i>competition</i>	<i>impulse buying</i>
<i>campaign</i>	<i>consumer awareness</i>	<i>mail shot</i>
<i>catalogue</i>	<i>direct mail</i>	

ADVERTISING PLAN

Our plan is to sell products through a (1) and mail order service. We will use a high pressure, (2) approach. We can attract customers to order goods by offering special (3) prizes. Once the catalogue arrives, consumers will order goods which have an instant appeal: we will depend on (4)

Another approach is to run a long advertising (5) to increase (6) of our products. We plan a variety of advertising techniques: this (7) will consist of television (8) , newspaper (9) , and street advertising. We have a good target customer database, so we will use (10) We plan to do a (11) twice, to put extra pressure on those who do not answer the first time.

TEST #2. Strategies 1

Match each strategy (1-7) with the correct description (a-g).

1. A promotion strategy based on getting the consumer's attention and interest, then desire for the product, then action.	a) generic advertising
2. All forms of advertising except mass media advertising.	b) below-the-line promotion
3. Mass media advertising.	c) AIDA
4. A selling style based on identifying and meeting the customer's needs.	d) customer-oriented selling
5. Advertising for a whole sector, such as tourism or health promotion, rather than for a specific product.	e) push strategy
6. A sales-oriented selling style, using high pressure and persuasion, discounts and free services.	f) above-the-line promotion
7. A method of sales promotion which uses pressure on distributors or on retailers.	g) hard sell approach

TEST #3. Types of Promotion

Choose the correct alternative for each sentence.

1. Direct mailing/ mail order

Sending product or service information by post to specific individuals, companies is called

2. Personal selling/ direct selling

A selling technique based on making a personal call to an individual or company is called

3. In-store promotion/ special offer

A promotion based on advertising in the actual shop is an

4. Point-of-sale advertising/ on-pack promotion

A promotion method that involves the packaging of a product, such as including a free sample or coupons is called

5. Sponsorship/ perimeter advertising

Advertising around the playing area at sports grounds is called

6. Bargain selling/ BOGOF

A promotion method for fast-moving-consumer-goods which involves buying one and getting one free is called

TEST #4. Cannibalising

Complete this article from *The Economist* with the words listed. One of the words is used three times, the rest once each.

- a) consumer c) cannibalizing e) image g) ads
b) consumers d) cannibalization f) sales h) share

CANNIBALISING UP OR DOWN?

...Even before Sensor reached the shops, Gillette and its agencies had stirred up uncommon interest in something that men think about for two minutes a day. “Teaser” (1) appeared during America’s Superbowl and all TV channels at once in each European market...

At 3.75 dollars the razors were cheaper than many non-disposables, so few (2) would be put off, but expensive enough, compared with disposables, to

maintain a prestige (3) Big profits would come from the blades: at 75 cents each, they commanded a gross margin of nearly 90%.

Sensor blades and razors accounted for 200 million dollars of Gillette's 1.6 billion dollars shaving (4) in 1990. By year's end it was nearly profitable, a remarkable feat for any new (5) product. Of course, Sensor ate into the market shares of Gillette's other razors. "When you have 65% of the market, (6) is inevitable," says Mr Hoffman. "The question is, are you (7) up or down?"

Of Sensor's 1990 (8), 64% came from former users of other non-disposable shavers (52% from Gillette, 11% from competitors), and 29% from disposables: half from each. More encouraging, (9) of disposables in Europe and America were flat. That trend continued in 1991, as Sensor's (10) of the blade market doubled, to around 15%, in both places.

TEST #5. Innovative Nightmares

Complete this article from *The Financial Times* about new product launches with the numbered names. One name is used twice.

a) OAW b) SPEW c) MENTADENT d) NEON SUCETTES e) HOT 'N' COLD

WAKEY WAKEY – OPEN YOUR EYES TO NEW PRODUCTS

(1) is every parent's nightmare: the fruit-flavoured powder, available in the USA, makes a coloured foam in the mouth, and is sold complete with a reflecting "Spewer Viewer" so children can check the effect.

(2)..... is a French canine "sports drink" which is said to refresh and revive dogs after they have been exercising.

(3)..... is a Danish bread-and-ice-cream sandwich which can be served grilled, fried or toasted.

Spew, Oaw, and Hot ‘n’ Cold are just three of the 12000 new products which have been unleashed on unsuspecting consumers around the world in the past year, according to the market research group Mintel. Its 450 field researchers – who shop for the new, the bizarre and the handful of products which will still be on the shelves by next year – report that product innovation has been continuing unabated, even in those economies affected by recession.

Six product areas account for about a quarter of all launches listed last year by Mintel in its fortnightly new product reports: confectionery; desserts and ice creams; sauces and seasonings; soft drinks; haircare; and oral hygiene.

New launches in confectionery have ranged from the vitamin enriched and sugar-free, to the high-calorie and luridly-coloured. In France, (4) are lollipops which stain the tongue “electric blue”, “toad green”, or “Dracula red”. At the same time, France has also seen the launch of “natural” fruit gums which claim to help keep “intestinal eco-system” in good order.

The Japanese appear to be keen on what Mintel terms “functional” foods. For example, Wakey is a gum which wards off sleepiness, while (5) have extended their range to include apple mint for etiquette, herb mint for relaxation, and jasmine mint for elegance.

A new drink based on dokudami, a foul-smelling plant, “helps quicken blood flow, promotes urination and prevents various adult diseases”. The wonder drink is also said to be “efficacious against piles and constipation”.

In personal care products, the “two-in-one” trend, which began with shampoos and conditioners, now seems to be working its way through bath and toothpaste new launches. (6), for example, is being packaged in a dual-chambered container which dispenses baking powder and hydrogen peroxide solutions. Not unlike Spew or Neon Sucettes, the effect is blue and effervescent.

Mr David Jago, Mintel's new products specialist, says that most new product launches are doomed to failure. "I'd hazard a guess that around 70-80 per cent of all product introductions don't succeed in the long term," he says.

TEST #6. Women in Advertisements

Read the article and choose the answer which you think fits best:

Until recently, women in advertisements wore one of three things – an apron, a glamorous dress or a frown. Although that is now changing, many women still feel angry enough to deface offending advertisements with stickers protesting, "This ad degrades women". Why does this sort of advertising exist? How can advertisers and ad agencies produce, sometimes after months of research, advertising that offends the consumer?

The Advertising Standards Authority (the body which deals with complaints about print media) is carrying out research into how women feel about the way they are portrayed in advertisements. Its conclusions are likely to be what the advertising industry already knows: although women are often irritated by the way they are seen in ads, few feel strongly enough to complain.

Women are not the only victims of poor and boring stereotypes – in many TV commercials men are seen either as useless, childish oafs who are unable to perform the simplest household tasks, or as inconsiderate boors, permanently on the lookout for an escape to the pub. But it is women who seem to bear the brunt of the industry's apparent inability to put people into an authentic present-day context.

Yet according to Emma Bennett, executive creative director of a London advertising agency, women are not infuriated by stereotypes and sexist advertising. "It tends to wash over them; they are not militant or angry – they just find it

annoying or tiresome. They reluctantly accept outdated stereotypes, but heave a sigh of relief when an advertisement really gets it right.”

She says that it is not advertising’s use of the housewife role that bothers women, but the way in which it is handled. “Researchers have often asked the wrong questions. The most important thing is the ad’s tone of voice. Women hate being patronized, flattered or given down-to-earth commonsense advice.”

In the end, the responsibility for good advertising must be shared between the advertiser, the advertising agency and the consumer. Advertising does not set trends but it reflects them. It is up to the consumer to tell advertisers where they fail, and until people on the receiving end take the business seriously and make their feelings known, the process of change will remain laboriously slow.

1. Despite recent changes in attitudes, some advertisements still fail to

- a) change women’s opinions of themselves.
- b) show any understanding of people’s feelings.
- c) persuade the public to buy certain products.
- d) meet the needs of the advertising industry.

2. According to the writer, the commonest fault of present-day advertising is to

- a) condemn the role of the housewife.
- b) ignore protest about advertisements.
- c) present a misleading image of women.
- d) misinterpret the activities of men.

3. Research suggests that the reaction of women towards misrepresentation by advertisements is

- a) apathy
- b) hostility
- c) approval
- d) relief

4. Emma Bennett suggests that advertisements should

- a) give further emphasis to practical advice.
 - b) change their style rather than their content.
 - c) use male images instead of female ones.
 - d) pay more compliments to women than before.
5. Ultimately the advertising industry should
- a) take its job more seriously.
 - b) do more pioneering work.
 - c) take notice of public opinion.
 - d) concentrate on the products advertised.

TEST #7. Publicity

Read the article and mark the following statements true(T) or false(F). If there is not enough information, write Not Given(NG).

Publicity can be described as free advertising, because it means that an organization, or its products or services, gets its name mentioned in public without expenditure. This is now recognized as an important addition to advertising, and organizations spend considerable time and effort developing possible sources of publicity. A brief TV interview about a new product or service can be as valuable as a 100000 pounds advertising campaign. A small number of organizations avoid publicity. Others welcome it and, using their PR departments, push out large quantities of information about themselves in the form of annual reports and other material. In the public sector, publicity is also considered to be important and publicity officers are often appointed. Most organizations realize that publicity, when used effectively, can help them develop their strategies a lot faster than no publicity and are grateful for its existence.

1. Publicity does not cost a company money.
2. Companies often use publicity to replace advertising entirely.
3. Getting publicity is usually fairly easy for a company.
4. Publicity is sometimes as effective as advertising.
5. Smaller companies usually prefer not to use publicity.
6. Some companies are keen to produce publicity themselves.
7. Publicity has useful effects for all companies and organizations.

TEST #8. Selling Techniques

Arrange the sections of this article from *The Times* into a logical order (*a* is the first paragraph and *e* is the last).

TRAVEL AGENTS WARNED OVER ADVERTS

- a. Many late-booking holiday makers are being wooed into travel agencies by cut-price offers then given a hard sell to encourage them to book more expensive packages.
- b. “The problem is getting people through the doors. You can offer them a fortnight in Majorca for 69 pounds, then once they are inside, you point out all the drawbacks, such as that the hotels cannot be guaranteed, and sell them as many add-ons as possible.”
- c. Local authorities trading standards officers have contacted ABTA after complaints that travel agents have left offers in windows long after all holidays have been sold. Travel agents have been told to ensure that their advertising is fair and accurate.

d. Mike Grindrod, president of the Association of British Travel Agents(ABTA), said that to sell off thousands of unsold package holidays, travel agents were advertising loss leaders in their windows and then using trained staff to persuade holidaymakers to spend far more.

e. The loss leaders, however, are still appearing in shop windows. At Thomas Cook in High Holborn, central London, a 14-night Athens package, including hotel accommodation, was being offered for 269 pounds. “You won’t know what hotel you are staying in until you arrive,” the assistant said. “It may be better to look at Skiathos for 349 pounds or Rhodes for 319 pounds.” The trick is clearly working, as operators report that August holidays have been sold with little discounting...

PART 7. ADVERTISING 2

TEST #1. Planning Advertising

Select the correct alternative to complete this text.

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 and 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(n) (2) A contract to produce the advertisements for a specific company, product or service is known as a(n) (3)The client company generally decides on its advertising (4), the amount of money it plans to spend on 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, posters on hoardings(GB) or billboards(US), point-of purchase displays in stores, mailing 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)

Favourable 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)

1. a. mouth-to-mouth	b. mouth-to-ear	c. word-of-mouth
2. a. advertising agency	b. advertising company	c. public relations company
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. medias plan	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

TEST #2. Promoting a message

Match the definitions (1-6) with the phrases (a-f).

1. The way the company is perceived by the public.	a) positioning
2. What a promotion says about its subject.	b) message structure
3. The attempt by marketers to give a product a unique strength, or special characteristics in the market.	c) message format
4. The one who conveys the message in the advertisement.	d) corporate image
5. The way a message is presented in an advertisement, for example through symbols, through shock, through humour.	e) message source
6. The design of an advertisement, in terms of presenting a problem, providing a solution and justifying why that solution works.	f) message content

TEST #3. Strategies 2

Fill in the missing words in the sentences. Choose from the following:

consumers *publicity* *unique selling proposition* *promotes*
emotional appeal *rational appeal* *targets*

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

TEST #4. Light Lies?

Arrange the sections of this article from *The Wall Street Journal* into a logical order (*a* is the first paragraph and *f* is the last).

SARA LEE RENAMES DESSERTS STATES DIDN'T TAKE LIGHTLY

- a. Sara Lee Corp agreed not to call its 200-calorie a slice, whipped cheesecake "light" after objections were raised from calorie-counting attorneys general in nine states.

b. A spokesman for the food and consumer products concern said the cheesecake and mousse desserts are now called “French-style”. He insisted the decision was made “unilaterally” and not because of pressure from the states of California, Iowa, Illinois, Massachusetts, Minnesota, Missouri, New York, Texas and Wisconsin.

c. Several states have cited Sara Lee’s use of the word “light” as an example of mislabeling and misleading advertising, and had sought to get the company to drop the word or change the product.

d. The desserts – which the company describes as “airier, more whipped, taller” – are indeed lower in calories than Sara Lee’s traditional cheesecake, which weighs in at 230 calories a slice. But not by enough.

e. The spokesman said to qualify for the “light” label, the products must have no more than two-thirds the calories of the traditional product, or about 154 calories in this case. Sara Lee said it agreed not to use the word “light” on other products unless they meet that condition.

f. Sara Lee said the word “light” was meant to describe the texture of the cheesecake, not the calorie count, but that it settled the matter to avoid weighty legal bills. The company said it will reimburse the nine states for legal costs.

TEST #5. Forms of Selling

Match each selling technique to its definition.

1. Door-to-door selling	a) In return for payment and a share of sales revenue, an organization licenses its name to be used by food outlets, retailers, and others. Hamburgers, pizza and clothing are often sold under this system.
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2. Franchising	b) Famous for its foot-in-the-door approach, everything from vacuum cleaners to brushes used to be sold in this way. Now less common, as people are not at home during the day, or if they are, may not answer the doorbell.
3. Inertia selling	c) You choose things in a catalogue and order by post, phone or fax. Clothes have long been sold in this way, but now everything from computers to wine is.
4. Mail order	d) Participants buy goods or services from a company and then sell them to the general public. They can also make money by recruiting new participants and providing training or other services.
5. Network marketing or pyramid selling	e) People phone you at home or at work and try to sell you things. Alternatively, you may phone an organization in order to buy something in a catalogue you have received from them. Anything from insurance to computer services may be sold in this way.
6. Telesales or telemarketing	f) Insurance cover against such things as sickness and unemployment, to cover loan repayments is sold using this technique: you have specifically to say that you do not want this insurance when filling in the loan application. Banks rely on customers not opting out in this way in order to sell the insurance.

TEST #6. TV Advertising

Complete this article from *The Financial Times* with the expressions listed (*a* occurs four times, *b* four times, *c* and *d* once each, *e* three times and *f* twice).

- a) direct marketing c) campaign e) brands*
b) advertising d) discounting f) branded

HEINZ DROPS TV ADVERTS IN MOVE TO DIRECT MARKETING

HJ HEINZ, the food manufacturer that brought the British public such memorable advertising campaigns as Beanz Meanz Heinz, is planning to create a new slogan – Heinz Meanz (1)

Mr Tony O'Reilly, the flamboyant chairman and chief executive of the Pittsburg-based international food group, is planning to end UK commercial television (2) for his products this year and instead concentrate on (3)

Mr O'Reilly, whose career in marketing took off after he created the Kerrygold (4) for Irish butter in his early 20s, believes the era of mass marketing is giving way to more targeted selling techniques.

The Heinz plan to give up television (5) would be one of the most radical marketing moves in recent years by a food manufacturer. It comes as manufacturers of (6) food products are facing growing competition from cheaper own-label goods produced by supermarkets. The Heinz account is one of the longest established in television (7)

Heinz has already built up a database of 5.6 million homes in the UK that are heavy users of the company's products. Mr O'Reilly plans to send special discount vouchers directly to those homes, thereby bypassing conventional (8) media such as television and newspapers. The discount vouchers will be for individual Heinz products, such as baked beans, but also for groups of Heinz lines.

Mr O'Reilly has decided that (9) is the most cost effective way of maintaining loyalty to the (10)The Heinz chief executive sees the plan as the start of a "guerrilla" campaign against the increasing power of the large supermarket groups, which, he believes, sometimes treat (11) products cavalierly. Mr O'Reilly wants to take control of (12) policy for his (13) rather than leaving it to the discretion of supermarkets. He is concerned that Heinz products are often treated as mid-market products when they should be

priced and displayed as premium (14)If Heinz goes ahead with its plan and proves that (15) to its best customers works, it could be a blow to commercial television.

TEST #7. Disastrous Promotions

The descriptions below (listed I to V) of disastrous promotions are from *The Independent*. Match the headlines 1 to 5 to the promotions they relate to and the names of the products (a-e). (Some words have been left out in the descriptions in order to disguise key dues).

- | | |
|------------------|--------------------------------|
| 1. SUCKERS | a) Cadbury's chocolate |
| 2. SPLAT! | b) Hoover vacuum cleaners |
| 3. CROSS WIRES | c) McDonald's hamburgers |
| 4. TOO-FAST FOOD | d) Mercury mobile phones |
| 5. EGG ON FACE | e) Wild Turkey bourbon whiskey |

I. For the 1984 Olympic Games in Los Angeles, issued customers with cards carrying the names of various events. If the US won a gold medal in the event, the customer won a prize. A games boycott by most of the Eastern bloc, however, meant that the US collected an unusually high tally of golds and customers won an unusually high number of prizes.

II. Six planes took off and unloaded their cargo of live over a US city to promote bourbon whiskey. Hundreds were released before it was realized that cannot fly.

III. To quote Leonard Hadley, chairman of US parent company Maytag, the UK company's free flights offer was like "a bad accident and you can't

determine what was in the driver's mind." offered any customer who spent 100 pounds on its products two free flights to Europe and the US. The promotion attracted more than double the anticipated applications, leading to the dismissal of three senior managers and a 19 million pounds provision to cover the anticipated costs. The market in second-hand is still recovering from over-supply.

IV. In the bid to transform the from the strict preserve of irritating men in restaurants into a mainstream consumer good, operators went into promotional overdrive before Christmas last year. promised that anyone buying its One-2-One would be entitled to unlimited free worldwide on Christmas Day. However, massive demand meant its seized up and many callers were unable to get through. reported that at least 20 people had spent more than 12 hours on the

V. ...In 1984, the company buried a dozen caskets in locations hinted at by a book of clues. Each casket contained a certificate that entitled the finder to a worth 10,000 pounds. More than 100,000 people set about excavating the countryside. The Rollright Stones in Oxfordshire had stood straight before Christ's birth, but are now leaning because rain seeped under them before the gold-diggers' holes could be filled in. The promotion was halted after the then Environment Secretary Patrick Jenkin informed Sir Adrian of the archaeological vandalism for which his company was indirectly responsible.

TEST #8. Advertising Agencies

Read the article and mark the following statements true(T) or false(F).

AFTER THE PARTY, IT'S BACK TO BASICS

Advertising agencies, wiser after the 1980s' binge, have turned the corner.

From the early 1980s until 1989, Ms Tilbian says the advertising industry was "one big jamboree. It was acquisitions every month and all in different geographical areas and in different related services." WPP and Saatchi paid inflated prices for US agencies, acquiring huge debts to fund the acquisitions.

The event that sums up the era was Saatchi's abortive bid for Midland Bank in 1987. "Everybody talks about the bid as the time when the business was at its maddest," says one industry observer. "Its delusions of grandeur were such that, as a simple service business, it could bid for one of the clearing banks, and actually expect to be taken seriously. And for a moment it was." Midland, roughly twice as big as Saatchi, rejected the idea out of hand...

Unlike the recession of the decade ago, the 1990s downturn sank many in the sector. Saatchi and WPP are only now getting debts down to manageable proportions. From having operation margins of a high of more than 13 per cent in the peak year of 1988, Saatchi reached a trough of 2.3 per cent three years later. The broad thrust of the restructuring at both Saatchi and WPP has been to cut jobs, reduce costs and sell non-core businesses acquired during the jamboree.

These moves, combined with the more recent increases in revenues, should bring margins at both groups back up to 10 per cent by 1996. Given these signs of advertising's recovery, could the whole giddy process of boom and bust start again? No chance, is the consensus. For a start, advertisers have learnt certain lessons during the lean times which they will want to continue to apply.

Finally, Ms Tilbian of SG Warburg Securities, argues that, this time round, agencies will be forced to "stick to the knitting". No more will they be able to persuade the City the dreaded word "synergy" has any meaning in the sector. It was synergy which was supposed to have justified the binge of acquisitions by

agencies of management consultancies, public relations firms, recruitment agencies – and even Saatchi’s assault on banking.

The synergies proved illusory and many of the businesses have since been sold off. “At the end of the day you are as strong as your weakest link when you try to sell all your services to your clients,” says Ms Tilbian. “If one of them botches up, then you could lose your most valued business. For advertising, it’s back to basics.”

1. In the 1980s advertising agencies did things to excess.
2. Paying inflated prices for US agencies WPP and Saatchi got good value for money.
3. Saatchi’s bid for Midland Bank didn’t succeed as it was inappropriate.
4. Both WPP and Saatchi were in decline in the 1990s which led to massive restructuring.
5. The whole process of boom and bust in advertising sector is really slow-moving.
6. Advertisers are sure to learn some lessons after recession times.
7. Ms Tilbian states that advertising agencies will have to concentrate on the things they are really good at.
8. Synergy is of utmost importance in the advertising sector.
9. Saatchi’s mistakes in acquisitions turned it back to basics.
10. Many businesses have been sold off because of their clients’ mistakes.

TEST #9. Advertising Campaign

In most lines of the following text, there is an error. For each line write the correctly spelled word(s) or show the correct punctuation. Some lines are correct. Indicate these with a tick.

1 The agency's media planners decide what percentage of the target
2 market they want to reach and the number of times these people
3 likely to see their ads. They talk about frequency and the threshold
4 effect – the point when advertising is effective. The choice of
5 media is generally influenced by the comparative cost of reaching 1000
6 members of the targeted audience. The timing of advertising campaigns
7 depends on factors such as purchasing frequency and buyer turnover
8 (new buyers entering the market).

9 How much to spend on advertising is always problematical. Some firms
10 use the comparative-parity method – match their competitors' spending
11 to avoid advertising wars. Others set their budget a certain percentage
12 of current sales revenue. But both these methods disregard the fact that
13 increased ad spending can increase current sales. On the other hand,
14 excessive advertising is counter-productive because after too many
15 exposures people stop notice ads, or begin to find them irritating.
16 And once the most prospective customers have reached, there are
17 diminishing returns.

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