# МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ

# ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ

# Економічні тексти та практичні завдання з навчальної дисципліни "IHO3EMHA MOBA"

для студентів III та IV курсів усіх напрямів підготовки всіх форм навчання

Харків. Вид. ХНЕУ, 2013

Затверджено на засіданні кафедри іноземних мов та перекладу. Протокол № 7 від 11.01.2013 р.

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Наведено тексти і завдання, які дадуть можливість поліпшити рівень володіння англійською мовою й отримати додаткові знання з тем "Реклама", "Бренд-менеджмент", "Бізнес і навколишнє середовище".

Рекомендовано для студентів III та IV курсів усіх напрямів підготовки всіх форм навчання.

# Вступ

Навчання іноземної мови у Харківському національному економічному університеті має як комунікативно-орієнтований, так і професійноспрямований характер. Його завдання визначаються комунікативними і пізнавальними потребами фахівців відповідного профілю, а також мають на меті надати можливість набуття комунікативної компетентності, рівень якої на окремих етапах мовної підготовки дозволяє використовувати іноземну мову практично як у професійній діяльності, так і з метою самоосвіти.

В роботу увійшли три важливі теми сучасного бізнесу: реклама, бренд-менеджмент та бізнес і навколишнє середовище. Кожна тема представлена за допомогою аутентичних текстів за оригінальними англомовними джерелами та великою кількістю різноманітних лексико-граматичних вправ, питань для дискусій та кейсів, рольових ігор тощо. Основна мета роботи – надати студентам економічних напрямів підготовки матеріал для аудиторної та самостійної роботи.

Запропоновані тексти та завдання призначені як для аудиторної, так і для самостійної роботи. Наведені мовленнєві зразки та вправи сприятимуть усному закріпленню лексики та розвитку комунікативних компетентностей студентів.

# Advertising

#### Warm-Up

1. What is the difference between the 'words advertising' and 'an advertisement'?

2. In your opinion, what are three main objectives of advertising?

3. Do you trust TV commercials? Why?/Why not? Can they influence your buying decisions?

4. What is your favourite TV commercial? Why?

5. Have you ever encountered fraudulent advertising? Give examples. What was your reaction to it?

6. In what industries is fraudulent advertising very often met?

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## Intensive Reading

## Text 1

#### Advertising

The process of marketing includes a whole range of activities relating to selling the product – actual selling, decisions on pricing and distribution policy, advertising and other forms of promotion.

Advertising can be defined as commercial messages to the public designed to inform potential and established customers and to encourage sales for the advertiser. There are two basic types of advertising – product and institutional.

**Product advertising** tries to sell a product. It may be aimed at final users or channel members.

Product advertising falls into three categories: pioneering, competitive and reminder advertising.

Pioneering advertising tries to develop primary demand – demand for a product category rather than a specific brand. It's needed in the early stages of the adoption process to inform potential customers about a new product.

Competitive advertising tries to develop selective demand – demand for a specific brand rather than a product category. Competitive advertising may be either direct or indirect. The direct type aims for immediate buying action. The indirect type points out product advantages – to affect buying decisions.

Reminder advertising tries to keep the product's name before the public. It may be useful when the product has achieved brand preference of insistence – perhaps in the market maturity or sales decline stages. Here, the advertiser may use 'soft-sell' ads, that is just mention or show the name – as a reminder.

**Institutional advertising** focuses on the name and prestige of a company or industry. It may seek to inform, persuade, or remind.

Institutional advertising tries to develop goodwill for a company or even an industry – instead of a specific product. Its objective is to improve the advertiser's image, sales, and relations with the various groups the company deals with. This includes not only consumers but also current and prospective channel members, suppliers, shareholders, employees and the general public.

Among the media generally used in advertising are: television, radio, newspapers, magazines, outdoor billboards, specialty advertising (distribution of such items as notebooks, pencils, calendars, blotters, gummed labels,

telephone pads, shopping bags), public transportation, yellow pages, direct mail, other media (catalogues, samples, handouts, leaflets, etc.).

An advertising manager might be given one or more of the following specific objectives – along with the budget to accomplish them:

1. Aid in the introduction of new products to specific target markets.

2. Help obtain desirable outlets.

3. Prepare the way for salespeople – by presenting the company's name and the merits of its products.

4. Provide ongoing contact with target customers – even when a salesperson isn't available.

5. Get immediate buying action.

6. Help buyers confirm their purchasing decisions.

## Text 2

## **How Companies Advertise**

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 probably word-of-mouth advertising, which occurs when people tell their friends about the benefits of products or services that they have purchased. Yet virtually no providers of goods or services rely on this alone, but use paid advertising instead. Indeed, many organizations also use institutional or prestige advertising, which is designed to build up their reputation rather than to sell particular products.

Although large companies could easily set up their own advertising departments, write their own advertisements, and buy media space themselves, they tend to use the services of large advertising agencies. These are likely to have more resources, and more knowledge about all aspects of advertising and advertising media than a single company. The most talented advertising people generally prefer to work for agencies rather then individual companies as this gives them the chance to work on a variety of advertising accounts (contracts to advertise products or services). It is also easier for a dissatisfied company to give its account to another agency than it would be to fire its own advertising staff.

The client company generally gives the advertising agency an agreed budget; a statement of the objectives of the advertising campaign, known as a brief; and an overall advertising strategy concerning the message to be communicated to the target customers. The agency creates advertisements (the word is often abbreviated to *adverts* or *ads*), and develops a media plan specifying which media – newspapers, magazines, radio, television, cinema, posters, mail, etc. – will be used and in which proportions. (On television and radio, ads are often known as commercials.) Agencies often produce alternative ads or commercials that are pre-tested in newspapers, television stations, etc. in different parts of a country before a final choice is made prior to a national campaign.

The agency's media planners have to decide what percentage of the target market they want to reach (how many people will be exposed to the ads) and the number of times they are likely to see them. Advertising people talk about frequency or 'OTS' (opportunities to see) and the threshold effect – the point at which advertising becomes effective. The choice of advertising media is generally strongly influenced by the comparative cost of reaching 1,000 members of the target audience, the cost per thousand (often abbreviated to CPM, using the Roman numeral for 1,000). The timing of advertising campaigns depends on factors such as purchasing frequency and buyer turnover (new buyers entering the market).

How much to spend on advertising is always problematic. Some companies use the comparative-parity method – they simply match their competitors' spending, thereby avoiding advertising wars. Others set their ad budget at a certain percentage of current sales revenue. But both these methods disregard the fact that increased ad spending or counter-cyclical advertising can increase current sales. On the other hand, excessive advertising is counter-productive because after too many exposures people tend to stop noticing ads, or begin to find them irritating. And once the most promising prospective customers have been reached, there are diminishing returns, i.e. an ever-smaller increase in sales in relation to increased advertising spending.

# Extensive Reading

Text 3

## In Ads, US Stars Shine For Japanese Eyes Only

Top Dollar, and No Image Problems By Margaret Shapiro Washington Post Service

TOKYO – Dressed in a white tuxedo and red bow tie, Sylvester Stallone

clearly has something important on his mind. But it's not Rocky or Rambo.

'Ito Ham', the American movie megastar says in the Japanese television commercial. 'Okey.'

In the print version, Mr Stallone is even more eloquent about Ito's processed meat: 'It is so delicious that it is a gift of love.'

Mr Stallone is only one of many movie *su-tah*, as the Japanese call stars, showing up in advertisements these days. With companies paying top dollar and promising to run the ads only within the confines of this insular nation, Hollywood stars are eagerly appearing in commercials that they wouldn't be caught dead doing in the United States.

Paul Newman, for instance, hums in an elevator before letting viewers know that Fuji Bank's credit card is his 'main card'. Arnold Schwarzenegger, in excellent Japanese form, slurps up a mouthful of steaming Nissin instant noodles.

James Coburn and Roger Moor both 'Speak Lark', the slogan used in ads here for Lark cigarettes. Even Woody Allen, the reclusive film director, once did a stint in Japanese advertising, appearing in a 1982 ad to promote the Seibu department store.

Movie stars rarely do commercials in the United States, lest it tarnish their image and their marketability. In the United States, getting into commercials is often a sign a career is on the way down.

But when it comes to Japan, said Irving Axelrad, a motion picture attorney, 'I tell them to do it. They pay a lot of money and it's a couple of days.'

Mr Axelrad and others protect their clients' American reputations by demanding that 'Japan-only' clause be written into advertising contracts. The clauses impose heavy penalties on Japanese companies if the ad somehow gets shown in the US. Shinobu Ina, a casting manager at Dentsu Inc., Japan's largest advertising agency, said, 'They want the money from appearing in the commercials but they don't want it known in the United States. They want to hide as much as possible that they are appearing in the commercials in Japan.'

Agents for several movie stars refused to comment, or never returned telephone calls. Japanese companies were equally leery of publicity. One company spokesman, after first demanding anonymity for himself and his firm, would only say, 'Our star hates to be mentioned.'

Nobody would discuss the fees paid to specific celebrities, although ad executives in Tokyo said well-known American or European actors make between \$500,000 and \$1 million, with the heftiest pay going to only a few major stars, like Mr Newman or the British rock star, Sting, who appears in ads on behalf of Kirin beer.

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According to Mr Ina at Dentsu, American stars have been appearing in Japanese commercials since the 1950s. At that time they were the ultimate status symbol, since only a few companies could afford them. Instead, most relied on Japanese actors and actresses, who routinely appear in commercials.

'When we heard we needed \$1 million, well, we thought that is really a lot of money,' he said.

But the world has changed. The dollar has plummeted in the last four years, and so American movie stars, like US golf courses and office buildings, have become quite reasonably priced in yen terms.

In fact, Mr Ina notes, the money is no longer a problem. The problem is finding enough stars.

International Herald Tribune

#### Text 4

#### **Continent Divides on the Box**

The British swoon with delight over a television commercial showing a balding man who cannot get a photo-booth to work and instead loses himself in the pleasure of a good cigar. The French avidly follow the saga of two grandmothers holding forth on the shortcomings of a yoghurt. Neither ad is considered suitable for any other country.

That is the picture all over Europe. Films that aren't home-grown are referred to by advertising executives as NIHs – 'not invented here' – and are frowned upon.

A study last autumn by the Alice advertising agency in conjunction with the Ipsos research institute asked 600 consumers from Germany, Britain, France, the Netherlands and Italy to watch 48 ads from all over Europe, all of which had won international awards. Even though the ads had been translated, the consumers liked the films from their own countries best.

The consumers only felt able to apply the label 'pan-European' to a few of the advertisements. The films which held their attention were the ones with the simplest situations and the ones which appealed to their emotions or humour.

Five of the 10 best-liked films were British. Other popular commercials were a Spanish ad which shows a dog called Pippin packing her bags because she fells neglected by her television addict of a master; the Levi film in which a playboy uses his jeans to tow a couple in a car and takes advantage of the situation to seduce the young woman; and the one about a blushing boy who has just bought some condoms from a woman pharmacist.

Alan Cayzac, chairman of RSCG – France said: 'There are certain 'duty-free' campaigns, which are truly international, such as those by Marlboro, Benetton, Volkswagen and certain perfumes. They show real imagination, valued in all latitudes, and they put across for each of their products a feeling of serenity, fraternity, confidence or beauty.'

But most commercials do not cross borders well. F. Bonnal, head of strategic planning at Young and Rubicam, said: 'Each country has its own rhythms and sensibilities: the northern countries attach more importance to a rational element, while the south is more sensitive to form. The French and the British think humour and variety are more important, and the Spanish and Italians look for balance.'

But how do you fuse the sparkling, light-hearted image sought by the French, the British sense of humour, the seriousness required by the Germans and the subtle effectiveness beloved of the Spanish and Italians?

One solution consists of producing a script which is identical in each country, with different actors and a translated soundtrack.

This was done with Wash & Go, the shampoo made by Procter & Gamble. The commercial used different actresses – blonde, brunette, sexy or the girl-next-door – supposedly in keeping with the sensibilities of the countries in which it was shown; France, Spain, Italy and the Netherlands.

However, if the production of ads on a pan-European scale is what many want, some members of the profession remain prudent. 'We should not fall into schemes for the profit of technocrats thus emasculating creativity and production,' said Jacques Arnaud, managing director of the Franco-American production company.

He is among a number of advertising professionals who are calling for the European Commission to prevent the harmonization of national regulations which could extend to bans everywhere on commercials for alcohol, children's toys, insurance and medicines.

And if tastes and regulations are different, the structure of the publicity markets is hardly homogenous. In Portugal, where an ad rarely costs more than £20,000 (elsewhere the minimum is nearer £100,000), production houses frequently have to 'handle the art of the limited budget', according to Joao Rapazote Fernades, director of the production company, Panoramica 35. He said: 'European advertising should not be allowed to crush small countries which cannot participate in the creation of Europe-wide campaigns.'

Le Monde

#### Text 5

#### Tasteful

Beneton's colourful jumpers may be soft and wooly, but its advertisements are not. The Italian clothes maker's autumn 1991 campaign includes an ad picturing a not-so-platonic kiss between a priest and a nun clad in oldfashioned habits. 'The affirmation of pure human sentiment,' says Benetton. Offensive, say outraged Catholics.

Olivero Toscani, the photographer who dreams up and directs Benetton's advertising campaigns, says that the firm tries to distance its ads from boring old commercial considerations. They aim, says Mr Toscani, to capture people's attention, provoke reflection and 'break through the barrier of indifference'. As Benetton's sales grew by a healthy 24 % in recessionary 1990, to a 2.1 trillion lire (\$1.7 billion), the ads clearly sell jumpers too.

But the firm is finding that convention-breaking is a ticklish business. Its spring 1991 campaign showed a group of tombstones, one sporting the Jewish star of David, just as the first Iraqi Scud missiles hit Tel Aviv. Accused of exploiting death for commercial purposes, Mr Toscani is this autumn countering with an off-putting (and full-colour) image of a gunk-covered newborn baby. The ad has already been rejected by *Child*, an American child-care magazine.

Benetton reckons its campaigns 'address the major social issues of our time including AIDS, overpopulation, environmental problems and racial harmony'. Its audience, however, often seems to miss the point. Two years ago a Benetton ad showing a black woman breastfeeding a white child created uproar among American blacks. The company looks set for a repeat performance. One ad in this year's autumn campaign depicts an angeliclooking white child embracing a black one whose hair has been shaped into devil's horns. Black groups are already starting to grumble.

In line with its 'united colours' global philosophy, Benetton shows the same ads around the world. A campaign that backfires in one market often wins awards in others: the white-baby-black-breast ad that shocked America won awards in France and Italy. The missing link in Benetton's advertising policy may well be understanding where different countries' sensitivities lie.

The Economist

# Exercises

## Ex. 1. Fill in the gaps with the words from the list.

Target audience; public relations (PR); corporate advertising; media; advertising campaigns; advertising; brand image; publicity; direct mail; product advertising; media reports.

1) \_\_\_\_\_\_ is an important element of the marketing function. 2) \_\_\_\_\_\_ is used to increase sales by making the product or service known to a wider audience, and by emphasizing its superior qualities. A company can advertise in a variety of ways, depending on how much it wishes to spend, and the size and type of the 3) \_\_\_\_\_\_. The different 4) \_\_\_\_\_\_ for advertising include television, radio, newspapers, magazines and 5) \_\_\_\_\_\_, by which advertisers send letters, brochures and leaflets directly to potential customers.

6) \_\_\_\_\_\_ is not directly concerned with increasing sales of a particular product or service, but more with the 7) \_\_\_\_\_\_, or picture, a company wants to present to the public. 8) \_\_\_\_\_\_ experts specialize in organizing activities and events which generate positive 9) \_\_\_\_\_\_ for companies. Unusual 10) \_\_\_\_\_\_ sometimes get extra publicity for the company by way of 11) \_\_\_\_\_\_ about the campaign.

Ex. 2. These eight verbs are commonly used in advertising. Choose the right one to complete each sentence.

| attract | spend  | promote  | appeal  |
|---------|--------|----------|---------|
| boost   | launch | persuade | project |

1. The copywriter created a slogan which would \_\_\_\_\_\_ to a wide cross-section of consumers.

2. The agency wants to \_\_\_\_\_ a campaign targeting the under-16 market.

3. The consumers we want to \_\_\_\_\_ are professionals who purchase up-market products.

4. All advertising must \_\_\_\_\_\_ the right product image.

5. Giving away free badges helped to \_\_\_\_\_ ice-cream sales to children.

6. The number of TV commercials in a campaign depends on how much the client wants to \_\_\_\_\_ and who he wants to reach.

7. The function of advertising is primarily to inform and to \_\_\_\_\_.

8. Our plan is to \_\_\_\_\_ the new product across a wide range of media.

#### Ex. 3. Choose the correct word from the box to complete the passage.

| advertisements  | exhibition | Trade             |
|-----------------|------------|-------------------|
| copy-writer     | set up     | Commerce          |
| proportion      | market     | price sensitivity |
| сору            | Marketing  | controls          |
| designer        | media      | budgets           |
| trade magazines |            |                   |

1) and 2) involve potential customers know about a new product both before it is made and after it becomes available for sale. 3) \_\_\_\_\_ in the local and national press and 4) \_\_\_\_\_ in area where there is likely to be a good market are among the ways in which this is done; the choice of 5) \_\_\_\_\_ - magazines, newspapers, radio and TV - for the advertisements and of locations for exhibitions is made as a result of thorough 6) \_\_\_\_\_ research, so that money (all marketing departments have tightly controlled 7) \_\_\_\_\_) is spent where it is most likely to produce results. The advertising 8) \_\_\_\_\_, usually provided by a specialist 9) \_\_\_\_\_ and set out by a 10) \_\_\_\_\_ to have the most impact, is probably the most common form of promotion, although the way in which stands are 11) \_\_\_\_\_ at exhibitions is also extremely important. News items leaked to 12) \_\_\_\_\_ are also important – and they are free! 13) Associations and chambers of 14) \_\_\_\_\_ can provide advice about the size of markets, their location, and also about such things as 15) \_\_\_\_\_ and import 16) \_\_\_\_\_ in specific areas.

# Ex. 4. Complete the following passage by replacing the missing prepositions.

Marketing teams carry a lot of responsibility when it comes 1) \_\_\_\_\_\_ choosing brand names that have to cross the language barrier. As many multinationals have found to their cost, names can take 2) \_\_\_\_\_\_ unintended meanings when translated into another language. We've all come 3) \_\_\_\_\_\_ examples in the press, not least in the automotive industry – several car manufacturers, it seems, have run 4) \_\_\_\_\_ problems on this front. One of General Motors' models, the 'Nova', translates into Spanish as 'it doesn't go' – 'no va'! The company changed the name to 'Caribe' for Spanish-speaking markets and sales shot 5) \_\_\_\_\_. One of Ford's new models turned 6) \_\_\_\_\_ on the Mexican market as 'Caliente' – Spanish slang for 'street-walker'! Such classic blunders soon show 7) \_\_\_\_\_ and swift action usually saves the day. However, it does show how important it is for multinationals to carry 8) \_\_\_\_\_ extensive research before they launch a new product!

# Ex. 5. Read the text 4 again and complete the following summary.

A survey of European advertising preferences undertaken by the Alice 1) \_\_\_\_\_\_ and the 2) \_\_\_\_\_ research institute found that 3) \_\_\_\_\_\_ tended to prefer advertisements 4) \_\_\_\_\_\_ Only 5) \_\_\_\_\_ of the advertisements – the ones with simple 6) \_\_\_\_\_\_ which appealed to 7) \_\_\_\_\_ – were felt to be truly 8) \_\_\_\_\_\_ 9) \_\_\_\_\_ of the ten 10) \_\_\_\_\_\_ films were 11) \_\_\_\_\_\_ The 'stars' of three other popular commercials were 12) \_\_\_\_\_, 13) \_\_\_\_\_

The fact that most commercials do not 15) \_\_\_\_\_ means quite a challenge for would-be pan-European advertisers: how to combine the 16) \_\_\_\_\_ sought by the French, the sense of humour favoured by the 17) \_\_\_\_\_, the 18) \_\_\_\_\_.preferred by the Germans and the subtle effectiveness loved by the 19) \_\_\_\_\_ in a single advertisement with universal appeal? One answer is to use the same 20) \_\_\_\_\_ for every country but feature different 21) \_\_\_\_\_ and a translated 22) \_\_\_\_\_.

Pan-European production is one thing, pan-European regulation is another one. Some 23) \_\_\_\_\_ are fighting calls for 24) \_\_\_\_\_ which could lead to Europe-wide 25) \_\_\_\_\_.

Ex. 6. Many advertisements contain a *slogan* or short phrase to attract the consumer's attention. Effective slogans are usually short, easy to remember and easy to repeat. Here are several authentic slogans from advertisements. What type of product do you think each one is advertising? You may add some more slogans that you like to the list.

Not everyone was meant to fly. The colour of life. Doesn't he deserve a dinner that looks as good as yours? By the time you remember you left it on, it's off. See and be seen with. Does she or doesn't she? This year you should wear something loud. Doesn't your family deserve less? Introducing seven easy ways to make a chicken fly. The best things in life are still made by hand. Never before has something so little done so much for so many.

# Ex. 7. *Endorsement* is a commonly used advertising technique, in which a person – often famous – speaks on behalf of a product.

| Field         | Name | Product |
|---------------|------|---------|
| Sports        |      |         |
| Entertainment |      |         |
| Business      |      |         |

In each case, do you think the right person was chosen to endorse the product? Present your findings to the class.

# Ex. 8. Match each word on the left with a word on the right. Then use four of the expressions to write about the advertising industry.

| Household   | budget     |
|-------------|------------|
| price       | company    |
| TV          | list       |
| limited     | commercial |
| media       | rates      |
| circular    | campaign   |
| strategic   | names      |
| production  | letter     |
| glossy      | planning   |
| competitive | brochure   |
|             |            |

Ex. 9. A. Fill in the missing 11-letter word to make five common compound nouns.



# B. How many different compound nouns can you make with the following words?

| Sales | market | product | marketing |
|-------|--------|---------|-----------|
|-------|--------|---------|-----------|

# C. Quiz.

What do businessmen and women use to carry documents around? \_\_\_\_\_

2. In which room do company directors usually meet?

3. What gesture traditionally concludes a deal?

4. What do we call the total revenue of a company?

Now make up your own quiz items to test each other's knowledge of common business compound nouns.

# Discussion

# A. Discuss the following questions.

1. What is meant by 'pan-European advertising'?

2. What examples of pan-European advertisements can you give?

3. What are the advantages and disadvantages of pan-European advertising?

4. What are the advantages and disadvantages of using famous people in advertising?

5. Do you identify with pop stars and movie actors?

6. How can endorsing a product be bad for a celebrity's reputation?

# B. What do you think? Which of these contrasting opinions do you agree with? Give reasons for your choice.

1. Consumers in different countries vary widely in their needs and wants and ingrained consumer habits are hard to change. Marketing departments ignore these differences at their peril.

2. People desire the same products, no matter where they live. Sensible marketing targets the creation of 'world brands', standardised products that are marketed in the same way worldwide.

# Case Study

UK-based patisserie chain, Gateau PLC, has its head office in Leicester, England. Over the last 25 years, the company has expanded rapidly and now has outlets throughout the European Community.

The success of the business is easily explained. Firstly, excellent quality products at reasonable prices: Gateau's wide variety of baguette sandwiches are always fresh, the pastries are delicious, the drinks – a good selection of teas, freshly-ground coffees and freshly-squeezed fruit juices – are good value for money, and there is always a fine choice of fruit/fruit salads. Products may either be consumed on the premises or taken away.

Another reason for Gateau's growth is the success of its development as a franchising operation. This has proven to be a very effective way of expanding the company quickly, and Gateau has built up quite an extensive network of franchises offering quality products, high standards of cleanliness and efficient service. In the last five years, however, Gateau has met strong competition from other patisserie chains. These do not offer the same quality or range of products, nor is their service as good. Many people say their outlets have a less attractive decor too, yet they have had an impact on Gateau's profits.

Naturally, the Gateau management is worried about the situation. The company must continue to grow and, with ambitious plans to extend its franchise network further, must be seen to prosper. After much deliberation, Gateau has decided to respond by intensifying its promotion and has asked its advertising agency, Hudson-Bates-McGrath (HBM), to create a new pan-European advertising campaign along the following lines:

Gateau PLC: Advertising Campaign

- Objectives: a) to inform consumers of the excellent food and drink and outstanding service on offer at Gateau;
  - b) to persuade consumers that Gateau patisseries are the *only* outlets worth visiting for a quick snack;
  - c) to reinforce Gateau's image as a *European* business.
- Target:a) actual and potential consumers living and working in majortowns and cities throughout Europe.
- Media: a) TV support (1 × 30-second TV commercial for transmission throughout October and November in all Gateau's European markets);
  - b) print (1 × half-page advertisement to appear in selected national and regional newspapers throughout Europe).

Support: a) a special promotion to run simultaneously in all Gateau outlets.

Approach: a) pan-European with limited tailoring to different consumer tastes and cultures in the target countries.

# **Brand Management**

# Warm-Up

1. What is a brand and what is it for?

2. Give three examples of brands you are loyal to. Why are you loyal to them?

- 3. Why do people wear Rolex watches? Or Cartier bracelets?
- 4. A brand is regarded as one of the company's main assets. Why?

## Intensive Reading

#### Text 1

#### **Products and Brands**

Marketing theorists tend to give the word *product* a very broad meaning, using it to refer to anything capable of satisfying a need or want. Thus services, activities, people (politicians, athletes, film stars), places (holiday resorts), organizations (hospitals, colleges, political parties), and ideas, as well as physical objects offered for sale by retailers, can be considered as products. Physical products can usually be augmented by benefits such as customer advice, delivery, credit facilities, a warranty or guarantee, maintenance, after-sales service, and so on.

Some manufacturers use their name (the 'family name') for all their products, e.g. Philips, Colgate, Yamaha. Others, including Unilever and Procter & Gamble, market various products under individual brand names, with the result that many customers are unfamiliar with the name of the manufacturing company. The major producers of soap powders, for example, are famous for their multi-brand strategy which allows them to compete in various market segments, and to fill shelf space in shops, thereby leaving less room for competitors. It also gives them a greater chance of getting some of the custom of brand-switchers.

Most manufacturers produce a large number of products, often divided into product lines. Most product lines consist of several products, often distinguished by brand names, e.g. a range of soap powders, or of toothpastes. Several different items (different sizes or models) may share the same brand name. Together, a company's items, brands and products constitute its product mix. Since different products are always at different stages of their life cycles, with growing, stable or declining sales and profitability, and because markets, opportunities and resources are in constant evolution, companies are always looking to the future, and reevaluating their product mix.

Companies whose objectives include high market share and market growth generally have long product lines, i.e. a large number of items. Companies whose objective is high profitability will have shorter lines, including only profitable items. Yet most product lines have a tendency to lengthen over time, as companies produce variations on existing items, or add additional items to cover further market segments. Additions to product lines can be the result of either line-stretching or line-filling. Line-stretching means lengthening a product line by moving either up-market or downmarket, i.e. making items of higher or lower quality. This can be carried out in order to reach new customers, to enter growing or more profitable market segments, to react to competitors' initiatives, and so on. Yet such moves may cause image problems: moving to the lower end of a market dilutes a company's image for quality, while a company at the bottom of a range may not convince dealers and customers that it can produce quality products for the high end. Line-filling – adding further items in that part of a product range which a line already covers – might be done in order to compete in competitors' niches, or simply to utilize excess production capacity.

#### **Extensive Reading**

#### Text 2

#### The Purest Treasure

Brands are insubstantial things, mere symbols, names, associations. Sometimes they signal real differences between products. Sometimes they are pure illusion.

Either way, brands are akin to a product's or company's reputation, and they influence consumers' perceptions. The wearer of a Rolex watch is concerned with more than keeping time; the BMW driver with more than getting from place to place. Brands add value by making customers loyal and, often, willing to pay more for the things branded. Roses by another name might smell as sweet, but they would no longer fetch \$30 a dozen.

Despite the evidence of the value of brands, creating and sustaining that capital are often neglected by consumer-goods companies. Under pressure to make big short-run gains in sales, many brand managers are cavalier about the long-term commercial health of their products. Increasingly they are abandoning brand-building activities, such as advertising, in favour of tactics, especially price promotions, which aim to increase market share quickly. In 1980 promotions accounted for about a third of all spending on marketing, with advertising taking up the rest. Now, remarkably, the proportions have reversed.

A forthcoming book by David Aaker (Managing Brand Equity), a marketing professor at the University of California at Berkeley, tries to cure brand managers of this myopia. Often, Mr Aaker argues, managers are not sufficiently aware of the damage that short-term thinking can do to good brands. A marketing plan centred on discounts and promotions, along with corner-cutting on quality, caused Schlitz, an American lager, to lose its position as a premium beer. In just five years, Schlitz went from \$48 m in net profits to \$50 m in losses.

Rarely can rivals inflict such severe damage. To launch a new consumer product in America can cost \$75 – 100 m; even then, most fail. At the same time, old favourites become virtually invulnerable. In 19 of 22 standard product categories, today's leading brand was also on top in 1925. In the category of food blenders, consumers were still ranking General Electric second – 20 years after the company had stopped making them.

The failure of challengers to overcome the resilience of familiar names has led to another tactic also prone to short-termism: brand-stretching. In their eagerness to extend a popular brand's recognition and reputation to a new type of product, says Mr Aaker, managers often overlook basic problems with the 'fit' between the old name and the new item. Levi Strauss's attempt to stretch itself to cover a line of smart suits failed dismally. Worse, it hurt the core brand: it took a snappy advertising campaign to get Levi's jeans business back on track.

More perilous still are attempts to milk additional sales from premium brands by taking them down-market. Cadillac's reputation has still not recovered from its effort to attract lower-income car buyers with its cheaper Cimarron model in the early 1980s. Diluting Cadillac's snob appeal put off image-conscious buyers who might normally have been keen on the car. Undisciplined use of the Gucci name almost brought the company to ruin; at one point there were some 14,000 different Gucci products.

Part of the problem is that the organisation of most consumer-goods companies favours short time horizons. Brand managers at firms such as Unilever and Philip Morris usually stay in their jobs for just a year or two. Brand oversight by top management is generally *ad hoc.* 

One solution suggested by Mr Aaker is for companies to hire or appoint people solely to monitor the status of brands. These 'brand-equity managers' would be charged with taking a long view on guarding products' images, name associations and perceived quality. They would have the final say over marketing plans and the decisions of ordinary brand managers. Such a system is being tried at Colgate-Palmolive and Canada Dry.

But unless the incentive structure within the consumer-goods companies is changed, 'brand-equity' managers will provide little more than

another layer of bureaucracy. As Mr Aaker points out, the main reason for brand-related short-termism is shareholders' expectations of sparkling quarterly earnings. Because brand equity is hard to put a price on, punters must use returns as a guide to future performance. This is the source of pressure on brand managers to turn to promotions to boost sales.

Price promotions can have a dramatic short-term effect on a brand's sales, especially for some sorts of good. For fruit drinks, increases of more than 400 % during the first week of a promotion are common. But a new study by the London Business School shows that such promotions have no lasting effect on sales or brand loyalty. Some consumers switch temporarily to the promoted brand, but once the promotion ends, almost all of them go back to the one they normally prefer.

Promotions that merely offer a discount or a rebate can cheapen a brand's image. Since price is often a signal to consumers of a product's quality (witness luxury drinks like Chivas Regal), a brand that is always on special offer loses its appeal. Better, says Mr Aaker, to try promotions that reinforce the brand's image, such as American Expresses leather luggage tags, or increase brand awareness, such as Pillsbury's baking contests.

Similarly, thoughtful brand-stretching can not only help a new product break into a crowded market but can also enhance the core brand's value. Frozen-juice bars and vitamin-C tablets have reinforced Sunkist's orangetinted image of good health. But even a good 'fit' has limits. Despite the association of a fruit-processor like Dole with all things tropical, Mr Aaker says the company would be stretching things too far if it opened a tropicaltravel service. His advice to brand managers echoes the words of David Ogilvy, a legendary adman: 'The consumer is no moron; she is your wife.'

The Economist

#### Text 3

## **The Levi Story**

## Mistakes that failed to kill a classic product

There are not many genuinely classic brands, but Levis have earned themselves a place among the Coca-Colas, Zippos, Bics and 2CVs. Classic brands used continuously and in an unchanged format for 100 years are exceptionally rare in the clothing market, dictated as it is by the fickle demands of fashion. Levi Strauss's achievement is formidable: from a small family firm to a massive international concern. The years in between have seen not only the evolution of a classic brand but also some massive, equally classic, marketing errors. The 501 initiative is the nearest Levi Strauss has ever come to co-ordinated international marketing, and represents a serious attempt to re-focus the entire company after several disastrous years in the international market.

In the early 1960s, Levi Strauss was sky-rocketing. American films and music had spread to Europe and jeans had come to symbolise a new, youth culture. Kids decided that denim would become their uniform, a visible statement of a new, exciting lifestyle. Levi Strauss was still a purely American company, with no overseas operation. Now that a brand new market had presented itself, international expansion had to be looked at.

Initially, the company used local agents to sell the products which were shipped in from the States. Teenagers trekked all over European cities, looking for a retailer who stocked the all-American jeans. There was still no international marketing, let alone international advertising. The whole international success story happened almost by chance, and certainly without any co-ordinated effort from San Francisco.

At the same time, in America, Levi Strauss diversified at a frenetic pace into all sorts of unrelated areas, including Staprest trousers and Resistol hats. The Levi label was put on all these non-jeans products, and the company grew.

By 1974, now a public company, Levi started manufacturing locally throughout Europe. It moved its European advertising account from Young and Rubicam to McCann-Erickson, which took over all the non-American advertising. But Levi Strauss was coming unstuck: nobody knew what the Levi name stood for any more. All the advertising for the different products was saying totally different things about the company and the unrelated products had begun to damage Levi's volume base – its jeans. What kid, seeing his dad buy Levi polyester trousers, was going to rush out and buy Levi jeans? Levis were old-fashioned, said the consumers.

Something had to be done – and fast. The diversification programme was put into reverse gear, and the Levi name was taken off unrelated products. The company retained the other brands, but distanced them from the jeans products, or made them more jeans-related. Levi Strauss realised that it had to stop trying to drag value out of its most valuable property – its name – and go back to its roots, becoming once again the premier jeans company in the world.

#### Exercises

Ex. 1. Match each word in the left column with a word in the right column to form ten common marketing expressions. Then use these expressions to complete the sentences that follow. See Text 2.

| premium    |
|------------|
| market     |
| price      |
| special    |
| brand      |
| product    |
| brands     |
| campaigns  |
| awareness  |
| promotions |
|            |

1. \_\_\_\_\_ are important brand-building activities.

2. Marketing tactics such as \_\_\_\_\_\_ aim to boost sales quickly.

3. Because of their association with quality and status, \_\_\_\_\_\_\_\_\_ often cost a bit more.

4. During a sale in a department store, many goods are on \_\_\_\_\_.

5. The danger with brand-stretching is the damage that can result to the \_\_\_\_\_\_ if it is not successful.

6. A good \_\_\_\_\_\_ will guard the long-term interests of the brand it is promoting.

7. Launching a new \_\_\_\_\_\_ onto the market is a costly and risky business.

8. Customers who always buy the same brand of goods are showing

9. \_\_\_\_\_ is a measure of how well-known a product is in the marketplace.

10. In some sectors, the competition between companies for \_\_\_\_\_\_ is fierce.

# Ex. 2. Complete each sentence with the correct form of the italicized word. In some cases you will need to use the negative form.

1) advertise

In our new campaign, our main \_\_\_\_\_ medium will be television.

Benetton produced a series of eye-catching \_\_\_\_\_\_ for their products.

2) associate

Engineering firms often work in \_\_\_\_\_ with other companies on a major contract.

When there is a financial scandal, business people often try to \_\_\_\_\_\_ themselves from those involved.

3) consume

Food, clothing and household products are all examples of \_\_\_\_\_ goods.

Wine \_\_\_\_\_\_ is high in France, and on the increase in other European countries.

4) market

To make money, you don't just need a good product – you also need excellent \_\_\_\_\_.

Some products are very innovative, but they simply aren't \_\_\_\_\_.

5) produce

Athough the meeting went on for hours, it was rather\_\_\_\_\_

Since we introduced the new-pay structure, \_\_\_\_\_ has improved enormously.

6) profit

This line of raincoat is highly \_\_\_\_\_\_ – we must discontinue it as soon as possible.

If we are serious about improving the \_\_\_\_\_\_of these outlets, we should take a good look at staffing costs.

7) promote

We expect all our \_\_\_\_\_\_ activities to cost around £2 million. is a very important marketing function.

8) rival

The \_\_\_\_\_\_ between soft drinks companies, Coca-Cola and Pepsi Cola, is very fierce.

Otis is known all over the world as a manufacturer of lifts. Its reputation in the industry is \_\_\_\_\_\_.

9) sell

Which is your best-\_\_\_\_\_ product?

Our \_\_\_\_\_\_force doubled when we took over our chief competitor.

10) value

Our stock is so \_\_\_\_\_\_ that it cannot be left unguarded.

We were most impressed by the consultants we hired – their advice was \_\_\_\_\_.

Ex. 3. Study the words used for reasoning and contrasting. Then choose the appropriate one to complete the sentences that follow. Use your dictionary to help you.

**Reason:** because, as, so, since, therefore, consequently.

Contrast: although, despite, in spite of, but, however, nevertheless, yet.

1. Brand-stretching can be very risky \_\_\_\_\_\_, it can also be very lucrative.

2. The value of price promotions is questionable \_\_\_\_\_ most consumers switch back to their usual brand when the promotion ends.

3. Companies have to keep their shareholders happy \_\_\_\_\_, brand managers are under pressure to find ways of boosting sales.

4. \_\_\_\_\_\_ a brand may sell well in one country, it may not sell at all in another.

5. Price is a signal of quality \_\_\_\_\_ consumers will often pay more for premium brands.

6. In 1991, advertising accounted for around a third of all marketing outlay, \_\_\_\_\_, in 1980, the picture was very different.

7. \_\_\_\_\_their disappearance from the market, General Electric's food blenders continued to rank second with consumers 20 years later!

# Ex. 4. Read Text 3 and summarise the main points under the following headings. Then write a summary of the text in 5 – 8 sentences.

The Levi achievement.

The company's development.

Past marketing mistakes.

Recovery and beyond.

## Ex. 5. Use the following terms to complete the definitions below.

| brand               | shopping goods | line-filling      |
|---------------------|----------------|-------------------|
| product line        | product        | convenience goods |
| line-stretching     | product mix    | speciality goods  |
| product elimination |                |                   |

1. A \_\_\_\_\_\_ is a name (or sometimes a sign, symbol or design) used to identify the goods or services of a particular manufacturer, seller or supplier, and to differentiate them from the goods or services of competitors.

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

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

4. A \_\_\_\_\_\_ is the set of all the product lines and items offered by a company.

5. \_\_\_\_\_\_ are cheap and simple 'low involvement' products which people use regularly and buy frequently with little effort, without comparing alternatives.

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

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

8. \_\_\_\_\_ is the process of withdrawing products from the market when they are no longer profitable.

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

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

#### Discussion

1. What is a company's main technique for building brand awareness?

2. What is 'brand image'?

3. What are described as 'the purest treasure' and 'valuable assets'? See Text 2.

4. Why is it dangerous to take a brand down-market? Give more examples.

5. What negative effects can price promotions have on brands? Give examples.

6. What benefits can brand-stretching bring?

## Case Study

Of Italian origin, Silvana emigrated to England from Lugano, Switzerland, with her family when she was ten years old. Later, she married Pierre, who was also Swiss, and worked in his designer clothing business in London. In 1980, they moved to Oxford and opened a French-style restaurant.

The restaurant was very successful, but Silvana found it difficult to get high quality after-dinner chocolates in England. She was so disappointed about this that she decided to return to Lugano and learn how to make them herself. A friend of hers owned a large chocolate factory there, and happily showed her how chocolates were manufactured. Back in England, she started producing hand-made chocolates for her restaurant clientele and friends. She used top-quality ingredients, and the chocolates were greatly praised by all who tasted them.

The idea of establishing a hand-made confectionery business came almost by chance. One day, on an impulse, they contacted a famous chain of quality food stores based in London. The firm's chief buyer expressed interest in their products, and the following week they went to London with their samples. To their astonishment, they left the buyer's office with an order for 30 kilos!

Seeing the potential in Silvana's 'hobby', the couple sold their restaurant and used the proceeds to set up Silvana Chocolates. Within a year, they were unable to cope with the demand and had to take on additional labour. Five years later, Silvana Chocolates was a flourishing business, producing a wide range of truffles, pralines and liqueur chocolates.

Today, the chocolates are selling well in the UK, but Silvana and Pierre are ambitious: they want the business to be much bigger. They would also like to expand into Europe as soon as possible. To do so successfully, they know they must create a stronger brand image – the chocolates don't really have a personality at the moment – and devise a marketing plan to increase brand awareness – their products are still not widely known by the general public.

To discuss suitable ways of improving brand image and increasing consumer awareness, Pierre and Silvana have set up a meeting with a small advertising agency in London.

#### **Business and the Environment**

# Warm-Up

1. What are the major environmental threats our planet is facing today? Where do their roots lie?

2. Why must business act responsibly towards the environment?

3. How will the relationship between business and the environment develop?

#### Text 1

## A Gloomy Picture

The environment is everything that surrounds and affects the character and growth of living things. When talking about environmental problems, ecological issues cannot be separated from their effect on mankind, nor can human actions be separated from their effect on the ecology. The condition of life, our daily actions, and the state of the global environment are interdependent, yet often this interdependence is overlooked.

What follows is a summary of the environmental issues.

# Population Explosion

Today the planet holds more than 6 billion people. Global population has doubled in the last 40 years and is expected to double again by 2050, with 90 percent of that increase occurring in developing countries.

African nations are expanding at the fastest rate. In the year 2000, Africa had 900 million people with an annual population growth of 3 percent. Nigeria, Africa's most populous country, soared from 112 million to 274 million. China, now the most populous country in the world with 1.2 billion people, will retain the lead with a population expected to reach over 1.5 billion by the year 2050.

# Hunger

Despite claims that there is less famine in the world today, over 150 million children go to bed hungry every night. According to a United Nations report, 37 percent of people in India cannot buy enough food to feed their families, and in the Horn of Africa, it is estimated that more than 20 million people, mostly women and children are at risk of starving. The United Nation's Food and Agriculture Organization reports that there are more than 786 million underfed people in developing nations. But the developing countries are not alone.

The United States is not exempt. Due to the recession and structural changes in the economy, a record number of 23 million people, or 10 percent of Americans, were dependent on food stamps in 1992, over half were

families with children under the age of 5. We are looking at one-quarter of the globe plagued with hunger and lacking the most basic needs in life.

# Pollution

For many people, the most alarming of all human assaults on the environment is the contamination of air, earth, and water from dumping. Evidence of dumping can be found everywhere, done by individuals and large corporations alike. Hong Kong dumps more than 1,000 tons of plastic a day. Americans throw away 16 billion disposable diapers each year. Open sewage drains and festering landfills are common sites in many parts of the world.

In a small Malaysian village, babies are born deformed and children die of rare illnesses, which their doctors claim are caused by exposure to radiation from a multinational company that set up business in this small community.

Creatures of the sea are also vulnerable to pollutants that enter the rivers, lakes, and oceans of the world. Over half of the world's population lives along coastlines that are being increasingly polluted by sewage, industrial waste water, and runoff from cities and farms. Half of the fish in these areas polluted by toxic chemicals fail to spawn, and many die. Those that are fished may pass on high levels of cancer-causing chemicals to the consumer. It appears that humans are polluting at the expense of their own lives.

## Deforestation

The rapid reduction of forest land around the globe appears on every list of critical environmental issues. Its effects are of importance to all living things. Forests absorb carbon dioxide from the air and supply oxygen. They are home to fragile plants and fascinating creatures, and they have provided people with fuel, food, and shelter for centuries. But with the growth in human population, forests have been converted into farms, commercial enterprises, and industrial developments.

It is estimated that every year 6.3 million hectares of tropical forest alone are cleared for agriculture and that 4.4 million hectares are used in commercial logging. This involves big corporations buying large chunks of forest in order to fell and export timber to Europe, Japan, and North America. One-tenth of all the timber for this market comes from tropical forests from such countries as Brazil, Indonesia, Malaysia, and the Philippines.

## Extinction

Biological diversity – the variety among living organisms and their habitats – is more threatened now than at any time in the past. Tropical

deforestation is the main reason behind this crisis, but the destruction of temperate forests and the pollution of rivers, lakes, and oceans also play an important role.

The total number of species is not known. Biologists estimate that there are between 5 and 30 million species, many of them insects, tiny sea creatures, and lesser known plants and animals. As these species become extinct, they in turn take with them more of nature's wealth. The removal of a single species, no matter how tiny, can set off a chain reaction affecting many others. It has been estimated, for example, that a disappearing plant can take with it up to 30 other species, including insects, higher animals, and even other plants. Each species, no matter how small or obscure, plays an essential role in maintaining the balance of nature.

#### **Global Warming**

Human activity is altering the composition of the atmosphere in ways that could bring rapid changes in climate. Although naturally occurring greenhouse gases keep the Earth's surface warm by trapping infrared radiation given off by the sun, human activity is increasing the concentration of these gases, as well as adding new, more dangerous chemicals to the atmosphere.

Carbon dioxide, the most important greenhouse gas, has increased in the atmosphere over the past four decades from the burning of fossil fuels and, more recently, from deforestation. Carbon dioxide is pouring into atmosphere from motor vehicles and factories.

But perhaps the most dangerous is the production of chemically synthesized chlorofluorocarbons (CFCs), which are used in cooling systems and aerosol spray cans and in the production of some fast food containers. This greenhouse gas has been blamed for heating up the atmosphere as well as thinning the upper level of the atmosphere, the ozone layer.

Many scientists are predicting an increase of about 1 degree Celsius in the global mean temperature by 2025 and a 3-degree increase by the end of the next century.

## Text 2

#### A Banner of Values

#### Creating a global community

On a cold night in January, a ragtag group of environmentalists gathers outside the Brazilian embassy in London. There are about 20 of them, the usual suspects, from such organisations as Friends of the Earth and Survival International. They have come to draw attention to the plight of the Yanomami Indians, a Stone Age tribe that is being wiped out by diseases brought to its remote Brazilian habitat by miners looking for gold. At the moment, however, there is not much attention to be drawn. Aside from an occasional passing taxi, the only people around are the protesters. Among them is Anita Roddick, founder and managing director of The Body Shop International.

She is there, moreover, in her official capacity. Recently her company has engaged in a worldwide campaign that has drawn much attention to the plight of all the inhabitants of the Amazon rain forest. The Body Shop and its franchisees have contributed hundreds of thousands of dollars to their defense. It has mobilised employees for petition drives and fund-raising campaigns, carried out through the stores and on company time. It has produced window displays, posters, T-shirts, brochures, and videotapes to educate people about the issues. It has brought 250 employees to London for a major demonstration at this very embassy – not on a dark night, but in broad daylight, with a television crew broadcasting the event live, via satellite, to Brazil.

In the United States such corporate activism would be considered bizarre, if not dangerously radical. In the United Kingdom it draws attention, but it no longer generates much surprise. That's mainly because The Body Shop has been acting this way for years. Long before it launched its rainforest offensive, after all, it waged similar campaigns against everything from the killing of whales to the repression of political dissidents. Almost as well known, and accepted, are its efforts to help communities in developing countries by setting them up as suppliers under a program, it calls Trade Not Aid. Then there's the soap factory it has built in a poverty-stricken section of Glasgow, Scotland with the explicit (and well-publicised) purpose of providing jobs for people who, in some cases, have been unemployed for upward of 10 years. Not to mention the community project that every shop is required to have and that every shop employee is expected to work in for at least one hour a week – a paid hour, that is, on company time.

Indeed, there is almost no end to the list of such Body Shop activities, most of which have been widely reported in the British press. This inevitably raises a question in the minds of many people, one Anita almost always hears when she appears before business groups. 'They want to know, 'Isn't it all public relations? Aren't you just using these campaigns and activities to create more sales and profits?' She bristles at the question. 'Look', she says, 'if I put our poster for Colourings (a line of makeup) in the shop windows, that creates sales and profits. A poster to stop the burning of the rain forest doesn't. It creates a banner of values, it links us to the community, but it will not increase sales. What increases sales is an article in boring Glamour magazine saying Princess Diana uses Body Shop products. Then we'll get 7,000 bloody phone calls asking for our catalog. You can measure the effect'.

It's a provocative argument, but it's a little misleading. Most of the activities are, in fact, intended to generate publicity for The Body Shop, and the company milks them for all they're worth. Even Anita would admit, moreover, that – over the long term – they do tend to increase sales and, yes, profits. What's most interesting, however, is the way that happens. Indeed, this may be the single most striking aspect of The Body Shop's entire approach to business.

The first thing you have to understand is that the primary audience for these activities is not the public: it is her own work force. The campaigns, which play a major role in her educational program, are anything but random attempts to promote goodwill. They are part of a carefully researched, designed, and executed business strategy.

She wants causes that will generate real excitement and enthusiasm in the shops. 'You educate people by their passions, especially young people,' she says. 'You find ways to grab their imagination. You want them to feel that they're doing something important, that they're not a lone voice, that they are the most powerful, potent people on the planet.'

Ex. 1. Match words from column A with words from column B to make phrases related to the environment.

| Α          | В         |  |
|------------|-----------|--|
| ozone      | effect    |  |
| global     | pollution |  |
| rain       | layer     |  |
| food       | explosion |  |
| air        | rain      |  |
| greenhouse | shortages |  |
| acid       | forests   |  |
| population | warming   |  |

Ex. 2. Complete the sentences below by beginning with one of the phrases from exercise 1, and using appropriate forms of verbs from the box.

#### cause play protect make affect result

A. \_\_\_\_\_ life in our cities unhealthy.

B. \_\_\_\_\_ people in several countries in Subsaharan Africa.

C. \_\_\_\_ many fish in the lakes of Northern Europe to die.

D. from the accumulation of carbon dioxide and other man-made gases in the atmosphere, which absorb and reflect more of the sun's heat than is normal.

E. \_\_\_\_\_ an important role in the climate patterns of the whole world.

F. \_\_\_\_\_ us from the adverse effects of ultra-violet radiation.

# Ex. 3. The words in the box all have similar meanings.

#### spoil ruin harm damage destroy mar

A. Use a dictionary if necessary to arrange them in order on the line below. WEAKEST ← → STRONGEST

**B.** Which would you be most likely to use to talk about the following?

- a) a car after a slight accident;
- b) a day of your holiday when things went badly;
- c) a building after a bad storm;
- d) a building after heavy bombing;
- e) people's lungs in a polluted city;
- f) a meal after too much cooking;
- g) a view from the top of a hill after the building of a road;
- h) a businessman or woman who is bankrupt.

# Ex. 4. These nouns all refer to different kinds of waste. Match them with their definitions.

#### garbage refuse scrap litter trash junk debris sewage

- a) something worthless or of low quality;
- b) waste material to be thrown away;
- c) the remains of something broken into pieces or destroyed;
- d) old useless things;
- e) small things, usually paper, that have been thrown away;

f) waste material of any kind;

g) liquid waste from people's houses and buildings;

h) rubbish collected or thrown away from people's houses;

i) waste metal;

Which two words are mainly used by Americans instead of rubbish?

Which of these nouns can also be used as verbs? What meanings would the verbs have?

# Ex. 5. Use the following words from the text to complete the passage below. Use the plural form where necessary.

| campaign | fund-raising | publicity |
|----------|--------------|-----------|
| mobilise | display      | audience  |
| petition | issue        |           |

The Body Shop believes that people should be aware of today's major environmental and social (1) \_\_\_\_\_. That is why they frequently organise (2) \_\_\_\_\_ to draw the public's attention to serious problems, such as the protection of endangered animals or the imprisonment of political dissidents. Thanks to The Body Shop's strong educational policy for staff members, individual shops play an active role in (3) \_\_\_\_\_ support for these various causes. For example, almost one million people signed The Body Shop's (4) \_\_\_\_\_ against the burning of the Brazilian rainforest in a two-week campaign. Shops also organise (5) \_\_\_\_\_ events to obtain money for important causes, and fact sheets, *leaflets and* window (6) \_\_\_\_\_ ensure that people all over the world (customers and staff alike) get the message. The Body Shop's prominent position on the High Street gives their activities a wide (7) \_\_\_\_\_, and the (8) \_\_\_\_\_\_ they receive through the press contributes to extending their message still further into the community.

# Ex. 6. The sentences below are extracts from a text about B & Q, a British Do-It-Yourself store. Read them and replace the words in brackets with an appropriate word from the following list.

| activities manufacture disposal profits impact project |        |          |                  |  |
|--|--------|----------|------------------|--|
| initiatives retailer                                   | issues | strategy | levels suppliers |  |

1. Indeed its numerous awards for environmental (1) \_\_\_\_\_ (innovative actions) show how seriously it has considered these complex (2) \_\_\_\_\_ (controversial questions).

2. This unique British (3) \_\_\_\_\_ (a company selling goods to the general public) specialises in selling home repair products.

3. B & Q therefore chose to adapt its business (4) \_\_\_\_(a plan of action) and to pay closer attention to environmental (5) \_\_\_\_ (the effect of one thing on another).

4. This means that all (6) \_\_\_\_\_ (companies selling products to other companies) must know what damage results from their (7) \_\_\_\_\_ (different actions) and must plan to reduce that impact.

5. This may occur at different (8) \_\_\_\_\_ (moments or stages); the acquisition of the raw materials, the (9) \_\_\_\_\_ (production) of a product, its use and its (10) \_\_\_\_\_ (elimination).

6. One example of such an operation is in Papua New Guinea where a (11) \_\_\_\_\_ (a plan that is being carried out) with the Bainings people has shown that it is possible for them to manage their own resources economically and to generate (12) \_\_\_\_\_ (money made by a business venture) which can be reinvested in the community itself.

#### Discussion

Here are some statements about the role of business in environmental affairs. Discuss which ones you agree with and why.

'A good business should be part of society, and you should lead by example. You have to have pride in what you do. There's no pride in making millions of pounds, but there is pride in helping people and the environment.'

'The idea now is global responsibility. Businesses are the true planetary citizens they can push frontiers, they can change society.'

'In the 90s, environmentalism will be the most important issue for business.'

#### **Role play**

You live in a city with a population of 150,000. A new plan for dealing with rubbish is under intense discussion because the Ministry of the Environment has told the city council that the current inadequate facilities must be closed in two years. The main plan under discussion is as follows.

A ten-hectare site, near the railway line but in a residential suburb, will be equipped with facilities for sorting different kinds of waste – glass, paper, metal, etc – for recycling. Once sorted, the materials will be taken away by train for recycling. In addition, there will be a large incinerator for nonrecyclable waste. The incinerator will be used to generate electricity for the surrounding residential area.

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НАВЧАЛЬНЕ ВИДАННЯ

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для студентів III та IV курсів усіх напрямів підготовки всіх форм навчання

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