

МИНИСТЕРСТВО ОБРАЗОВАНИЯ РЕСПУБЛИКИ БЕЛАРУСЬ
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МАРКЕТИНГ
МЕЖДУНАРОДНЫЙ МАРКЕТИНГ
MARKETING
INTERNATIONAL MARKETING

Электронное учебно-методическое пособие
по дисциплине «Профессионально ориентированный иностранный язык
(английский)»

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Учебно-методическое пособие содержит тексты для изучающего и ознакомительного чтения, лексический материал, комплекс упражнений и заданий для формирования англоязычных коммуникативных навыков студентов в рамках учебного модуля «Маркетинг. Международный маркетинг» по дисциплине «Профессионально ориентированный иностранный язык (английский)». Предназначено для студентов БГЭУ дневной формы обучения.

GETTING STARTED

1. *You have probably asked yourself why you should study marketing and international marketing. Work with your partner and answer the following questions exchanging your opinions:*

- 1) How is international marketing as a field related to your future career?
- 2) How would you expect to come into contact with international marketing activities?
- 3) What are the essential skills and competences of a successful international marketer?
- 4) Why are marketers with a global mind-set in great demand today?
- 5) What changes will the need to become more competitive in a global economy force on a typical company?

2. *Work in pairs, discuss the concept of marketing and write down your definition of marketing.*

3. *Use the link <https://edpuzzle.com/media/5a565b03e8fcb340dfb8ca50> and watch the film “Marketing Definition – American Marketing Association”. Compare your definition of marketing with that of the American Marketing Association. Would you like to make any corrections to your definition after watching the film? Why (why not)?*

KEY CONCEPTS

acquire (v) – приобретать, поглощать

acquisition (n) – приобретение, поглощение

advertise (v) – рекламировать

advertisement (v) – реклама, рекламное объявление

advertising (n) – рекламная деятельность, реклама

brand (n) – бренд, марка

brownfield investment – инвестиции в уже существующее предприятие

client (n) – клиент (потребитель услуги)

competition (n) – конкуренция, конкуренты

competitive (adj) – конкурентоспособный, конкурентный

competitor (n) – конкурент

consumer (n) – потребитель

consumption (n) – потребление

contract manufacturing – производственный контракт

customer (n) – покупатель

customer equity – клиентский капитал (долгосрочная приверженность потребителей)

customer relationships – отношения с потребителями

customer relationship management – управление взаимодействием с клиентами

customer value – потребительская ценность, полезность
customize (v) – ориентировать на потребителя
demand (n) – спрос
develop a product – разрабатывать продукт
differentiation (n) – дифференцирование
direct exporting – прямой экспорт
distribute (v) – распределять
distribution (n) – распределение
diversification (n) – диверсификация
entry mode – метод выхода на рынок
entry strategy – стратегия выхода на рынок
exchange (n) – обмен
exporting (n) – экспорт
foreign direct investment (FDI) – прямые иностранные инвестиции
franchising (n) – франчайзинг
greenfield investment – инвестиции в создание нового предприятия
indirect exporting – косвенный экспорт
international marketing – международный маркетинг
joint venture – совместное предприятие
licensing (n) – лицензирование
management contract – управленческий контракт
manufacturing – производство
market (n) – рынок
market (v) – продавать на рынке
marketable (adj) – реализуемый, пользующийся спросом
marketer (n) – маркетолог
marketing (n) – маркетинг
marketing activities – маркетинговая деятельность
marketing aim – цель маркетинга
marketing approach – маркетинговый подход
marketing environment – маркетинговая среда
marketing mix – комплекс маркетинга
marketing mix elements – компоненты маркетингового комплекса
marketing orientation – маркетинговая направленность
marketing process – маркетинговый процесс
marketing program – маркетинговая программа
marketing strategy – маркетинговая стратегия
marketing tools – инструменты маркетинга
market offering – рыночное предложение
market opportunities – рыночные возможности
market segmentation – сегментация рынка
market share – доля рынка
market size – объём рынка
market targeting – рыночное таргетирование, выбор целевого сегмента рынка
merger (n) – слияние, поглощение

need (n) – потребность
positioning (n) – позиционирование
place (n) – распределение
price (n) – цена
pricing (n) – ценообразование
product (n) – продукт
promote (v) – продвигать товар
promotion (n) – продвижение товара
selling (n) – продажа, сбыт
service (n) – услуга, обслуживание
societal (adj) – социальный
standards of living – уровень жизни
standardize (v) – стандартизовать
standardized marketing mix – стандартизированный комплекс маркетинга
strategic alliance (n) – стратегический альянс
supply and demand – спрос и предложение
targeted (adj) – целевой
target market – целевой рынок
want (n) – желание

READING

Text 1

1. Read the text and compare your definition of marketing with the ones given in the text. Analyze your definition and correct if necessary. Name and explain the basic concepts of marketing.

DEFINITION AND BASIC CONCEPTS OF MARKETING

Sound marketing is critical to the success of every organization. No matter where they're based, large for-profit firms such as Google, Toyota, Nokia, L'Oreal use marketing. But so do not-for-profit organizations such as colleges, hospitals, museums, symphony orchestras, and even churches. You already know a lot about marketing – it's all around you. Marketing comes to you in the good old traditional forms: you see it in the abundance of products at your nearby shopping mall and in the advertisements that fill your TV screen, spice up your magazines, or stuff your mailbox.

But in recent years, marketers have assembled a host of new marketing approaches, everything from imaginative Web sites, Internet chat rooms, and social networks to interactive TV and your cell phone. These new approaches aim to do more than just blast out messages to the masses. They aim to reach you directly and personally. Today's marketers want to become a part of your life and to enrich your experiences with their brands – to help you live their brands. At home, at school, where you work, you see marketing in almost everything you do. Yet, there is much

more to marketing than meets the consumer's casual eye. Behind it all is a massive network of people and activities competing for your attention and purchases.

Many people think of marketing only as selling and advertising. And no wonder – every day we are bombarded with TV commercials, direct-mail offers, sales calls, and e-mail pitches. However, selling and advertising are only the tip of the marketing iceberg. Today, marketing must be understood not in the old sense of making a sale – "telling and selling – but in the new sense of **satisfying customer needs**. If the marketer 1) understands consumer needs; 2) develops products that provide superior customer value; and 3) prices, distributes, and promotes them effectively, these products will sell easily.

According to management guru Peter Drucker, "**The aim of marketing** is to make selling superfluous. The aim is to know and understand the customer so well that the product or service fits him and sells itself". Selling and advertising are only part of a larger marketing mix – a set of marketing tools that work together to satisfy customer needs and build customer relationships.

Broadly defined, marketing is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the **process** by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

The most basic concepts underlying marketing are those of human needs, wants, and demands. Human beings have many complex **needs**. They include - basic physical needs for food, clothing, warmth, shelter and safety; - social needs for belonging and affection; - individual needs for knowledge and self-expression.

Wants are described in terms of objects that will satisfy needs. A hungry person in Bali may want mangoes and beans. A hungry person in the USA may want a hamburger, French fries, and a Coke. As a society evolves, the wants of its members expand. As people are exposed to more objects that arouse their interest and desire, producers try to provide more want-satisfying products and services.

A want is a product desired by a customer that is not required for a person to survive. Thus, *want* is the complete opposite of *need*, which is essential for survival.

When backed by buying power, wants become **demands**. If a customer is willing and able to buy a need or a want, it means they have a demand for that need or a want.

People have unlimited wants, but limited resources. Thus, they want to choose products that provide the most satisfaction for their money. A **product** is anything that can be offered to a market to acquisition, use, or consumption and might satisfy a need or want.

Outstanding marketing companies go to great length to learn about their customers' needs, wants, and demands. This understanding helps them to design want-satisfying **market offerings** (products, services, and experiences) and build value-laden customer relationships by which they can capture customer lifetime value

and greater share of customer. The result is increased long-term **customer equity** for the firm.

The **marketing process** can be presented as a simple five-step model. The first four steps of the marketing process focus on creating value for customers.

The company first gains a full understanding of the marketplace by researching customer needs and managing marketing information. Secondly, it designs a customer-driven **marketing strategy** based on the answers to two simple questions. The first question is "What consumers will we serve?" (market segmentation and targeting). Good marketing companies know that they cannot serve all customers in every way. Instead, they need to focus their resources on the customers they can serve best and most profitably. The second marketing strategy question is "How can we best serve targeted customers?" (differentiation and positioning). Here, the marketer outlines a value proposition that spells out what values the company will deliver in order to win target customers.

With its marketing strategy decided, the company constructs an integrated **marketing program** consisting of a blend of the four marketing mix elements that transforms the marketing strategy into real value for customers.

The **marketing mix** is the set of marketing tools a firm uses to implement its marketing strategy. The major marketing mix tools are classified into four broad groups, called the four Ps of marketing: product, price, place, and promotion. To deliver on its value proposition, the firm must first create a need-satisfying market offering (product). It must decide how much it will charge for the offering (price) and how it will make the offering available to target consumers (place). Finally, it must communicate with target customers about the offering and persuade them of its merits (promotion). The firm must blend all of these marketing mix tools into a marketing program that communicates and delivers the intended value to chosen customers.

Perhaps the most important step in the marketing process involves building value-laden, profitable relationships with target customers. Throughout the process, marketers practice customer relationship management to create customer satisfaction. In creating customer value and relationships, however, the company cannot go it alone. It must work closely with marketing partners both inside the company and throughout the marketing system – practice good partner relationship management.

In the final step, the company reaps the rewards of its strong customer relationships by capturing value from customers. Delivering superior customer value creates highly satisfied customers who will buy more and will buy again. This helps the company to capture customer lifetime value and greater share of customer. The result is increased long-term customer equity for the firm.

Finally, in the face of today's changing marketing landscape, companies must take into account three additional factors. In building customer and partner relationships, they must harness marketing technology, take advantage of global opportunities, and ensure that they act in an ethical and socially responsible way.

There are five alternative **marketing orientations** under which organizations design and carry out their marketing strategies: the production, product, selling, marketing, and societal marketing concepts.

The **production concept** holds that consumers will favor products that are available and highly affordable. Therefore, management should focus on improving production and distribution efficiency. This concept is one of the oldest orientations that guides sellers, but it is still useful in some situations. Companies adopting this orientation run a major risk of focusing too narrowly on their own operations and losing sight of the real objective – satisfying customer needs and building customer relationships.

The **product concept** holds that consumers will favor products that offer the most in quality, performance, and innovative features. Under this concept, marketing strategy focuses on making continuous product improvements. Product quality and improvement are important parts of marketing. However, focusing only on the company's products can lead to marketing myopia.

Many companies follow the selling concept, which holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. The selling concept is typically practiced with unsought goods – those that buyers do not normally think of buying, such as insurance. Such aggressive selling, however, carries high risks. It focuses on creating sales transactions rather than on building long-term, profitable customer relationships. The aim often is to sell what the company makes rather than making what the market wants.

The **marketing concept** holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do. Under the marketing concept, customer focus and value are the paths to sales and profits. Instead of a product-centered "make and sell" philosophy, the marketing concept is a customer-centered "sense and respond" philosophy. The job is not to find the right customers for your product but to find the right products for your customers.

The marketing concept starts with a well-defined market, focuses on customer needs, and integrates all the marketing activities that affect customers. In turn, it yields profits by creating lasting relationships with the right customers based on customer value and satisfaction.

Implementing the marketing concept often means more than simply responding to customers' stated desires and obvious needs. Customer-driven companies research current customers deeply to learn about their desires, gather new product and service ideas, and test proposed product improvements. Such customer-driven marketing usually works well when a clear need exists and when customers know what they want.

In many cases, however, customers don't know what they want or even what is possible. For example, even 20 years ago, how many consumers would have thought to ask for now-commonplace products such as cell phones, notebook computers, iPods, 24hour online buying, and satellite navigation systems in their cars? Such situations call for customer-driving marketing – understanding customer needs even better than customers themselves do and creating products and services that meet existing and latent needs, now and in the future. As an executive at 3M, a maker of consumer and industrial products, puts it, "Our goal is to lead customers where they want to go before they know where they want to go."

The **societal concept** questions whether the marketing concept overlooks possible conflicts between consumer short-term wants and consumer long-run welfare. Is a firm that satisfies the immediate needs and wants of target markets always doing what's best for consumers in the long run? The societal marketing concept holds that marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well-being. Companies should balance three considerations in setting their marketing strategies: company profits, consumer wants, and society's interests.

Probably the best definition of marketing to consider is the one published by the American Marketing Association as it is really the peak body for marketing practitioners, and therefore reflects current perceptions and understanding. The American Marketing Association also reviews their definitions every few years, ensuring that the definition is kept up-to-date. Their most current marketing definition is: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large".

At first glance, this definition may appear to be a little bit cumbersome, let's dissect it to gain a better understanding of what marketing is all about.

Firstly, it should be noted that marketing is an **activity**, rather than an outcome. Essentially, it is the things that marketers do for an organization that are designed to achieve overall corporate goals.

The term "**set of institutions**" refers to various tools, practices, approaches and mechanisms used by marketers. Therefore, as it can be seen, the words "activity" and "set of institutions" and "**processes**" are essentially similar – and highlight that marketing is all about doing certain tasks in order to achieve certain goals.

This leads into the concept of goals which are "**creating, communicating, delivering and exchanging offerings that have value**". This part of the definition highlights the key outcomes of marketing. It is quite similar to 4P's marketing mix model. For example, "**creating**" refers to developing suitable *products* that provide benefits and solutions to the marketplace. The word "**communicating**" obviously refers to the *promotional mix*, and the word "**delivering**" refers to the *place* mix. "**Exchanging**" refers to achieving some form of sale in the marketplace – where a product is exchanged for a financial return, that is, a *price*.

The final part of the definition names "**customers, clients, partners and society at large**" which means that value is provided to these various stakeholders. "Customers" are a key part of most businesses and organizations. "Clients" is a broader term which suggests a non-profit focus. This is important because marketing activities extend beyond simply profit motivated firms. Many non-government organisations, not-for-profit firms and even government institutions, and locations and events and ideas, and so on – are marketed. Therefore the word "clients" reflects a broader perspective beyond just customers.

"**Partners**" refers to the array of supporting businesses and relationships that are critical in achieving commercial success. Partners would include suppliers, wholesalers, retailers, as well as consultants, legal advisers, strategic partners, and so on.

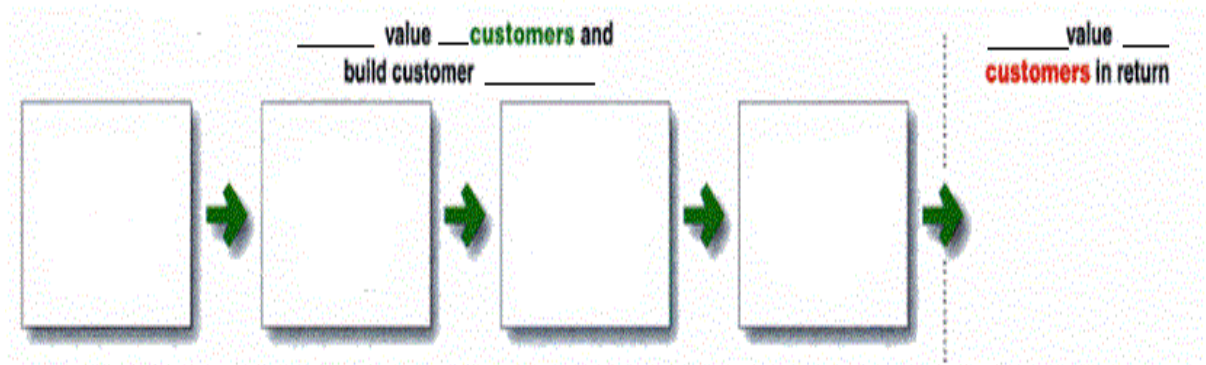
“**Society at large**” reflects the current trend towards firms providing overall value to the broader community, rather than being simply focused upon their own profitability. It is a reflection of the shift to the societal marketing concept.

Therefore, if we take all the above points into consideration – the American Marketing Association’s definition of marketing simply states – marketing is the tasks undertaken to deliver value in the marketplace.

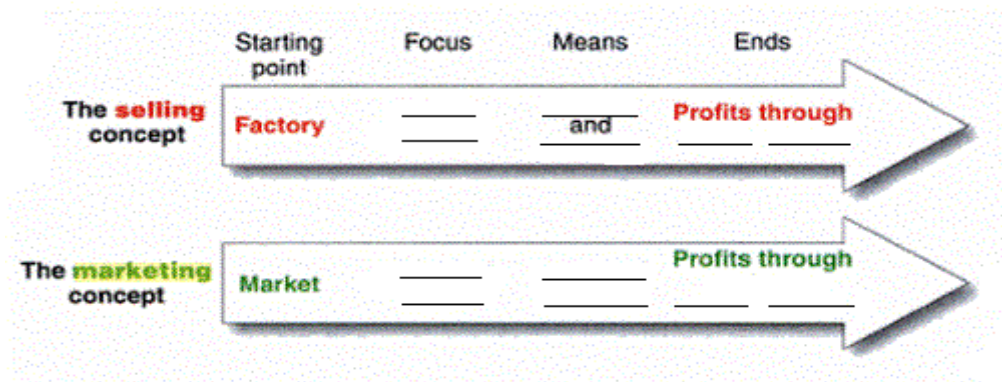
2. Answer the questions to the text:

- 1) Why is sound marketing critical to the success of every organization?
- 2) What is the aim of new marketing approaches assembled by marketers in recent years?
- 3) What is the difference between the old and new understanding of marketing?
- 4) What requirements should be met by a marketer for products to sell easily?
- 5) What is the aim of marketing?
- 6) What are the broad and narrow definitions of marketing?
- 7) How does the author of the text define marketing?
- 8) What types of needs do human beings have?
- 9) What is the difference between needs, wants and demands?
- 10) What does the concept of market offering include?
- 11) What three important factors should be taken into account by marketers in building customer and partner relationships?
- 12) What are the five alternative concepts under which organizations design and carry out their marketing strategies?
- 13) What does the marketing concept hold?
- 14) Is it enough just to respond to customers' stated desires and obvious needs according to the marketing concept? Why?
- 15) What philosophy underlies the societal marketing concept?
- 16) What is the latest definition of marketing adopted by the American Marketing Association?
- 17) How can the words “creating, communicating, delivering and exchanging offerings that have value” in the AMA’s definition be explained?
- 18) What is the difference between the concepts of “customers”, “clients”, and “partners”?

3. Complete the chart illustrating the five steps of the marketing process. Render the main information about each step.



4. Insert the words into the chart contrasting the selling and marketing concepts. Explain the differences between the concepts in detail.



Text 2

1. Read the text and be ready to prove the uniqueness of international marketing and explain why the task of the international marketer is more complex and difficult than that of the domestic marketer.

MARKETING VERSUS INTERNATIONAL MARKETING

The basic definition of international marketing is simple: it is the marketing of goods, services, and information in more than one country for a profit. Thus it includes the same elements as domestic marketing: planning, promoting, pricing, distributing, and support of a company's goods, services, and information to be provided to intermediate and ultimate consumers. The only difference between the definitions of marketing and international marketing is that in the latter case, marketing activities take place in more than one country. This apparently minor difference, "in more than one country," accounts for the complexity and diversity found in international marketing operations. Marketing concepts, processes, and principles are universally applicable, and the marketer's task is the same, whether doing business in Dimebox, Texas, or Dares Salaam, Tanzania. Business's goal is to make a profit by promoting, pricing, and distributing products for which there is a

market. If this is the case, what is the difference between domestic and international marketing?

The answer lies not with different concepts of marketing but with the environment within which marketing plans must be implemented. The uniqueness of foreign marketing comes from the range of unfamiliar problems and the variety of strategies necessary to cope with different levels of uncertainty encountered in foreign markets. Competition, legal restraints, government controls, weather, fickle consumers, and any number of other uncontrollable elements can, and frequently do, affect the profitable outcome of good, sound marketing plans. Generally speaking, the marketer cannot control or influence these uncontrollable elements but instead must adjust or adapt to them in a manner consistent with a successful outcome.

What makes marketing interesting is the challenge of molding the controllable elements of marketing decisions (product, price, promotion, distribution, and research) within the framework of the uncontrollable elements of the marketplace (competition, politics, laws, consumer behavior, level of technology, and so forth) in such a way that marketing objectives are achieved.

International marketing involves the company operating across several markets in which not only do the uncontrollable variables differ significantly between one market and another, but the controllable factor in the form of cost and price structures, opportunities for advertising, and distributive infrastructure are also likely to differ significantly.

The principal reason for failure in international marketing results from a company not conducting the necessary research, and as a consequence, misunderstanding the differences and nuances of the marketing environment within the country that has been targeted and where the marketer must implement marketing plans. The difficulties created by different environments are the international marketer's primary concern.

Environmental factors which affect international marketing are categorized as: (1) the economic environment, (2) the competitive environment, (3) the cultural environment, (4) the political/legal environment, (5) technological environment, and (6) the ethical environment.

1. The economic environment. The key to understanding market opportunities lies in the evaluation of the stage of a nation's economic growth. A way of classifying the economic growth of countries is to divide them into three groups: industrialized, developing, and less-developed nations.

The economies of industrialized nations (the USA, Japan, Canada, Russia, Australia and most of Western Europe) are characterized by private enterprise and a consumer orientation. They have high literacy, modern technology, and higher per capita incomes. Usually, the most significant marketing opportunities exist among the industrialized nations, as they have high levels of income. However, most industrialized nations also have stable population bases, and market saturation for many products already exists.

Developing nations are those that are making the transition from economies based on agricultural and raw materials production to industrial economies. Many Latin American nations fit into this category, and they exhibit rising levels of

education, technology, and per capita incomes. These nations have growing population bases, and although they currently import limited goods and services, the long-run potential for growth there exists.

Finally, there are many less developed nations in today's world. These nations have low standards of living, literacy rates are low, and technology is very limited. Dependent societies seek products that satisfy basic needs – food, clothing, housing, medical care, and education. Marketers in such nations must be educators, emphasizing information in their market programs.

As the degree of economic development increases, so does the sophistication of the marketing effort focused on the countries.

2. The competitive environment. Entering an international market is similar to doing so in a domestic market, in that a firm seeks to gain a differential advantage by investing resources in that market. Often local firms will adopt imitation strategies, sometimes successfully. When they are successful, their own nation's economy receives a good boost. When they are not successful, a multinational corporation often buys them out.

3. The social/cultural environment consists of the influence of religious, family, educational, and social systems in the marketing system. Companies which intend to market their products overseas may be very sensitive to foreign cultures. Failure to consider cultural differences is one of the primary reasons for marketing failures overseas. This task is not as easy as it sounds as various features of a culture can create an illusion of similarity. Even a common language does not guarantee similarity of interpretation. For example, in the US we purchase "cans" of various grocery products, but the British purchase "tins". A number of cultural differences can cause marketers problems in attempting to market their products overseas. These include: language, color, customs and taboos, values, aesthetics, time, business norms, religion, and social structures.

4. The political/legal environment. Foreign governments can intervene in marketing programs in the following ways: - contracts for the supply and delivery of goods and services; - the registration and enforcement of trademarks, brand names, and labeling; - patents; - marketing communications; - pricing; - product safety, acceptability, and environmental issues.

Political stability. Business activity tends to grow and thrive when a nation is politically stable. When a nation is politically unstable, multinational firms can still conduct business profitably. Their strategies will be affected however. Most firms probably prefer to engage in the export business rather than invest considerable sums of money in investments in foreign subsidiaries. Inventories will be low and currency will be converted rapidly. The result is that consumers in the foreign nation pay high prices, get less satisfactory products, and have fewer jobs.

The exchange rate of a particular nation's currency represents the value of that currency in relation to that of another country. Governments may set exchange rates independently of the forces of supply and demand. While the concept of exchange rates appears relatively simple, these rates fluctuate widely and often, thus creating high risks for exporters and importers.

Regional trading blocs and agreements. Regional trading blocs represent a group of nations that join together and formally agree to reduce trade barriers among themselves. The Association of Southeast Asian Nations (ASEAN) is an example of a regional trading bloc. A free trade agreement within ASEAN member nation allows for the free exchange of trade, service, labor and capital. In addition, ASEAN promotes regional integration of transportation and energy infrastructure.

Regional trade agreements are designed to facilitate trade through the establishment of a free trade area, customs union or customs market. Free trade areas and customs unions eliminate trade barriers between member countries while maintaining trade barriers with nonmember countries. Customs unions maintain common tariffs and rates for nonmember countries. A common market provides for harmonious fiscal and monetary policies while free trade areas and customs unions do not. Trade agreements are becoming a growing force for trade liberalization; the development of such agreements provides for tremendous opportunities for companies with global operations.

Tariffs. Most nations encourage free trade by inviting firms to invest and to conduct business there, while encouraging domestic firms to engage in overseas business. These nations do not usually try to strictly regulate imports or discriminate against foreign-based firms. There are, however, some governments that openly oppose free trade. The most common form of restriction of trade is the tariff, a tax placed on imported goods. Protective tariffs are established in order to protect domestic manufacturers against competitors by raising the prices of imported goods.

Expropriation. All multinational firms face the risk of expropriation. That is, the foreign government takes ownership of plants, sometimes without compensating the owners. However, in many expropriations there has been payment, and it is often equitable. Because of the risk of expropriation, multinational firms are at the mercy of foreign governments, which are sometimes unstable, and which can change the laws they enforce at any point in time to meet their needs.

5. The level of technological environment of a nation affects the attractiveness of doing business there. Marketers in developed nations cannot take many technological advances for granted. They may not be available in lesser developed nations. Consider some of the following technologically related problems that firms may encounter in doing business overseas:

- foreign workers must be trained to operate unfamiliar equipment;
- poor transportation systems increase production and physical distribution costs;
- maintenance standards vary from one nation to the next;
- poor communication facilities hinder advertising through the mass media;
- lack of data processing facilities makes the tasks of planning, implementing, and controlling marketing strategy more difficult.

When a firm chooses to market its products internationally, it must decide whether to adjust its domestic marketing program or not. Some firms choose to customize their market programs, adjusting their marketing mix to meet the needs of each target market. Others use a standardized marketing mix. In making the decision

to customize or standardize, there is a wide range of possibilities for adapting a firm's product, price, promotion, and distribution strategies.

2. Answer the questions to the text:

- 1) What is the difference between the definitions of marketing and international marketing?
- 2) What things in marketing are universally applicable?
- 3) What is the difference between domestic and international marketing explained by?
- 4) What is the difference between controllable elements of marketing decisions and the uncontrollable elements of the marketplace?
- 5) What should an international marketer's approach towards controllable and uncontrollable elements be?
- 6) What is the international marketer's primary concern? Why?
- 7) What classification of environmental factors is provided in the text?
- 8) In what way does the sophistication of the marketing effort depend on the economic development of countries?
- 9) What are the stages of a nation's economic growth? What risks and opportunities do they provide for international marketing?
- 10) Why should marketers take the factors of competitive environment into account when entering an international market?
- 11) What systems does the social/cultural environment consist of? Why is awareness of these systems vital for an international marketer?
- 12) In what ways can foreign governments intervene in marketing programs?
- 13) What factors should be analyzed by international marketers when they consider the political/legal environment of a foreign country? Why are these factors important?
- 14) What technologically related problems may companies encounter in doing business overseas?
- 15) What choice are international marketers faced with when making a decision on the marketing program?

3. Complete the sentences from the text:

- 1) International marketing contains the same elements as domestic marketing; these are
- 2) The only minor difference between the definitions of marketing and international marketing is
- 3) The answer to the question about the differences between domestic marketing and international marketing lies not with but with
- 4) What makes marketing interesting is
- 5) The principal reason for failure in international marketing results from
- 6) Developing nations exhibit,, These nations have, and although they currently, the long-run there exists.

- 7) Regional trading blocs represent Regional trade agreements are designed to.....
- 8) Protective tariffs are established in order to
- 9) Because of the risk of expropriation, multinational firms are
- 10) In making the decision to customize or standardize, there is a wide range of possibilities for

Text 3

1. Read the text and give a brief description of the main benefits of international marketing.

BENEFITS OF INTERNATIONAL MARKETING

Many marketers have found the international marketplace to be extremely hostile. The reasons given for not going international are numerous. The biggest barrier to entering foreign markets is seen to be a fear by these companies that their products are not marketable overseas, and a consequent preoccupation with the domestic market. The following points were highlighted by the findings in the study by Barker and Kaynak, who listed the most important barriers: - too much red tape; - trade barriers; - transportation difficulties; - lack of trained personnel; - lack of incentives; - lack of coordinated assistance; - unfavorable conditions overseas; - slow payments by buyers; - lack of competitive products; - payment defaults; - language barriers.

But although many firms view international markets with trepidation, others still make the decision to go international. Why?

1. Survival and growth. For companies to survive, they need to grow. Because most countries are not fortunate in terms of market size, resources, and opportunities, they must trade with others to survive. Since most European countries are relatively small in size, they need foreign markets to achieve economies of scale so as to be competitive. Nestle mentions in one of its advertisements that its own country, Switzerland, lacks natural resources, forcing it to depend on foreign trade.

International competition may not be a matter of choice when survival is at stake. A study of five medical sector industries found that international expansion was necessary when foreign firms entered a domestic market. However, only firms with previously substantial market share and international experience could expand successfully. Moreover firms that retrenched after an international expansion disappeared.

2. Growth of Overseas Markets. Developing countries, in spite of economic and marketing problems, are excellent markets. According to a report prepared for U.S. Congress by the U.S. Trade Representative, Latin America and Asia/Pacific are experiencing the strongest economic growth.

The vast potential of international markets cannot be ignored. The world market is more than four times larger than the U.S market. In the case of Amway

Corp, a privately held U.S manufacturer of cosmetics, soaps, and vitamins, Japan represents a larger market than the United States.

A slowing of the growth of the U.S population and changing lifestyles explain why the growth of other markets should be viewed with a critical eye. The fitness craze has contributed mightily to the leveling of U.S. sales of cigarettes and liquor.

However, sales of cigarettes in the former countries of the Soviet Union are still going strong. Russian smokers apparently show no concern about the health risks. Not surprisingly, international giants Philip Morris Co., R.J. Reynolds tobacco international SA, And British – American Tobacco Co. have entered the market aggressively.

3. Sales and Profits. Foreign markets constitute a large share of the total business of many firms that have wisely cultivated markets abroad. Many large U.S companies have done very well because of other overseas customers. IBM, for example, sells more computers abroad than at home. The case of Coca-Cola clearly emphasizes the importance of overseas markets, its international sales account for more than 80 percent of the firms operating profits. In terms of operating profit margins, they are less than 15 percent at home but twice that amount overseas. For every gallon of soda that Coca-Cola sells, it earns 37 cents in Japan – a marked difference from the mere 7 cents per gallon earned in the USA. With consumption of Coca-Cola's soft drinks averaging 296 eight-ounce servings per person per year in the United States, the U.S market is clearly saturated. Non-U.S. consumption, on the other hand, averages only about 40 servings and offers great potential for future growth.

4. Diversification. Demand for most products is affected by such cyclical factors as recession and such seasonal factors as climate. The unfortunate consequence of these variables is sales fluctuations, which can frequently be substantial enough to cause layoffs of personnel.

One way to diversify a company's risk is to consider foreign markets as a solution for variable demand. Such markets even out fluctuations by providing outlets for excess production capacity. Cold weather, for instance, may depress soft drink consumption. Yet not all countries enter the winter season at same time, and some countries are relatively warm year round.

A similar situation pertains to business cycle. Europe's business cycle often lags behind that of the United States. That domestic and foreign sales operate in differing economic cycles works in the favor of General Motors and Ford because overseas operations help smooth out the business cycles of the North American market.

5. Inflation and Price Moderation. The benefits of export are readily self-evident. Imports can also be highly beneficial to a country because they constitute reserve capacity for the local economy. Without imports (or with severely restricted imports), there is no incentive for domestic firms to moderate their prices. The lack of imported product alternatives forces consumers to pay more, resulting in inflation and excessive profits for local firms. This development usually acts as a prelude to workers demand for higher wages, further exacerbating the problem of inflation.

The short-term gain derived from artificial controls on the supply of imports can in the long run return to haunt domestic firms. Not only trade restrictions depress price competition in the short run, but also they can adversely affect demand for years to come. In Europe, when prices of orange juice were driven upward, consumers switched to apple juice and other fruit drinks. Likewise, Florida orange growers found to their dismay that sharply higher prices turned consumers to other products. After the 1962 freeze, it took the citrus industry ten years to win back these consumers. United States orange growers finally learned to live with imports because they found that imported Brazilian juice, by minimizing price increases, is able to keep consumers.

6. Employment. Trade restrictions, as in 1930, when the average tariff rates climbed above 60 percent and contributed significantly to the greater Depression, have the potential to cause wide-spread unemployment again. Unrestricted trade, on the other hand, improves the world's GNP and enhances employment generally for all nations. Importing products and foreign ownership can provide benefits to a nation. According to the Institute for International Economics the growth of foreign ownership has not resulted in a loss of jobs for Americans, and foreign firms have paid their American workers the same, as have domestic firms.

It was found that, unlike those who are employed in the import competing and domestic sectors, those working in an exporting industry are more likely to be college educated to earn higher wages, and to be in a good position to benefit from worldwide growth.

Unfortunately there is no question that globalization is bound to hurt some workers whose employers are not cost competitive. Some employers may also have to move certain jobs overseas so as to reduce costs. As a consequence, some workers will inevitably be unemployed. It is extremely difficult to explain to those who must bear the brunt of unemployment due to trade that there is a net benefit for the country.

7. Standards of Living. Trade affords countries and their citizens' higher standards of living than otherwise possible. Without trade, product shortages force people to pay more for less. Products taken for granted, such as coffee and bananas, may become unavailable overnight. Life in most countries would be much more difficult were it not for the many strategic metals that must be imported. Trade also makes it easier for industries to specialize and gain access to raw materials, while at the same time fostering competition and efficiency.

The World Bank's studies have shown that increased openness to trade is associated with the reduction of poverty in most developing countries. Those developing countries which chose growth through trade grew twice as fast as those nations which chose more restrictive trade regimes. "Open trade has offered developing nations widespread gains in material well-being, as well as gains in literacy, education and life expectancy."

A diffusion of innovations across national boundaries is a useful by-product of international trade. A lack of such trade would inhibit the flow of innovative ideas.

2. Answer the questions to the text:

- 1) What are the most important barriers to entering foreign markets?
- 2) In what way can international marketing help companies struggle for survival?
- 3) What countries of the world possess a vast growth potential? What countries experience a slowing trend?
- 4) Why do many foreign markets contribute a large share of revenues and profits for many firms like IBM, Coca-Cola, etc.?
- 5) How do companies operating in foreign markets diversify their risks?
- 5) Why are exports and imports highly beneficial to a country?
- 6) What is the long-term effect of trade restrictions on the national economy?
- 7) What are the benefits of unrestricted trade to a nation?
- 9) What is the correlation between the degree of a country's openness to trade and its citizens' standards of living?

3. Read the following statements and say whether they are true or false. If they are false, explain why.

- 1) As most countries in Europe are small in size, they need foreign markets to achieve economies of scale so as to be competitive and survive.
- 2) Developing countries, because of economic and marketing problems, are saturated markets.
- 3) Foreign markets can even out demand fluctuations by providing outlets for excess production capacity.
- 4) Business cycles in different countries are not simultaneous. The fact that domestic and foreign sales operate in differing economic cycles scores against many companies.
- 5) Restriction of imports is a disincentive for domestic firms to moderate their prices.
- 6) The lack of imported products exacerbates the problem of deflation.
- 7) Unrestricted trade not only depresses price competition in the short run, but also can adversely affect demand for years to come.
- 8) Globalization is bound to hurt some workers whose employers are not cost competitive.
- 9) Open trade offers developing nations widespread gains in material well-being, literacy, education and life expectancy.
- 10) A useful by-product of international trade is confusion of innovations across national boundaries.

Text 4

1. Read the text and define the basic strategies for entering foreign markets.

MODES OF ENTRY INTO INTERNATIONAL MARKETS

To enter a foreign market, a company has a number of strategic options, each with its own strengths and weaknesses. Many companies employ multiple strategies. One would be naive to believe that a single entry strategy is suitable for all products or in all countries. For example, a significant change in the investment climate can make a particular strategy ineffective even though it worked well in the past.

There are a number of characteristics that determine the appropriateness of entry strategies, and many variables affect which strategy is chosen. These characteristics include political risks, regulations, type of country, type of product, and other competitive and market characteristics.

1. Foreign direct investment (FDI) is investment in the form of a controlling ownership in a business in one country by an entity based in another country. The investment may be made in the form of establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company. The key feature of FDI is that it establishes either effective control of, or at least substantial influence over, the decision making of a foreign business.

Economists usually advocate a free flow of capital across national borders because capital can then get the highest rate of return. Owners of capital can diversify their investment, in addition, a global integration of capital markets spreads best practices in corporate governance, accounting rules, and legal traditions.

Empirical evidence indicates that FDI benefits developing host countries. An indisputable fact is that developed countries are both the largest recipients and sources of FDI. The countries that are successful in attracting FDI have certain traits: political and macroeconomic stability and structural reforms. Even those countries that lack natural resources or location advantages still can attract foreign investors by adopting sound economic policies within an open political environment.

2. Exporting is a simple and low-risk approach to entering foreign markets. Often, the exported product is fundamentally the same as the one marketed in the home market, and risks are minimal because the company simply exports its excess production capacity when it receives orders from abroad. This is the most common overseas entry approach for small and medium size enterprises (SMEs); many companies employ it when they first become involved with international business and may continue to use it on a more or less permanent basis.

Firms may choose to export products for several reasons. First, products in the maturity stage of their domestic lifecycle may find new growth opportunities overseas. Second, some firms find it less risky and more profitable to expand by exporting current products instead of developing new products. Third, firms who face seasonal domestic demand may choose to sell their products to foreign markets when those products are "in season" there. Fourth, some firms may elect to export products because there is less competition overseas.

Indirect exporting involves very little investment, as all sales are made through the firm's domestic sales department, there is no export department, and no overseas sales force is needed. It also involves little risk, as international marketing intermediaries have knowledge of markets and will make fewer mistakes than sellers.

When **direct exporting** is the means of entry into a foreign market, the manufacturer establishes an export department to sell directly to a foreign firm. The exporting manufacturer conducts market research, establishes physical distribution, and obtains all necessary export documentation. Direct exporting requires a greater investment and also carries a greater risk. However, it also provides greater potential return and greater control of its marketing program.

An exporting strategy is not always an optimal one, because a desire to keep international activities simple, together with a lack of product modification, makes a company's marketing strategy inflexible and unresponsive. The exporting strategy functions poorly when the company's home country currency is strong. A currency can remain strong over a stretch of several years, creating prolonged difficulties for the country's exports.

3. Licensing. When a company finds exporting ineffective but is hesitant to have direct investment abroad, licensing can be a reasonable compromise. Under a licensing agreement, a firm (licensor) provides some technology to a foreign firm (licensee) by granting that firm the right to use the licensor's manufacturing process, brand name, patents, or sales knowledge in return for some payment. The licensee obtains a competitive advantage in this arrangement, while the licensor obtains inexpensive access to a foreign market. **Franchising** represents a very popular type of licensing arrangement for many consumer products firms. Holiday Inn, McDonald's have expanded into foreign markets through franchising.

Although licensing may be the least profitable alternative for market entry, scarce capital, import restrictions, or government restrictions may make it the only feasible means for selling in another country.

Licensing is very flexible because it allows a quick and easy way to enter a foreign market. It allows a company to spread out its research and development and investment costs, while enabling it to receive incremental income with only negligible expenses.

An owner of a valuable brand name can benefit greatly from brand licensing. In addition to receiving royalties from sales of merchandise bearing its name, the trademark owner receives free advertising which reinforces the brand's image.

A licensing arrangement contains risk, in that if the business is very successful, profit potentials are limited by the licensing agreement. Alternatively, a licensor makes a long-term commitment to a firm and that firm may be less capable than expected. Or, the licensee may be unwilling to invest the necessary resources as needed to be successful. Inconsistent product quality across countries caused by licensees' lax quality control can injure the reputation of a product on a worldwide basis.

By granting a license to a foreign firm, a manufacturer may be nurturing a competitor in the future – someone who is gaining technological and product knowledge.

4. Management contracts may be used as a sound strategy for entering a market with a minimum investment and minimum political risks, which starts yielding income right from the beginning. The typical case of management contracting is where one firm (contractor) supplies management know-how to another company that provides the capital and takes care of the operating functions in the foreign country. The arrangement is especially attractive if the contracting firm is given an option to purchase some shares in the managed company within a stated period. The financial compensation provided to the contractor for the management services is a management fee, which may be fixed irrespective of the financial performance or may be a percentage of the profit.

Normally the contracts undertaken are concerned with management operating/control systems and training local staff to take over when the contracts are completed. This will usually give the contractor a strong competitive position to pick up other management contracts in the area.

Management contracts have disadvantages – it is not sensible if the contractor can put its management talent to better use, or if there are greater profits to be made by undertaking the whole venture. Management contract may prevent a company from setting up its own operations for a particular period.

5. A joint venture is an enterprise formed by two or more investors sharing ownership and control. Firms tend to use joint ventures when they enter markets that are characterized by high legal restrictions or high levels of investment risks. Frequently, the joint venture strategy is the only way, other than through licensing, that a firm can enter a foreign market. This is especially true when wholly owned activities are prohibited in a country.

An important benefit of this strategy is that it substantially reduces the amount of resources (money and personnel) that each partner must contribute.

Joint ventures are not without their shortcomings and limitations. If the partners to the joint venture have not established clear-cut decision-making policy and must consult with each other on all decisions, the decision-making process may delay a necessary action when speed is essential.

Whenever two individuals or organizations work together, there are bound to be conflicts because of cultural problems, divergent goals, disagreements over production and marketing strategies, and weak contributions by one or the other partner. Although the goals may be compatible at the outset, goals and objectives may diverge over time, even when joint ventures are successful.

Another potential problem is the matter of control. By definition, a joint venture must deal with double management. If a partner holds less than 50% ownership, that partner must in effect allow the majority partner to make decisions. If the board of directors has a 50–50 split, it is difficult for the board to make a decision quickly or at all.

6. Manufacturing. The manufacturing process may be employed as a strategy involving all or some manufacturing in a foreign country. There are several variations on this method, ranging from *complete manufacturing* to *contract manufacturing* (with a local manufacturer) and *partial manufacturing*.

There are several reasons why a company chooses to invest in manufacturing facilities abroad. One reason may involve gaining access either to raw materials or to take advantage of resources for its manufacturing operations. Another reason may be to take advantage of lower labor costs or other abundant factors of production (e.g., labor, energy, and other inputs). The strategy may further reduce another kind of cost – transportation. Manufacturing in a host country can make the company's product more price competitive because the company can avoid or minimize high import taxes, as well as other trade barriers.

A company interested in manufacturing abroad should consider a number of significant factors that determine whether foreign manufacturing is an economical and effective venture: competition, resources, production facilities, raw materials, equipment, real estate, water, power, and transport. Though human resources may be available at reasonable cost, it should be kept in mind, that labor costs are determined not only by compensation but also by productivity and exchange rates. The importance of cheap, unskilled labor in attracting manufacturing investment has diminished in recent years. Because of technology development in products and processes, there is a greater need for human skill in manufacturing. Thus, developing countries that can successfully influence plant location decisions will be those that have more highly skilled labor at relatively low wages.

A manufacturer must weigh the economies of exporting a standardized product against the flexibility of having a local manufacturing plant that is capable of tailoring the product for local preferences. Taxation is another important consideration. Countries commonly offer tax advantages, among other incentives, to lure foreign investment. Just as important as other factors is the investment climate for foreign capital. The investment climate is determined by geographic conditions, market size, and growth potential, as well as by the political atmosphere.

Although there are important operational advantages, companies must also be aware of potential risks in manufacturing abroad. Loss of control is a major challenge in contract manufacturing. Contract manufacturers may not be able to maintain production schedules or meet agreed quality standards, particularly in distant locations where day-to-day control is impractical. Contract manufacturers specializing in particular types of products may work for a number of companies that are competitors, increasing the risk of losing sensitive commercial or technical information.

8. Acquisitions. When a manufacturer wants to enter a foreign market rapidly and yet retain maximum control, acquisition should be considered. The reasons for it include product/geographical diversification, acquisition of expertise (technology, marketing, and management), and rapid entry. For example, Renault acquired a controlling interest in American Motors in order to gain the sales organization and distribution network that would otherwise have been very expensive and time-consuming to build from the ground up.

A government generally welcomes foreign investment that starts up a new enterprise (called a greenfield enterprise), since that investment increases employment and enlarges the tax base. An acquisition, however, fails to do this since it replaces domestic ownership. Therefore, there is a special case of acquisition

known as the *brownfield entry mode*. This mode happens when an investor's transferred resources dominate those provided by an acquired firm. In addition, this hybrid mode of entry requires the investor to extensively restructure the acquired company so as to assure fit between the two organizations. The extensive restructuring may yield a new operation that resembles a greenfield investment. As such, integration costs can be high. However, brownfield is a worthwhile strategy to consider when neither pure acquisition nor greenfield is feasible.

International mergers and acquisitions are complex, expensive, and risky. The problems are numerous: finding a suitable company, determining a fair price, acquisition debt, merging two management teams, language and cultural differences, employee resentment, geographic distance, and so on.

Sometimes, it may be better to walk away from a deal. The reasons for exiting from a deal include: high price, no agreement on governance issues, no synergies, poor quality of management, environmental issues, ethical reasons, no strategic fit, detection of significant unrecorded liability, and uncertainty about legal/tax aspects.

9. Strategic Alliances. It is a relatively new organizational form of market entry and competitive cooperation. A strategic alliance is a type of cooperative agreements between different firms, such as, for example, shared research, formal joint ventures, or minority equity participation. The modern form of strategic alliances is becoming increasingly popular and has been receiving a great deal of attention.

There is no clear and precise definition of a strategic alliance. There is no one way to form a strategic alliance. Strategic alliances may be the result of mergers, acquisitions, joint ventures, and licensing agreements. Strategic alliances have three distinguishing characteristics: 1) they are frequently between firms in industrialized nations; 2) the focus is often on creating new products and/or technologies rather than distributing existing ones; 3) they are often only created for short term duration, non-equity based agreement in which companies are separated and are independent.

Companies enter into alliance relationships for a variety of reasons. In general, they seek resource acquisition, competitive posturing, and risk/cost reduction.

There are at least three types of strategic alliances: shared distribution, licensed manufacturing, and research and development (R&D) alliances. Examples of shared distribution include Chrysler's distribution of Mitsubishi cars in the USA and the shared routes of SAS, KLM, Austrian Air, and Swiss Air. Matsushita's manufacturing of IBM PCs is an example of licensed manufacturing, enabling the partners to fill unused capacity while avoiding an investment in a new plant and equipment. In the case of R&D alliances, one recent example is an alliance between Sony and Philips which competed with another alliance led by Toshiba.

Technology exchange is a major objective for many strategic alliances. The reason for this is that it is increasingly difficult for a single firm to possess the necessary resources or capabilities to conduct their own effective R&D efforts. Alliances help many companies stay competitive through innovation. Some industries that have become centers for extensive cooperative agreements are telecommunications, electronics, pharmaceuticals, IT, specialty chemicals, global competition.

Strategic alliances become key tools for companies that seek to remain competitive in industries with dominant leaders, such as cell phone manufactures, where smaller companies need to ally in order to remain competitive. Alliances become a way of shaping competition by decreasing competitive intensity, excluding potential entrants, and isolating players.

Pooling resources can contribute greatly to economies of scale, and smaller companies especially can benefit greatly from strategic alliances in terms of cost reduction.

In terms of risk reduction, in strategic alliances no firm bears the full risk, and cost of a joint activity. This is extremely advantageous to businesses involved in high risk/cost activities such as R&D. This is also advantageous to smaller organizations which are more affected by risky activities.

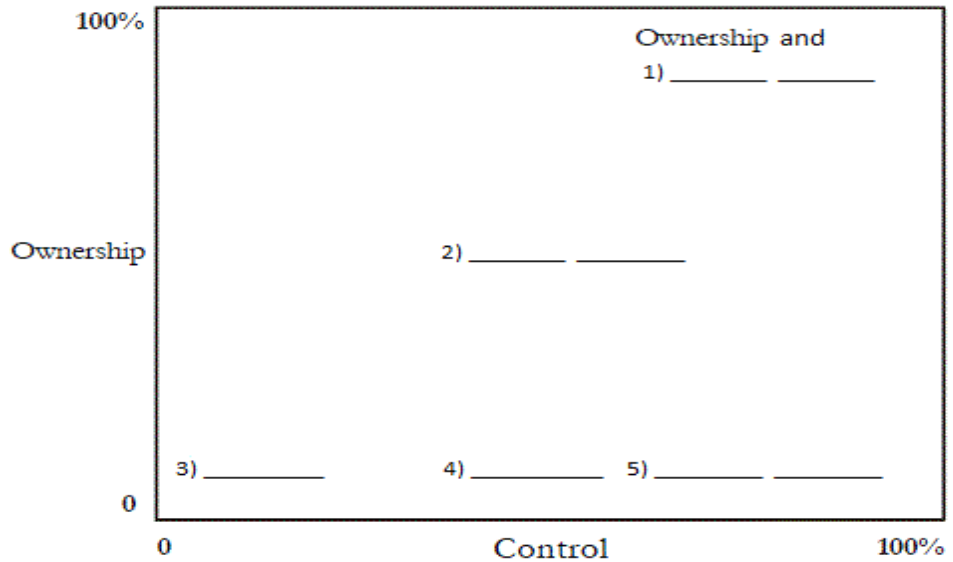
Some industry sectors have constraints to cross-border mergers and acquisitions, in this case strategic alliances prove to be an excellent alternative to bypass these constraints.

2. Answer the questions to the text:

- 1) What characteristics and variables determine the appropriateness of entry strategies?
- 2) What are the benefits of foreign direct investment?
- 3) Why is exporting frequently considered the simplest way of entering foreign markets and is favoured by SMEs?
- 4) What is the difference between direct and indirect exporting?
- 3) Do you agree with the opinion that “when exporting to a market, you’re only as good as your intermediary there”? Why (not)?
- 4) What are the advantages of licensing for a licensor and licensee?
- 5) What benefits might a firm derive from entering into management contracts overseas?
- 6) Why are joint ventures preferred by host countries as an entry strategy for foreign firms?
- 7) What are a firm’s major motives in deciding to establish manufacturing facilities in a foreign country?
- 8) Is the establishment of wholly-owned manufacturing subsidiaries abroad an appropriate international market development mode for SMEs? Why (not)?
- 9) Why is acquisition often the preferred way to establish wholly-owned operations abroad?
- 10) What are the limitations of acquisition as an entry method?
- 11) Why would a firm consider forming alliances with competitors?
- 12) Why are strategic alliances used in new product development?

3. Complete the chart with the words given in the box, describe the chart and explain what it demonstrates:

franchising, joint ventures, licensing, management contract, strategic alliances



4. Rearrange the order of advantages and disadvantages, matching them with the appropriate entry modes:

Entry mode	Advantages	Disadvantages
Indirect exporting	A) Access to local market experience and contacts with potential customers. Market knowledge acquired. Local selling support and services available.	A) High initial capital investment required. Loss of flexibility. High risk (market, political and economic). Taxation problems.
Direct exporting	B) Access to expertise and contacts in local markets. Each partner agrees to it to gain access to the other partner's skills and resources. Typically, the international partner contributes financial resources, technology or products. The local partner provides the skills and knowledge required for managing a business in its country. Each partner can concentrate on	B) The partner may prove less competent than expected at marketing or other management activities. Costs may even grow faster than income. The partner, even if it reaches an agreed minimum turnover, may not fully exploit the market, leaving it open to the entry of competitors, so that control of the partner's marketing operation may be

	<p>that part of the value chain where the firm has its core competence. Reduced market and political risk. Shared knowledge and resources, less capital and fewer management resources are required. Economies of scale by pooling skills and resources (resulting in e.g. lower marketing costs). Overcomes host government restrictions. May avoid local tariffs and non-tariff barriers. Shared risk of failure. Less costly than acquisitions. Possibly better relations with national governments through having a local partner (meets host country pressure for local participation).</p>	<p>lost. Danger of the partner running short of funds, especially if considerable plant expansion is involved or an injection of capital is required to sustain the project. When the agreement finally expires, a competitor may be established. Fees are normally a small percentage of turnover, about 5 per cent, and often compare unfavourably with what might be obtained from manufacturing operation. Lack of control over the partner's operations. Quality control of the product is difficult. Negotiations and renegotiations with the partner, and sometimes with local government, are costly.</p>
<p>Contract manufacturing (seen from the contractor's viewpoint)</p>	<p>C) Full control of operation. Reduce transport costs. Elimination of duties. Access to raw materials and labour.</p>	<p>C) No control over marketing mix elements other than the product. An additional domestic member in the distribution chain may add costs. Lack of contact with the market.</p>
<p>Licensing (seen from the licensor's viewpoint)</p>	<p>D) If direct investment or export is considered too risky for commercial or political reasons, this alternative might be relevant. Allows a company to maintain market involvement, so puts it in a better position to exploit any opportunity that may arise. Organizational learning: if a company is in its early development stages of internationalization, it may offer</p>	<p>D) The search for competent partners can be expensive and time consuming. Lack of full control over the partner's operations, resulting in problems with cooperation, communications, quality control, etc. Costs of creating and marketing a unique package of products and services recognized internationally.</p>

	<p>an efficient way of learning about foreign markets and international business.</p>	<p>Costs of protecting goodwill and brand name. Problems with local legislation, including transfers of money, payments of fees. Opening up internal business knowledge may create potential future competitor. Risk to the company's international profile and reputation if some partners underperform.</p>
<p>Franchising (seen from franchisor's viewpoint)</p>	<p>E) Increases the income on products already developed as a result of expensive research. Permits entry into markets that are otherwise closed on account of high rates of duty, import quotas and so on. A viable option where manufacture is near the customer's base. Requires little capital investment and should provide a higher rate of return on capital employed. It is not exposed to the danger of nationalization or expropriation of assets. Because of the limited capital requirements, new products can be rapidly exploited, on a worldwide basis, before competition develops. The advantage of immediate marketing and distribution organization and of existing customer contacts. Protects patents, especially in countries that give weak protection for products not produced locally.</p>	<p>E) Objectives of the respective partners may be incompatible, resulting in conflicts. Contributions of the partners can become disproportionate. Loss of control over foreign operations. Large investments of financial, technical or managerial resources favour greater control than is possible. Completion might overburden a company's staff. Partners may become locked into long-term investments from which it is difficult to withdraw. Transfer pricing problems as goods pass between partners. Cultural differences may result in possible differences in management culture among participating firms. Loss of flexibility and confidentiality. Problems of management structures and dual staffing.</p>
<p>Joint venture (seen from parent's</p>	<p>F) Limited commitment and investment required. Minimal risk (market and</p>	<p>F) High investment cost. Slow entry of new markets (time-consuming process).</p>

viewpoint)	political). No experience required.	
Management contracting (seen from contractor's viewpoint)	G) Possible to build in an 'optimum' format, i.e. in a way that fits the interests of the firm (e.g. integrating production with home base production). Possible to integrate state-of-the-art technology (resulting in increased operational efficiency).	G) Little control over market price because of tariffs. Some investment in sales organization required. Cultural differences, providing communication problems and information filtering. Possible trade restrictions.
Production subsidiary (manufacturing)	H) Rapid entry to new markets. Gaining quick access to: distribution channels, a qualified labour force, existing management experience, local knowledge, contacts with local market and government; established brand names/reputation.	H) Usually an expensive option. Contains high risk. Possible threat is lack of integration with existing operation. Communication and coordination problems between the partners.
Acquisition	I) Permits low-risk market entry. No local investment (cash, time and executive talent). No risk of nationalization or expropriation. Retention of control over R&D, marketing and sales/after-sales service. Avoids currency risks and financing problems. A locally made image, which may assist in sales, especially to government or official bodies. Entry into markets otherwise protected by tariffs or other barriers. Possible cost advantage if local costs (primarily labour costs) are lower	I) Transfer of production know-how is difficult. It is only possible when a satisfactory and reliable partner can be found. Extensive technical training will often have to be given to the partner's staff. The partner can become a formidable competitor. Control over manufacturing quality is difficult to achieve.
Greenfield investment	J) Rather high degree of control. Low-risk, low-cost entry mode (because of investing in the necessary equipment and know-how). Using highly motivated business contacts with money, local market	J) Training future competitors: the project may in the end create a competitor for the contractor. Creates a great demand for key personnel. Such staff are not always available, especially in

	<p>knowledge and experience. Ability to develop new and distant international markets, relatively quickly and on a larger scale than otherwise possible. Generating economies of scale in marketing to international customers. Precursor to possible future direct investment in foreign market.</p>	<p>SMEs. Considerable effort needs to be put into building lines of communication at local level as well as back to contractor. Potential conflict between the contractor and the local government. Little control, which also limits the ability of a contractor to develop the capacity of the venture.</p>
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DEVELOPING VOCABULARY

Part 1. Definition and Basic Concepts of Marketing

1. Work with the first set of words in Quizlet “1. Definition and Basic Concepts of Marketing”. Use the link https://quizlet.com/_49qfuj.

2. Match up the terms on the left with their definitions on the right:

<p>1) need 2) marketing process 3) stakeholder 4) want 5) demand 6) product 7) market offering 8) value 9) consumer 10) customer 11) client 12) marketing mix 13) marketing environment 14) marketing programme 15) market share</p>	<p>a) some combination of products, services, information, or experiences offered to a market to satisfy consumer needs or wants; b) something that is desired, but not essential for basic survival and is often shaped by culture or peer-groups; c) a person who purchases goods and services for personal use; d) anything that can be offered to a market that might satisfy a want or need, a complete bundle of benefits or satisfactions; e) something necessary for people to survive, live a healthy, stable and safe life; f) a measure of the benefit that may be gained from goods or service; g) needs and wants backed by the ability to pay; h) a person or organization buying goods or services from a shop or business; i) a person, group or organization that has interest or concern in an organization; j) the set of actions, or tactics, that a company uses to promote its brand or product in the market; k) analysis of the opportunities in the market, selection of</p>
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	<p>the target markets, development of the marketing mix and management of the marketing efforts;</p> <p>l) a person or organization using services of a professional or company;</p> <p>m) a company's plans regarding the marketing mix, including product features, price, expenditure on promotions, the allocation of resources, and so on;</p> <p>n) a company's sales expressed as a percentage of the total sales of an industry;</p> <p>o) the economic situation, and demographic, technological, political, cultural changes, and so on.</p>
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3. Complete the text using the correct form of these words:

advertising	advantage	mix	share
competitor	effort	satisfy	strategy
demand	long-term	segmentation	target
development	offer	sell	

A market can be defined as all the potential customers (1) _____ a particular need or want. Marketing is the process of developing, pricing, distributing and promoting the goods or services that (2) _____ such needs. Marketing therefore combines market research, new product (3) _____, distribution, advertising, promotion, product improvement, and so on. According to this definition, marketing begins and ends with the customer. Truly successful marketing understands the customer so well that the product or service satisfies a need so perfectly that the customer is desperate to buy it. The product almost (4) _____ itself. Of course this will only happen if the product or service is better than those of (5) _____.

Companies are always looking for marketing opportunities – possibilities of filling unsatisfied needs in areas in which they are likely to enjoy a differential (6) _____, due to their particular competencies. Marketing opportunities are generally isolated by market (7) _____ – dividing a market into submarkets or segments according to customers' requirements or buying habits. Once a (8) _____ market has been identified, a company has to decide what goods or services to (9) _____, always remembering the existence of competitors.

Marketers do not only identify consumer needs; they can anticipate them by developing new products. They will then have to design marketing (10) _____ and plan marketing programmes, and then organize, implement, and control the marketing (11) _____. Once the basic offer, for example a product concept, has been established, the company has to think about the marketing mix – the set of all the various elements of a marketing (12) _____, their integration, and the amount of effort that a company can expend on them in order to influence the target market. The best-known classification of these elements is the 4 P's: Product, Price, Promotion and Place.

Aspects to be considered in marketing a product include its quality, its features, style, brand name, size, packaging, services and guarantee, while price includes consideration of things like the basic list price, discounts, the length of the payment period, and possible credit terms. Place in a marketing mix includes such factors as distribution channels, coverage of the market, locations of points of sale, inventory size, and so on. Promotion groups together (13) _____, publicity, sales promotion, and personal selling.

The next stage is to create (14) _____ demand, perhaps by modifying particular features of the product to satisfy changes in consumer needs or market conditions.

Marketing can also involve the attempt to influence or change consumers' needs and wants. Companies try to do this in order to sell their products; governments and health authorities sometimes try to change people's habits for their own good or for the general good. In other words, marketing also involves regulating the level, timing and character of (15) _____.

4. Rearrange the sentences below to make a complete text about marketing and sales.

a. Consequently, senior management tends to set sales goals on the basis of the economic and competitive situation, as well as the need to keep plants running at or near capacity, and then tries to find ways to sell the output in the short term.

b. Furthermore, sales departments generally resist the dominance of marketing, as they have different objectives.

c. In capital intensive industries such as steel or chemicals, for example, it is desirable to keep equipment operating as much as possible.

d. In other words, products are sold rather than bought.

e. In other words, you don't sell what you make; you make what will be bought, so that selling becomes almost superfluous.

f. Most contemporary marketing theorists distinguish between the now out-of-date 'selling concept' and the modern 'marketing concept'.

g. Of course, this is a little utopian: the existence of competitors offering comparable products will always make some selling necessary.

h. The former - the selling concept - assumes that consumers have to be persuaded by hard-selling techniques to buy non-essential goods or services.

i. The marketing concept, on the contrary, assumes that the producer's task is to find wants and fill them.

j. They are generally interested in the short-term and in achieving current sales targets rather than planning the right products and marketing strategy to meet consumers' long-term needs.

k. Yet although marketing tends to dominate in consumer goods companies, there are still industries in which the production and sales departments tend to be as important.

5. Complete the following collocations from the text above:

1. _____ department;
- 2 selling becomes almost _____;
- 3 the now _____ 'selling concept';
4. to find wants and _____ them;
5. achieving current sales _____;
6. planning the _____ products;
7. to meet the consumers' _____ needs.

6. Complete the text, using the correct forms of the words:

competitive	environment	industry	opportunity	potential	return
expand	share	variable	volume		

In order to analyze market (1) _____, and to plan their marketing activities, companies have to measure current demand and forecast future demand. This will depend on the overall marketing (2) _____, which can of course change, but so too can the company's marketing programme.

Market demand is not a single number but a function, which responds, to a finite extent, to demand-stimulating marketing expenditure. Some markets are extremely sensitive to marketing expenditure. The market for many new products, for example, can usually be (3) _____ quite easily. Other markets cannot, so the level of marketing spending will hardly affect them. Here a company's marketing effort will be designed to increase its market (4) _____ rather than the size of the total market.

In a (5) _____ market, individual firms with an effective marketing programme can and do increase their market share. There is, therefore, a company demand function or a sales response function which forecasts the likely sales (6) _____ during a specified time period associated with different possible levels of a marketing-mix element. But of course market (7) _____ depends on many factors in the marketing environment that a company cannot control, such as the general health of the national economy. Furthermore, the sales response function assumes that other (8) _____, such as competitors' prices, remain constant, whatever the company spends on marketing. This is obviously untrue, and so has to be compensated for in calculations.

Marketing expenditure gives first increasing, then diminishing (9) _____, as there tends to be an upper limit to the total potential demand for any particular product. The easiest sales prospects are sold first, so that only more difficult ones remain. Competitors are also likely to increase marketing effort at the same time, so each company will experience increasing sales resistance. If sales did not stop increasing at the same rate, the firm with the greatest level of marketing effort would take over the whole (10) _____, and create a natural monopoly .

7. Do the following words generally form partnerships with the word **market** or **marketing**?

- | | | | |
|------------------|------------------|-----------------|----------------|
| 1. activities | 2. demand | 3. effort | 4. environment |
| 5. mix | 6. opportunities | 7. potential | 8. programme |
| 9. share | 10. size | 11. offering | 12. strategy |
| 13. segmentation | 14. targeting | 15. orientation | 16. tools |

8. Complete the eight sentences below by adding an example from the box to each marketing task:

Examples:

- a. eg. a non-polluting and fuel, efficient car.
- b. eg. cigarettes, drugs, handguns, or extremist political parties.
- c. eg. for churches, inner city areas, or ageing film stars.
- d. eg. for some roads and bridges during rush hours.
- e. eg. for public transport between rush hours, or for ski resorts in the summer.
- f. eg. for dental work, or hiring disabled people.
- g. in the face of competition or changing tastes.
- h. which often happens with new products and services.

- 1. **Conversional marketing** is the difficult task of reversing **negative demand**,
- 2. **Stimulational marketing** is necessary where there's **no demand**,
- 3. **Developmental marketing** involves developing a product or service for which there is clearly a **latent demand**,
- 4. **Remarketing** involves revitalizing **falling demand**,
- 5. **Synchromarketing** involves altering the time pattern of **irregular demand**,
- 6. **Maintenance marketing** is a matter of retaining a current (maybe **full**) level of **demand**,
- 7. **Demarketing** is the attempt (by governments rather than private businesses) to reduce **overfull demand**, permanently or temporarily,
- 8. **Countermarketing** is the attempt to destroy **unwholesome demand** for products that are considered undesirable,

9. Match up these marketing actions with the eight tasks described above:

- i. Alter the pattern of demand through flexible pricing, promotion, and other incentives.
- j. Connect the benefits of the product with people's needs and interests.
- k. Find new target markets, change product features, develop more effective communication.
- 1. Find out why people dislike the product, and redesign it, lower prices, and use more positive promotion.
- m. Increase prices, reduce availability, make people scared.
- n. Keep up or improve quality and continually measure consumer satisfaction.

- o. Measure the size of the potential market and develop the goods and services that will satisfy it.
- p. Raise prices, reduce promotion and the level of service.

10. Maslow's Hierarchy of Needs. Abraham Maslow's pyramid of basic needs is one of the most cited models in marketing. Matt Robinson, a senior marketer for a high street bank, uses the model in a talk to the management team. Read the talk and insert the appropriate words from the box below:

<i>esteem</i>	<i>physiological</i>
<i>safety</i>	<i>self-fulfillment</i>
<i>social</i>	



“Imagine that Mr Singh comes to see us about his pension plan. Of course, we talk about his hopes and desires for his retirement. We usually start with how to meet his 1) _____ needs; by this we mean how he will pay for his food and housing – this is a major customer concern. We will also talk about 2) _____ needs, how our client will protect himself and his family when he is retired. We think about 3) _____ needs: will he still be able to afford membership of the golf club? Then there is the Porsche that he drives to the golf club. This is an example of an 4) _____ need – to maintain his lifestyle and social status. We talk a lot about golf in fact! There are also 5) _____ needs: here we consider all Mr Singh's personal projects and dreams. We have to work out how much money he will need to invest today in order, for example, to be able to travel the world when he retires.”

11. Match the needs from Maslow's pyramid (1-5) with the reasons for buying certain products (a-e).

- 1) physiological needs;
- 2) safety needs;
- 3) social needs;
- 4) esteem needs;
- 5) self-fulfillment needs.

- a) A consumer buys a smoke alarm for her house because she wants to be warned if there is a fire.
- b) A consumer buys a yearly subscription to a swimming pool because she would like to train and win a gold medal at the next Olympic Games.
- c) A consumer buys popcorn and drinks because he has invited his friends round to watch an important football match on the television.

- d) A consumer buys a chocolate bar because he is hungry.
 e) A consumer buys the latest fashion accessory so that she can look and feel good.

12. Match the marketing mix elements with their definitions. Translate the words and collocations given in bold into Russian.

Basic marketing mix elements	
1) product 2) price 3) place 4) promotion	a) how you tell consumers about the product or service. The promotional mix is a blend of the promotional tools used to communicate about the product or service – for example, TV advertising . b) what you sell, and the variety or range of products you sell. This includes the quality (how good it is), branding , and reputation (the opinion the consumers have) of the product. For a service, support for the client after the purchase is important; c) how much the product or service costs; d) where you sell the product or service. This means the location of your shop, or outlet , or the accessibility of your service – how easy it is to access;
Additional four Ps	
5) people 6) physical presence 7) process 8) physical evidence	e) how your staff (or employees), are different from those in a competitor’s organization, and how your clients are different from your competitor’s clients; f) how your service becomes tangible . For example, tickets, policies and brochures create something the customers can touch and hold; g) how your product is built and delivered, or how your service is sold, delivered and accessed; h) how your shop or website looks.

13. A marketing manager is talking about the marketing mix for a brand of cleaning products. Choose the correct words from the brackets to complete the text, and then match each speech extract with one of the Ps (look at task 12 above to help you).

1) Our (staff / reputation / competitors) are highly motivated. We really believe in our brand. For example, our (consumers / employees / customers) are always trying to improve what we do.

2) Our (tools / range / support) includes detergent, toilet cleaner and sponges.

3) We use a lot of (advertising / presence / promotional), usually in women’s magazines.

4) You can find the brand in supermarkets and local shops. The (tangible / accessibility / process) of our (staff / mix / outlets) is important. We need to be in a lot of (locations / supports / distributions) so that we are easy to find.

5) We are more (accessibility / reputation / expensive) than our (competitors / staff / sales) but we offer good credit terms and we sometimes run special (deals / processes / support).

14. A small educational games company is launching a new game to teach English vocabulary to beginner learners. The marketing manager of the company is making a presentation using PowerPoint slides. Complete the slide using the words from the box:

advertising	customers	competitors	delivery	direct marketing
distribution	launch	premium pricing	special deals	

Slide

The Turnover Game	
PRODUCT:	
• Innovative way to learn new vocabulary	
• 1) _____: how we are planning to introduce the product onto the market	
PLACE	
• 2) _____: high street retailers and mail order via website and catalogues	
• 3) _____: five days by mail order or straightaway in shops	
PROMOTION	
• 4) _____: in children's magazines	
• 5) _____: insert catalogue in Parent magazine	
PEOPLE	
• 6) _____: educated, city-dwellers with pre-teen children, school teachers	
• 7) _____: they have a larger sales force to sell their products	
PRICE	
• 8) _____: 20% above market average for a CD-ROM	
• 9) _____: 15% discount for schools	

15. Do the following words and expressions refer to product, price, place, promotion, or people? Insert the words into the table below.

accessibility	customers	discounts	location	sales force
branding	delivery	distribution	quality	special deals
competitors	direct marketing	launch	reputation	support

Product	Price	Place	Promotion	People

16. Some marketers have supplemented the four Ps with new ways of thinking about marketing. The Ps, Cs, As and Os can be combined when looking at the marketing mix. Study the table and insert the words given below naming each element of the expanded marketing mix. Translate the words and collocations printed in bold into Russian.

accessibility objectives cost to user communication
 objects convenience acceptability operations
 customer needs affordability awareness organization

4 Ps	4 Cs	4 As	4 Os
Product	<p>1) _____ What does the customer need to solve a problem? For example, people don't have time to cook – we offer the solution of frozen dinners. The company must identify customer needs so that products that meet these needs can be developed.</p>	<p>5) _____ How acceptable is the product, and do people approve of the product? Is it socially acceptable – fashionable and attractive? Does the product respect the laws of the country – is it legally acceptable?</p>	<p>9) _____ What do you sell? How is it manufactured, or made? Is it a high quality (or excellent) product, or is it bottom end?</p>
Price	<p>2) _____ Does the customer perceive the cost of the product as fair, or is it too expensive?</p>	<p>6) _____ Does the customer have enough money to buy the product – can he/she afford the product?</p>	<p>10) _____ Revenue objectives concern the income you want to generate. Price objectives concern the price you want to sell at.</p>
Place	<p>3) _____ How convenient is it to find your product? Is it easy, or does the customer have to make an effort?</p>	<p>7) _____ Is the product easy to access? Is the product accessible for people with disabilities?</p>	<p>11) _____ How should you organize the sale and distribution of your product? Which distribution methods will work best?</p>

Promotion	4) _____ How should you communicate with your customers?	8) _____ How many people know about, or are aware of , the product?	12) _____ Which kind of promotional operations , such as direct mail, will work best for the product?

17. Put the words and expressions from the box into the correct columns. Look at task 16 to help you.

accessibility	objectives	cost to user	communication
objects	convenience	acceptability	operations
customer needs	affordability	awareness	organization

Product	Price	Place	Promotion
1)	4)	7)	10)
2)	5)	8)	11)
3)	6)	9)	12)

18. Complete the article about a supermarket in-store event using words from the list below:

awareness, customers, identified, meet, promotional

This week, Tesco launches its biggest ever ‘Health Event’ – illustrating its commitment to helping (1) _____ lead a healthy and active lifestyle. The supermarket has (2) _____ health as an important customer concern and is working to (3) _____ the needs of its customers.

Hundreds of (4) _____ operations for healthy products will run all over the store, from fresh produce through to grocery and healthcare lines. Tesco hopes that (5) _____ of its initiative will be high.

19. Replace the underlined words and expressions with alternative words and expressions from the list below:

afford, convenient, high quality, price, revenue objectives, socially acceptable

- 1) Mobile phones are fashionable and attractive to the youth market.
- 2) We have a reputation for providing good standard mobile phones.
- 3) The cost to user of mobile phones is kept down because they are subsidized by the network providers.
- 4) This means more people can have the money to buy the product.
- 5) More and more, customers buy mobile phones online because it is more accessible.

6) Expected earnings from 3G phones were not met when the products were first launched.

20. AIDA is an acronym which represents the steps a marketer takes in order to persuade customers to buy a product or service. Study the table, translate the bold words and collocations into Russian.

Attention	First, marketing must attract the customers' attention to the product. Customers become aware of a product and know it is available.
Interest	b) Second, marketing must create an interest in the product. Customers will develop an interest in the product.
Desire	c) Third, marketing must develop a desire to own or have the product so that customers actively want the product.
Action	d) Finally, marketing must prompt action to purchase, so that customers take steps to buy the product – for example, by going to the shop or ordering it online.

21. Put the words in each sentence in the correct order:

- 1 attention attract must product the to We.
- 2 aware become of People brand the will.
- 3 an create in interest need product the to We.
- 4 an customers develop in interest product the to want We.
- 5 a desire develop must our own product to We.
- 6 People steps take it to try will.
- 7 action buy must prompt it to We.

22. "Customer, consumer, client" are words often confused. Use these words instead of the gaps to complete the short text and check your knowledge of these terms.

A customer or a client is a person buys goods or a service. The term 1) _____ is mainly used for service industries, and implies a regular contact between the seller and the buyer. A 2) _____ is a person who buys goods or services for their personal use. The term is also used to talk about someone who uses the product or service. For food, the 3) _____ is the person who buys it and the 4) _____ is the person who eats it. However, colloquially two terms can be used interchangeably without particular attention to the difference in meaning.

Part 2. Marketing Versus International Marketing

23. Work with the set of words in Quizlet “2. Marketing Versus International Marketing”. Use the link https://quizlet.com/_4a07wh.

24. Match up the terms on the left with their definitions on the right:

1) consumer behaviour	a) newly identified need, want, or demand trend that a firm can exploit because it is not being addressed by the competitors.;
2) customization	b) a situation in which a country, individual, company or region can produce a good at a lower opportunity cost than that of a competitor;
3) competitive advantage	c) the group of goals set by a business when promoting its products or services to potential consumers that should be achieved within a given time frame;
4) differential advantage	d) variables of the external and internal environment of a firm that affect the marketing management’s capability to construct and preserve flourishing relationships with the consumer;
5) comparative advantage	e) a set of unique features, benefits or characteristics of a firm or a business which sets it apart from its competitors for its target market;
6) marketing environment	f) coordinated promotional messages delivered through one or more channels such as print, radio, television, Internet, direct mail, personal selling, etc;
7) economic environment	g) the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions;
8) market opportunity	h) that part of the company's external environment which consists of other firms trying to win customers in the same market;
9) market saturation	i) agreement between two or more countries to remove trade barriers, and reduce or eliminate customs duty on mutual trade;
10) marketing objectives	j) conditions that allow a company or country to produce a good or service at a lower price or in a more desirable fashion for customers;
11) marketing communications	k) a country-tailored product strategy which focuses on cross-border differences in the needs and wants of target customers, appropriately changing products in order for them to match local market conditions;
12) competitive environment	l) a region in which a group of countries have signed a
13) free trade area	
14) customs union	
15) free trade	

	<p>free trade agreement, and invoke little or no price control in the form of tariffs or quotas between each other;</p> <p>m) Point at which a market is no longer generating new demand for a firm's products, due to competition, decreased need, obsolescence, or some other factor;</p> <p>n) the totality of economic factors, such as employment, income, inflation, interest rates, productivity, and wealth, that influence the buying behavior of consumers and institutions;</p> <p>o) the economic policy of not discriminating against imports from and exports to foreign countries.</p>
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25. Put the following words into the gaps to complete the sentences:

controllable variables, uncontrollable variables, industrialized country, competitive environment, political stability, exchange rate, free trade, trade restrictions, standard of living, trade liberalization

1) Monetary flows and economic changes such as GDP growth, interest rates, inflation, and budget and trade deficits or surpluses, cause fluctuations in the _____.

2) The _____ is a sovereign state that has a highly developed economy and advanced technological infrastructure. It has a post-industrial economy, meaning the service sector provides more wealth than the industrial sector.

3) _____ are typically undertaken in an effort to protect companies and workers in the home economy from competition by foreign firms.

4) Common categories of _____ include economic changes, government regulations, technological evolution, new competitors, supplier factors and natural disasters. These are conditions or circumstances outside a company's control that affect its ability to develop and implement a marketing plan.

5) The most obvious examples of elements in a _____ are a company's direct competitors, but other examples are regulatory sources, indirect competitors and social and technological changes.

6) A company's _____ include the elements of its marketing mix that are termed as the 4 Ps, representing Product, Price, Place and Promotion aspects of the marketing process.

7) In theory, _____ involves the removal of all trade barriers, except perhaps those considered necessary for health or national security.

8) Further _____ by both industrial and developing countries will be needed to realize trade's potential as a driving force for economic growth and development.

9) The main reason for companies to favour _____ is that once they get the permits and the licenses to operate in regions and states, they invest a lot of money in setting up facilities.

10) No country in recent decades has achieved economic success, in terms of substantial increases in the _____ for its people, without being open to the rest of the world.

26. *Learnmarketing.net* provides information about **the micro environment** for marketing students. Read it and translate the bold words into Russian. Insert the following words into the table:

competitors, media, consumers, shareholders, suppliers, employees

1)	A company must understand consumer needs and meet them.
2)	You must differentiate your brand from your competitors' .
3)	Employing the right people and keeping them motivated is essential. Training and development play a key role in the service sector.
4)	Positive or adverse (negative) media attention can seriously affect an organization. Consumer programmes on TV and consumer magazines that people read have a powerful effect on the marketplace.
5)	It is important to satisfy shareholders' needs without harming the brand in the long term.
6)	Changes in the price or quality of raw materials – for example food, or metals – will affect the marketing mix. Good relations with suppliers will make business easier.

27. **The macro environment: STEP analysis.** A *STEP analysis* (also known as a *PEST analysis*) looks at sociological, technological, economic and political factors in the market environment on a macro level – often looking at a particular country or region. The relationship between the company and these factors is indirect. Read this *STEP analysis* done for an online supermarket in Britain, insert the words given below into the gaps.

average life expectancy, birth rates, communication with consumers, distribution, GDP, gender roles, interest rates, international trade agreements, political stability, unemployment rate

SOCIOLOGICAL FACTORS

Dominant religions: Mainly Christian, with significant minorities in some regions.

Special diets in some areas.

Leisure activities: Watching TV, cooking, socializing.

1) _____ : Now that younger men shop as much as women, we need to target both sexes equally.

2) _____ : They are continuing to decline, with fewer babies born every year.

3) _____ : This is increasing so we should think about products for older customers.

Attitudes to foreign products: Consumers like to experiment with foreign food and drink.

Opinions on environmental issues: We should use only recyclable packaging and hybrid-fuel delivery vans.

TECHNOLOGICAL FACTORS

Innovation and technological advances:

Production: New product lines and product types are continually coming onto the market.

Offer: We now offer a new service – ordering by mobile phone.

4) _____ : Online ordering has changed the way supermarkets operate. We no longer need actual shops.

5) _____: Internet connections make it possible to include more product photos and videos on our site.

ECONOMIC FACTORS

The economic forecast is good:

6) _____ : stable at 5%

7) _____ : less than 9% of people are out work

8) _____ : growing steadily

POLITICAL FACTORS

9) _____ : Very good. Consumers feel relaxed about the political situation and ready to use consumer credit.

New tax / business legislation: No changes to the law for our business sector in the near future.

10) _____ : We can import products from the EU without paying extra import duties.

28. Decide whether the following **market environment characteristics** are **micro factors** or **macro factors**. Look at tasks 26 and 27 to help you.

	Micro	Macro
1. High unemployment in a region reduces spending on leisure activities.		
2. The internet has opened up new distribution and marketing channels.		
3. Good relations between a supplier and a company mean that goods are always delivered on time.		
4. Legislation in European countries is restricting the right to smoke in public places.		
5. Positive reports in the national press about a brand.		
6. The staff for the telephone hotline of an internet bank are trained to be polite and friendly.		
7. During the FIFA World Cup, more snack food is		

consumed in front of the TV set.		
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29. Complete the action plans (1–6) with the appropriate words from the box and then match them with the micro factors (a–f).

consumer, development, differentiate, relations, satisfy, understand

1. Convince shareholders that the best way to _____ their needs in the long term is to invest in research and development.
2. Carry out market research to better _____ consumer needs and desires.
3. Prepare a press release for a _____ magazine about the launch of a new product.
4. Build and maintain good _____ by always paying on time.
5. Do a SWOT analysis to assess how to _____ your brand from your competitors'.
6. Implement a training and _____ plan to motivate and keep good members.

- | | | |
|-----------------------|---------------------|------------------------|
| <i>a) competitors</i> | <i>c) employees</i> | <i>e) shareholders</i> |
| <i>b) consumers</i> | <i>d) media</i> | <i>f) suppliers</i> |

30. Complete the STEP analysis of France. Fill in the blanks with the appropriate words from the box below. There are some unnecessary words.

<i>affect, average life expectancy, birth rates, communication with consumers, distribution, GDP, gender roles, interest rates, trade agreements, political stability, religion, unemployment rate</i>
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France is a member of the European Union and as such has (1) _____ with the other members. It has one of the worst (2) _____ in Europe and the government is keen to bring this down.

France has one of the highest (3) _____ in Europe (1.9 children per woman) and a large proportion of French mothers go back to work, reflecting changes in (4) _____. Men are almost as likely as women to do the shopping for the family and take care of the children.

The dominant (5) _____ is Catholicism, but there is a large Muslim community. The religious beliefs do not significantly (6) _____ the marketplace, except at Christmas and Easter time when the demand for Christmas trees and chocolate increases dramatically.

Internet penetration is high: most households own a computer and have high speed internet access. This has opened up new channels of (7) _____ and there are now several internet grocery stores.

Nearly all teenagers own a mobile phone and they are increasingly using SMS messages to keep in touch with their peers. Marketing campaigns are beginning to exploit this line of (8) _____ by sending SMS messages to their audience.

Part 3. Benefits of International Marketing

31. Work with the set of words in Quizlet “3. Benefits of International Marketing”. Use the link <https://quizlet.com/4a52m1>.

32. Solve a **Split crossword** on the topic “Benefits of International Marketing”.

Student A. 1) Look at your crossword and make sure you know the meaning of all the words you have.

2) Ask student B to define the word for you. Ask, for example, “What’s 3 down? What’s 10 across?” Write the word in.

3) Now student B will ask you to define the word.

Student B. 1) Look at your crossword and make sure you know the meaning of all the words you have.

2) Student A will ask you to define a word.

3) Now ask student A to define a word for you. Ask, for example, “What’s 5 down? What’s 12 across?” Write the word in.

33. Complete the sentences with the appropriate prepositions where necessary.

1. Marketers should benefit _____ continued professional development.

2. Their demand _____ imports has generated export opportunities for developed and developing countries alike.

3. Availability of relevant skills is another factor that can influence _____ the decision to enter foreign markets.

4. _____ the other hand, common efforts are being made to even _____ the EU member countries' levels of development.

5. The charges for Internet services may constitute a barrier to access _____ information for vulnerable groups of society.

6. Favourable changes in both income growth and inequality can result _____ significant reductions in poverty.

7. Averaging can smooth _____ the effects of short-term events such as fluctuations in the business cycle and energy demand.

8. The latter two factors enabled local producers to win _____ a significant share of their domestic market.

9. That situation will affect _____ the risk perceptions of private investors, public investments and developments in the manufacturing sector.

10. Developing countries seriously lag _____ in terms of investments in R&D activities.

Part 4. Modes of Entry into International Markets

34. Work with the set of words in Quizlet “4. Modes of Entry into International Markets”. Use the link <https://quizlet.com/4a6235>.

35. Solve a *Split crossword* on the topic “*Modes of Entry into International Markets*”.

Student A. 1) Look at your crossword and make sure you know the meaning of all the words you have.

2) Ask student B to define the word for you. Ask, for example, “What’s 3 down? What’s 10 across?” Write the word in.

3) Now student B will ask you to define the word.

Student B. 1) Look at your crossword and make sure you know the meaning of all the words you have.

2) Student A will ask you to define a word.

3) Now ask student A to define a word for you. Ask, for example, “What’s 5 down? What’s 12 across?” Write the word in.

36. Complete the sentences with the appropriate prepositions.

1. The main issue is to convince the consumer that competition policy is advantageous _____ him.

2. We take for granted that there will be food _____ the market, that transportation and housing will be available, and _____ reasonable cost.

3. Trade liberalization of a country's own market is not a necessary condition for integration into the world economy _____ the outset.

4. While financial services are often identified as the major development constraint _____ the SME sector, other services are also needed.

5. The marketing department is the division of a company dealing _____ marketing and sales.

6. In July, however, the work was delayed due to major disagreement _____ the marketing strategy.

7. This trade agreement is expected to enter _____ force shortly.

8. Most people inherit their fortunes, but I built mine from the ground _____.

9. Girls throughout the world receive less education than boys irrespective _____ availability and affordability.

10. That move was intended to prevent traders _____ avoiding customs fees.

11. All participants could exchange experience they obtained in their industries and start _____ mutually beneficial contacts.

12. A shortcoming of the project is that the member countries will be raising their long-term debt _____ the agreement.

13. At the same time, there is a growing demand _____ energy and a desperate need _____ a long-term exit _____ the ongoing economic crisis.

14. His job is to assess ethical and legal aspects of proposed projects, and weigh risks _____ benefits.

37. Use negative prefixes and form the opposites of the words below, then put them down into the appropriate column of the table. Note that some words can have more than one opposite.

advantageous, available, benefit, certainty, compatible, consistent, controllable, direct, effective, employment, feasible, fixed, flexible, incentive, limited, recorded, relevant, respective, responsive, restricted, skilled, stability, stable, valuable

ir-	in-	dis-	un-

38. Make up sentences of your own with the words from the table in task 37.

WATCHING

TAKING AN ENTRY MODE DECISION

Pre-watching

1. Before watching the film, make sure you know the terms that will be used in it. Match the terms with their definitions:

<ul style="list-style-type: none"> 1) internalization 2) externalization 3) export entry modes 4) intermediate entry modes 5) hierarchical entry modes 6) outsourcing 7) opportunistic behaviour 8) risk averse 	<ul style="list-style-type: none"> a) modes of entry that involve a sharing of the risks and rewards of market entry corresponding to the share of ownership of each partner; b) doing business through an external partner (importer, agent, distributor); c) doing business through own internal system (own subsidiaries); d) low risk and low return entry modes that provide limited control for the exporting firm; e) entry modes that involve the establishment of a wholly-owned subsidiary in a target country and provide the global marketer with complete control of the operation but also exposure to a higher level of risk; f) the conscious policy and practice of maximization of economic self-interest with little regard for principles, or with what the consequences are for others; g) a business practice used by companies to reduce costs or improve efficiency by shifting tasks, operations, jobs or processes to an external contracted third party; h) a description of an investor who, when faced with
---	--

	two investments with a similar expected return, will prefer the one with the lower risk.
--	--

2. Think about factors that may influence a company's choice of entry modes. Make a list of these factors and discuss it with your partner.

3. Watch the film (<https://edpuzzle.com/media/5a63558863d19d40ded35f76>) and group the factors that might impact a company's choice of an entry mode to a foreign market into the four types inserting them into the appropriate column of the table below:

company size, competition intensity, control, demand uncertainty, flexibility, international experience, market size and growth, number of relevant competitors, opportunistic behaviour (increase transaction costs), product complexity, product differentiation advantage, risk averse, sociocultural distance, tacit nature of know-how, trade barriers

Internal factors	External factors	Transaction-specific factors	Desired mode-characteristics

4. Make a short analysis of the list of factors that you and your partner have discussed before. Report the results of the analysis back to the class.

5. Watch the film for the second time and insert the words instead of the gaps into the two cards below:

<p>Card 1. Prerequisites:</p> <p>1) Business description French Cakes Ltd. is a French business 1) _____ just outside of Paris, 2) _____ French cakes and desserts. In these modern production facilities well-educated confectioners 3) _____ recipes and 4) _____ delicious cakes and desserts ready to be 5) _____ and 6) _____ to cake loving customers. The cakes and desserts are frozen immediately after production and are then distributed to a variety of catering companies, restaurants and cafes around France.</p> <p>2) Initial Idea French Cakes have set their eyes on 7) _____ and their initial idea is to enter the country by setting up a sales and production 8) _____ in it.</p> <p>2) Second Suggestion French Cakes think of using 9) _____ export mode (an agent)</p>
--

<p>Card 2. Four Sets Of Factors Analysis</p> <p>1) Internal factors 1) French Cakes is a small company, their resource availability is low and therefore a large 10) _____ would be risky.</p>

2) They have no international experience. Making use of an external partners' 11) _____ might prove advantageous.

3) The cakes and desserts are not technically complex.

4) Although their cakes and desserts are good, French Cakes doesn't carry a large product differentiation advantage in terms of, for example, 12) _____ image.

Conclusion: An evaluation of French Cakes' internal factors has revealed an indication towards externalization and not towards internalization as French Cakes initially suggested.

2) External factors

1) Although the UK is geographically close to France, 13) _____ will tell us that the socio-cultural distance is considerable. This would indicate that having a partner with local knowledge could prove to bridge this gap.

2) French Cakes have researched the UK market and concluded that the market is of a decent size and that it is growing at a moderate pace.

3) Currently there are no trade barriers standing in the way of exporting goods to the UK.

4) French Cakes have discovered that the competition is intense. This would add to the level of risk should they wish to use a 14) _____ mode. Therefore this indicates a move towards externalization.

5) Research has also shown that there are a large number of relevant intermediaries available.

6) Although the market has experienced growth, Brexit is believed to call some general instability and uncertainty 15) _____ the market.

Conclusion: So, an evaluation of the external factors has also revealed an indication towards externalization. This supports French Cakes' second suggestion of using an agent.

3) Transaction-specific factors (to what extent outsourcing is advantageous and safe)

1) The know-how and product benefits connected with the cakes and desserts are not 16) _____ difficult to transfer and explain to an independent partner.

2) French Cakes consider it unlikely that the independent partner will show opportunistic behaviour. Marketing and selling their cakes and desserts will not reveal secret recipes.

Conclusion: So, an evaluation of the transaction-specific factors has also revealed an indication towards externalization.

4) Desired mode-characteristics

1) French Cakes have expressed that they can't 17) _____ to be too risky.

2) They have no desire to be 18) _____ complete control of the operation. They see the UK adventure more as a first and trial-and-error step in their internalization process.

3) Therefore, they are also very keen on a high level of flexibility; so that they are able to pull the plug on their UK adventure should business not prove to be as successful as hoped.

Conclusion: An evaluation of these and the other 3 sets of factors indicate a move towards externalization which support French Cakes' second 19) _____ of

using a UK agent, a direct export mode.

6. Think of any existing or imaginary company operating in the domestic market. Fill in “Card 1. Prerequisites” from task 5 for this company: describe its name, location, type of business activities, initial and secondary suggested modes of entry to a foreign market, and any other required information.

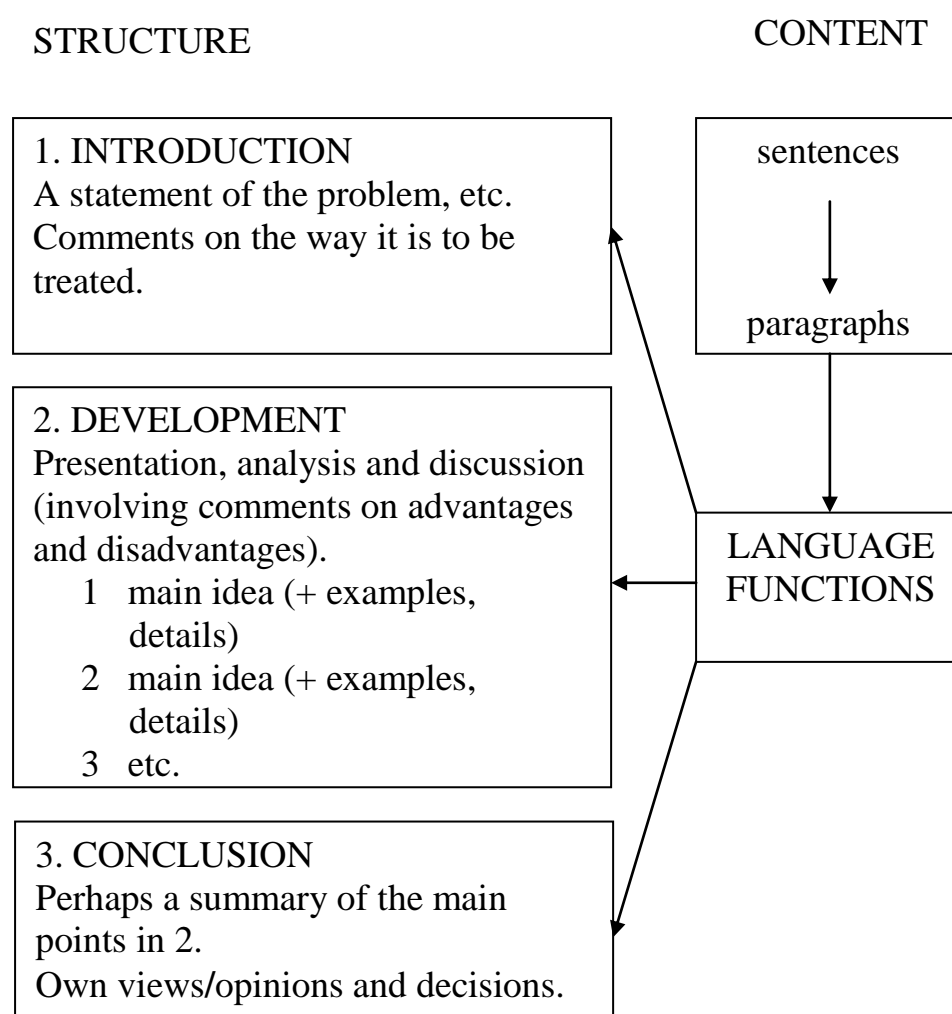
Then exchange cards with other students in the group.

Make an analysis of the 4 types of factors for the company you have got and make a decision on a suitable entry mode. Present the analysis and its results to the class.

FOCUS ON FUNCTIONS

Written and Oral Speech Structure and Cohesion

The general organization of a piece of academic written or oral speech (for example, a report, an essay, an assignment, a project, etc.), its structure and particularly the way in which the different parts are linked together are under consideration here. The plan below of a piece of speech, in the case an essay, will help to understand the overall structure.

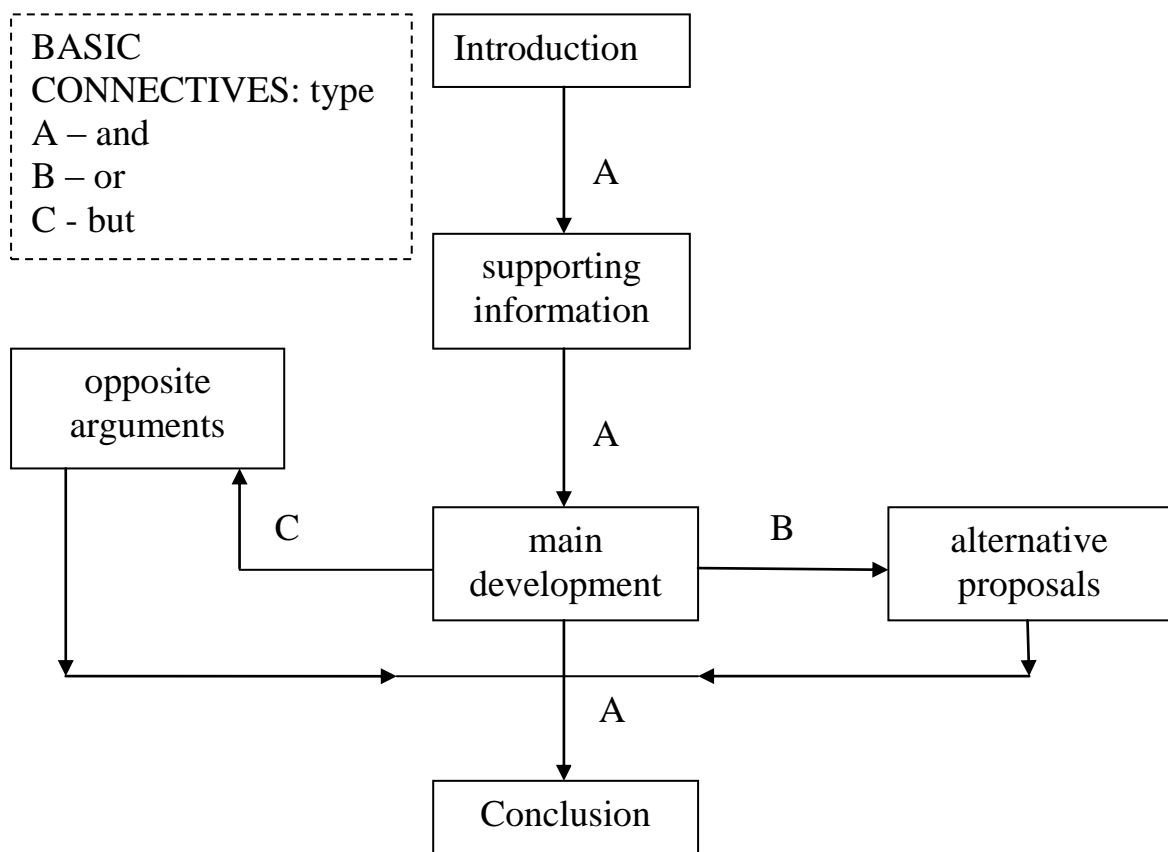


1. Structure

Most pieces of academic speech are organized in a similar way – introduction; development of main ideas or arguments; conclusions. Each part of the written or oral text will consist of language functions: particular uses and structures of the language organized according to the specific purpose that the author has in mind in wishing to communicate ideas, etc. to other people – describing, defining, exemplifying, classifying, etc. Each language function consists of sentences and/or paragraphs that are joined together or linked by connectives (words or phrases that indicate a logical relationship).

2. Connectives

A piece of written or oral text will often have the following structure:



*A. The discussion, argument or comment in the development of the topic may be very straightforward, in which case ideas will be added one after the other. The basic connective **and** is used here. A number of connectives have a similar or related meaning to **and**.*

*B. Sometimes the comments may be expressed in another way, or an alternative proposal may be made. This is represented by the basic connective **or**. A number of other connectives have a similar meaning. After the alternative has been considered, the main argument will continue.*

C. There are also occasions in arguments, etc. when the opposite is considered or referred to. This is represented by the basic connective **but**. There are also a number of other connectives with a similar meaning. After the opposite or opposing view has been considered, the main argument is continued.

“And” type: Connectives of Result (Type A)

Look at the following example:

He passed his examinations;	<i>so, therefore, as a result/consequence, for this reason, accordingly, consequently, thus, hence</i>	he had some good news to tell his parents.
<i>Because he passed his examinations,</i>		

Note: The connectives (in italics) join a cause (“he passed his examinations”) with a result, effect or consequence (“he had some good news to tell his parents”).

1. Add a second sentence. Use a suitable connective from the table above, and a result, effect or consequence from the list below.

- a) Many students find it difficult to read books in English.....
- b) Most British students living abroad are interested in news of their own country.....
- c) When a student goes abroad to study he/she may have to complete about twelve different forms.....

- 1) ...British news is found to be of most interest.
- 2) ...they usually read the international news first in the newspapers.
- 3) ...an average of three books per month are read.
- 4) ...not many read one regularly.
- 5) ...it is useful to be able to answer questions briefly.

2. Complete the following sentences by adding a suitable ending of your own.

- 1. The production concept holds that consumers will favor products that are available and highly affordable; as a result,
- 2. The American Marketing Association reviews their definitions every few years, ensuring that the definition is kept up-to-date. Therefore,
- 3. “Clients” is a broader term which suggests a non-profit focus. Consequently,

4. A government generally welcomes foreign investment that starts up a new enterprise. An acquisition, however, fails to do this since it replaces domestic ownership. Thus,

5. French Cakes is a small company, their resource availability is low, and hence,

6. Because a want is a product desired by a customer that is not required for a person to survive,

7. People have unlimited wants, but limited resources, so,

8. Exchange rates fluctuate widely and often, thus

9. The lecture was very difficult to understand. Consequently,

10. Carol was only able to read very slowly in English. Therefore,

3. *Make up 5 sentences of your own with a cause, and a result, effect or consequence. Use the appropriate connectives.*

“Or” type: Connectives of Reformulation (Type B)

Look at the following example:

He said that he had kept the library book for several years.	<i>In other words</i> <i>To put it more simply</i> <i>It would be better to say</i>	he had stolen it.
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Note: *The connectives (in italics) introduce a reformulation of what has come before. The reformulation appears in different words and is used to make the idea clearer or to explain or to modify it.*

4. *Add a second sentence. Use a suitable connective from the table above, and an appropriate reformulation from the list below.*

- a) Maria is rather slow at learning.....
- b) Helen finds languages quite easy.....
- c) Ann speaks English like a native speaker.....

- 1) ...she speaks it excellently.
- 2) ...she speaks slowly.
- 3) ...she is taking a long time to improve her English.
- 4) ...she has little difficulty in learning English.
- 5) ...she speaks it with great difficulty.

5. Complete the following sentences by adding a suitable ending of your own.

1. Marketing can involve the attempt to influence or change consumers' needs and wants. In other words,

2. The selling concept assumes that consumers have to be persuaded by hard-selling techniques to buy non-essential goods or services. To put it more simply,

3. The marketing concept holds that the producer's task is to find wants and fill them. It would be better to say,

4. Scientists note that marketing is an activity, rather than an outcome. In other words,

5. Margaret is bilingual. It would be better to say,

6. Some people say that if you are good at music you will also be good at learning languages. To put it more simply,

6. Make up 5 sentences of your own with connectives of reformulation.

“But” type: Connectives of Concession (Type C)

Look at the following example:

The time available for discussion was very limited.	<i>However,</i> <i>Nevertheless,</i> <i>Nonetheless,</i> <i>Yet,</i> <i>In spite of that,</i> <i>All the same,</i>	it was still possible to produce some interesting arguments.
---	---	--

Note: The connectives (in italics) indicate the surprising nature of what follows in view of what was said before: a kind of contrast is indicated.

7. Add a second sentence. Use a suitable connective from the table above, and a concession (or contrast) from the list below.

- a) Some of the examination questions were very difficult.....
- b) There was only limited money available for research.....
- c) The project was very complicated.....

- 1) ...Don was not able to do it.
- 2) ...Juan succeeded in completing it in time.
- 3) ...Alex was able to obtain a grant.
- 4) ...Oscar didn't manage to complete them.
- 5) ...Carol managed to answer them satisfactorily.

8. Complete the following sentences by adding a suitable ending of your own.

1. Many people think of marketing only as selling and advertising. However,
2. Product quality and improvement are important parts of marketing. Nevertheless,
3. Usually, the most significant marketing opportunities exist among the industrialized nations, as they have high levels of income. Nonetheless,
4. When a nation is politically unstable, multinational firms can still conduct business profitably. Yet
5. Developed countries do not usually try to strictly regulate imports or discriminate against foreign-based firms. In spite of that,
6. Direct exporting requires a greater investment and also carries a greater risk. All the same,
7. It seemed likely that he would fail the test. However,
8. There were a number of good reasons why he should not finish the experiment. Nevertheless,

9. Make up 5 sentences of your own with connectives of concession (contrast).

Paragraphs

It is essential to divide your writing into paragraphs. A paragraph normally contains several sentences but they are all concerned with the theme contained in the topic or key sentence (i.e. the main sentence). The key sentence is usually the first one, which contains the main idea or topic. The other sentences support it by adding further information or examples. A paragraph is self-contained but should link logically with the previous and following paragraphs so that the flow and cohesion of the writing is maintained.

10. The following sentences are in mixed order. To form a paragraph they need to be reorganized. Underline the key sentence and put the sentences in the correct order by numbering them 1-5.

- a) It is mainly formal, impersonal and objective.
- b) In most of these the writer is expected to include references to other writing or research.
- c) Academic writing is a particular kind of writing that can be recognized by its style.
- d) These include essays, research reports and articles, case studies, surveys, dissertations, theses, and examination papers.
- e) Other distinctive features will depend upon the specific types of academic writing.

11. Watch the video that explains the concept of the main idea, use the link <https://edpuzzle.com/media/5a662febb071a341110e7868>. After watching the film, do the following tasks:

1) Answer the question "What part of a paragraph/article can the main idea be stated in?"

2) Match the terms with the things relating to them in the table below.

<p>1) the topic 2) the main idea 3) supporting details</p>	<p>a) give support to what the author tries to say with examples; b) the main point stated in a paragraph, article; c) the point the author tries to make; d) the general subject; e) kind of evidence why the main idea is true; f) what is specifically said about a particular topic; g) the point the author tries to get across; h) facts which back the main idea.</p>
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12. Look at the paragraph and find out the topic, the key sentence (main idea of the paragraph) and supporting details. What examples are given by the author to support the main idea?

Sound marketing is critical to the success of every organization. No matter where they're based, large for-profit firms such as Google, Toyota, Nokia, L'Oreal use marketing. But so do not-for-profit organizations such as colleges, hospitals, museums, symphony orchestras, and even churches. You already know a lot about marketing – it's all around you. Marketing comes to you in the good old traditional forms: you see it in the abundance of products at your nearby shopping mall and in the advertisements that fill your TV screen, spice up your magazines, or stuff your mailbox.

13. Do the quiz:

QUIZ "MAIN IDEA"

1. Which term best describes the main idea of a piece of writing?

- A. A supporting detail
- B. A central point
- C. A broad topic
- D. A statement of opinion

2. In the phrase, "The main idea is buttressed by supporting details," what is the best synonym for "buttressed?"

- A. Backed
- B. Refuted
- C. Confounded
- D. Weakened

3. In an essay, details serve a similar function to:

- A. An instruction manual for putting together furniture
- B. The characters in a work of fiction
- C. Blank pages in a notebook
- D. The evidence an attorney uses to convict a criminal

4. If you read an essay explaining why eating healthy foods is good for you, what would the topic be?

- A. Healthy foods include fruits, vegetables, and lean protein
- B. Healthy foods
- C. Eating healthy foods is good for you
- D. Eating is necessary to sustain life

5. In the same article about healthy foods, what would the main idea be?

- A. Healthy foods include fruits, vegetables, and lean protein
- B. Healthy foods
- C. Eating healthy foods is good for you
- D. Eating is necessary to sustain life

6. What supporting detail might you find in the same article?

- A. That people who eat healthy foods live longer
- B. That healthy foods include vegetables and protein
- C. That healthy foods are good for you
- D. That eating is necessary to sustain life

7. If you wanted to find the main idea in a piece of writing, where would you look?

- A. In the first sentence
- B. In the first sentence of the second paragraph
- C. In the last sentence of the first paragraph
- D. There's no one place where the main idea is always found

8. If you can't figure out the main idea of a passage, what should you do?

- A. Try to recall every specific detail in the passage
- B. Ask yourself general questions about the passage
- C. Read the passage once and don't look at it again
- D. Read the passage over and over until you have it memorized

9. In what section of a newspaper would you find articles with topics and main ideas?
Choose the best answer.

- A. On the editorial page

- B. In the letters to the editor
- C. In the main news section
- D. In virtually every section of the paper

10. What inference can you make about main ideas in writing?

- A. They're always based in fact, and never opinion
- B. To be effective, they must be supported by facts
- C. In many essays, they have nothing to do with the topic
- D. Most pieces of writing lack main ideas

SPEAKING

DEVELOPING COMMUNICATION SKILLS IN A PROFESSIONAL CONTEXT

1. Think about the most recent product you bought. Describe the marketing mix using the 4 Ps, 4Cs, 4As, and 4Os.

2. Think about an expensive brand and a less expensive alternative – for example, Apple compared to Doogee. Work out marketing mixes for these two brands and present them to the class emphasizing and explaining the differences between them.

*3. **Work in pairs** and do the following tasks in the form of a dialogue:*

- 1) Define marketing and outline the steps in the marketing process.
- 2) Explain the importance of understanding customers, identify the basic marketing concepts – needs, wants, demands, market offerings.
- 3) Identify the key elements of a marketing strategy and discuss the five competing marketing orientations.
- 4) Discuss customer relationship building and identify strategies for creating value for customers and capturing value from customers in return.
- 5) Give reasons why you might be interested in the study of marketing as
 - a) an individual looking for the first job after university;
 - b) the CEO of the firm that hires you; and c) the president of the country where the firm is located.

4. Put down a list of 5 products you have bought recently. Discuss with your partner what kinds of needs according to Maslow's pyramid you were satisfying with each purchase.

*5. **Work in small groups** and fulfill the tasks below. Report your results back to the class, give your arguments.*

- 1) Describe the need versus the want for different products, for example, Nike shoes, iPod, an insurance.

2) From the perspective of a manufacturer of a new model bicycle, give examples of the different needs this product might satisfy and of the different kinds of competitive products a consumer might purchase to satisfy these needs. Explain why these considerations would be important to a marketer?

3) What market orientation do you believe your university follows when marketing itself? Explain your view and illustrate your answer with examples.

4) Ask five people from different industries (for example, food service, retailing, consumer-product manufacturing, industrial-product manufacturing, health care, education, tourism, and so on) what they think marketing is. Evaluate their definitions and comment on any cases of misunderstanding or inconsistency, fullness, and accuracy of their answers.

6. *Work in small groups and prepare a STEP analysis for a country of your choice. Present the STEP analysis to the class.*

7. *You are going to watch an interview with Amazon number one bestselling author, millionaire, business mentor, serial entrepreneur, successful TEDx speaker, Dan Lok. He is talking about the beginning of his career as a public speaker.*

Before watching the film, check that you know what Toastmasters club, Metro Speakers, the Competent Toastmaster (CTM), and table talks are. You may need to visit the following web-pages and sites:

1) https://ru.wikipedia.org/wiki/Тост.мастерс_Интернешнл,

2) http://www.reocities.com/shelltoast/CTM_Speeches.html,

3) <https://metrospeakers.org/awards/>,

4) [https://en.wikipedia.org/wiki/Table_talk_\(literature\)](https://en.wikipedia.org/wiki/Table_talk_(literature)).

8. **Watch** the interview with Dan Lok, use the link <https://edpuzzle.com/media/5a663c5635bffa40ff9b298e>. After watching the film, answer the following questions:

1) Where and when did Don Lok start as a public speaker?

2) What problem did he have before joining the club?

3) Was he successful in high school when he had to present in front of the class?

4) What type of topic did he do for the first time in Toastmasters?

5) How did he feel when he was delivering the first topic at the club?

6) How long did it take Don Lok to complete his CTM manual?

7) Will joining the club be enough to make one's communication skills better?

Why?

8) What will help one to hone his/her speaking skills?

9) What types of activities did Don Lok do at the club once a week during a year?

10) What helped him to understand that he had achieved his goal?

11) What advice did Don Lok give to people on how to build up a career as a public speaker (choose one of the answers below)?

- a) you are to build your confidence with the help of feedback from other people;
- b) the only thing that matters is practice, showing up on the stage;
- c) the only thing you are to do is to overcome your embarrassment.

9. *Get prepared for a round of **public speaking**. Read the instruction below.*

ORGANIZE YOUR SPEECH

Executive Summary:

Good speech organization is essential if your audience is to follow and understand your presentation. You must take the time to put your ideas together in an orderly manner. You can organize your speech in several different ways; choose the outline that best suits your topic. The opening should catch the audience's attention, the body must support the idea you want to convey, and the conclusion should reinforce your ideas and be memorable. Transitions between thoughts should be smooth.

Objectives:

- Select an appropriate outline which allows listeners to easily follow and understand your speech.
- Make your message clear, with supporting material directly contributing to that message.
- Use appropriate transitions when moving from one idea to another.
- Create a strong opening and conclusion.
- Time: Five to seven minutes.

Note To The Evaluator:

The speaker is to present a talk that is organized in a manner that leads the audience to a clearly defined goal. The speech includes a beginning, a body and a conclusion; major facts or ideas; and appropriate support material, with smooth transitions between the facts and ideas. In addition to your verbal evaluation, please complete this evaluation form by rating the speech in each category and offering comments or specific recommended action where warranted.

5 = Excellent

4 = Above average for the speaker's experience level

3 = Satisfactory

2 = Could improve

1 = Needs attention

Evaluation Guide for “ORGANIZE YOUR SPEECH”

Title: _____

Evaluator: _____ Date: _____

CATEGORY	RATING	COMMENTS/ SUGGESTIONS
Speech Value (Interesting, meaningful to audience)	5 4 3 2 1	
Preparation (Research, rehearsal)	5 4 3 2 1	
Organization (Logical, clear)	5 4 3 2 1	
Opening (Attention-getting, led into topic)	5 4 3 2 1	
Body (Flowed smoothly, appropriate supporting material)	5 4 3 2 1	
Conclusion (Effective)	5 4 3 2 1	
Transitions (Appropriate, helpful)	5 4 3 2 1	
What could the speaker have done differently to make the speech more effective?		
What did you like about the presentation?		

10. Choose any topic relating to the basic concepts of marketing or international marketing. Be prepared to speak with this topic in front of the class and evaluate other students' speeches.

11. Hold a round of **table talks**. Take a sheet of paper and put down on it a topic relating to major concepts of marketing, international marketing, economics or business. The topic should be clear and arguable. Exchange the sheets with other students. Deliver an impromptu speech covering the topic, organize your speech correctly.

12. Imagine that you have been asked by a group of businessmen to deliver a **presentation** with the objective to introduce the idea of marketing and explain the core marketing concepts to them. Prepare the presentation and give a talk in public.

WRITING

1. Undoubtedly customer feedback is the best testimonial to any company's success. It provides vital data so that a company can continue to evolve and improve. That is why it is crucial for a website to be constantly adapting and reacting to the needs of customers. Explore websites of 5 well-known companies (foreign or/and Belarusian) to learn how they get feedback from customers. Start by clicking on "Contact Us", links on the sites, and then dig deeply to see if you can find a place where each company accepts feedback and ideas from their customers. Write a report of at least 300 words based on what you find. Remember the right structure and cohesion of a written text.

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