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УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ПО ДИСЦИПЛИНЕ
для специальности 080111 – «Маркетинг»

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Учебно-методический комплекс по дисциплине «Профессиональный иностранный язык» для студентов очной формы обучения специальности 080111 «Маркетинг». - Благовещенск: Амурский гос. ун-т, 2007. – 70с.

Учебно-методические рекомендации ориентированы на оказание помощи студентам очной, формы обучения по специальности 080111 «Маркетинг» для формирования специальных знаний по дисциплине «Профессиональный иностранный язык».

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1. Цели и задачи дисциплины

«Профессиональный иностранный язык»

ПОЯСНИТЕЛЬНАЯ ЗАПИСКА

УМКД предназначен для студентов-маркетологов, продолжающих изучение английского языка на базе дисциплины «Профессиональный иностранный язык», входящей в состав общего гуманитарного цикла 1 и 2 курсов (1-4 семестры). Настоящий УМКД ориентирован на студентов 3-5 курсов факультативного обучения английскому языку по специальности «Маркетинг» и составлен в соответствии с требованиями государственной типовой программы по иностранным языкам.

УМКД содержит профессионально-ориентированный иноязычный материал экономической тематики, необходимый для формирования коммуникативной иноязычной компетенции во всех видах речевой деятельности в области данной специальности.

1.1. Цель преподавания дисциплины

Целью обучения английскому языку студентов, обучающихся по специальности «Маркетинг», является подготовка к общению в устной и письменной форме для осуществления профессионального общения и для деятельности по изучению зарубежного опыта в профилирующей области. Все это предполагает погружение в речевую среду английского языка, создание речевого опыта, обучение пониманию на слух и речевым реакциям в рамках повседневного и профессионального общения, обучение чтению как виду речевой деятельности.

Таким образом, по окончании курса «Английский язык для маркетологов», студенты должны выражать свои мысли на английском языке адекватно ситуации профессионального общения и понимать мысли партнера по общению, извлекать информацию из экономических письменных текстов, а также самостоятельно совершенствовать владение английским языком после окончания вуза.

Соответственно, целью данной программы преподавания данной дисциплины является отражение важнейших этапов обучения студентов специальности «Маркетинг» различным видам речевой деятельности (аудирование, чтение, говорение и письмо) в процессе приобретения англоязычной профессиональной компетенции. В основе учебных материалов лежат тексты, отражающие стиль экономической речи на английском языке.

Важнейшими лингво-дидактическими принципами, отраженными в программе, являются:

- взаимосвязь и взаимозависимость видов речевой деятельности;
- опора на наглядность (иллюстративную, языковую, графическую);
- стимулирование самостоятельной работы студентов;

- преобладающая роль коммуникативных заданий;
- тенденция к беспереводному использованию языка;
- функционально-тематический отбор учебных материалов;
- социокультурный, лингвокультуроведческий рост студентов в процессе обучения;
- опора на сопоставительный анализ профессионально-ориентированных англоязычных и русскоязычных социокультурных реалий.

1.2. Задачи изучения дисциплины

Основная задача обучения — развить и закрепить способность студента выразить свои мысли на иностранном языке в ситуациях профессионального общения в виде распространенных устных высказываний и сформировать умения работать с иноязычными письменными текстами профессионально-ориентированной тематики.

В результате изучения дисциплины студенты должны:

- овладеть всеми основными видами чтения: детализирующим, поисковым, просмотровым;
- овладеть нормативными клише, необходимыми для письменной речи профессионального характера; уметь написать деловое письмо;
- усвоить основные языковые формы и речевые формулы, служащие для выражения определенных видов намерений, оценок, отношений в профессиональной сфере;
- владеть формами профессиональной речи: строить аргументированные высказывания, презентации;
- уметь читать тексты с извлечением нужной информации;
- развить умения самостоятельной работы по иностранному языку.

1.3. Место курса «Профессиональный иностранный язык» в профессиональной подготовке специалиста.

Преподавание курса «Английский язык для маркетологов» связано с другими курсами государственного образовательного стандарта: «Маркетинговые исследования», «Маркетинговые коммуникации», «Реклама», «Стратегический маркетинг», «Маркетинг в отраслях и сферах» и «Маркетинговый анализ».

Основные форма работы – лабораторные работы (220 час.), контрольные работы и самостоятельная работа (220 часов). Знания, приобретенные после прослушивания курса, закрепляются в дальнейшем при написании курсовых и дипломных работ.

2. ТЕМАТИЧЕСКИЙ ПЛАН ДИСЦИПЛИНЫ

2.1. Распределение часов курса дисциплины «Профессиональный иностранный язык» по темам и видам работ.

3 курс 5 семестр

Название тем и разделов	Всего часов за сем.	Аудиторные занятия (час), в том числе практические занятия	Кол-во часов на самостоятельную работу
	68	34	34
1. Marketing's Role in the Global Economy <small>Роль маркетинга в мировой экономике.</small>	10	4	6
2. Marketing's Role within the Firm <small>Роль маркетинга в коммерческой фирме</small>	12	6	6
3. Marketing's Role within the Nonprofit Organization <small>Роль маркетинга в некоммерческой организации</small>	12	6	6
4. Marketing Strategy (Segmentation) <small>Маркетинговые стратегии (сегментирование рынка)</small>	12	6	6
5. Marketing Strategy (Positioning) <small>Маркетинговые стратегии (позиционирование на рынке)</small>	12	6	6
6. Changing Marketing Environment <small>Изменяющаяся маркетинговая среда</small>	10	6	4

3 курс 6 семестр

Название тем и разделов	Всего часов за сем.	Аудиторные занятия (час), в том числе практические занятия	Кол-во часов на самостоятельную работу
	68	34	34
1. Marketing Focus on the Customer <small>Маркетинг, ориентированный на потребителя</small>	10	4	6
2. Consumer Behavior <small>Поведение потребителей</small>	12	6	6
3. Business and Organizational Customers <small>Корпоративные клиенты</small>	12	6	6
4. Marketing Information <small>Маркетинговая информация</small>	12	6	6
5. Product Planning for Goods and Services <small>Планирование новых продуктов и услуг</small>	12	6	6
6. Product Management and New Product Development <small>Управление существующим продуктом и разработка нового</small>	10	6	4

4 курс 7 семестр

Название тем и разделов	Всего часов за сем.	Аудиторные занятия (час), в том числе практические занятия	Кол-во часов на самостоятельную работу
	102	52	50
1. Revision of the Third Course Topics <i>Повторение тем за 3 курс</i>	18	8	10
2. Place and Development of Channel Systems <i>Размещение и развитие маркетинговых каналов</i>	16	8	8
3. Logistics <i>Логистика</i>	16	8	8
4. Retailers, Wholesalers and Their Strategy Planning <i>Розничные торговцы и оптовики, их стратегическое планирование</i>	16	8	8
5. Promotion <i>Промоушн</i>	18	10	8
6. Advertising <i>Реклама</i>	18	10	8

4 курс 8 семестр

Название тем и разделов	Всего часов за сем.	Аудиторные занятия (час), в том числе практические занятия	Кол-во часов на самостоятельную работу
	102	50	52
1. Personal Selling <i>Личные продажи</i>	18	8	10
2. Pricing Objectives <i>Цели ценообразования</i>	16	8	8
3. Pricing Policies <i>Политика ценообразования</i>	16	8	8
4. Price Setting in Business World <i>Ценообразование</i>	16	8	8
5. Ethical Marketing <i>Этика маркетинга</i>	18	10	8
6. World-known Marketers <i>Всемирно известные маркетологи</i>	18	10	8

5 курс 9 семестр

Название тем и разделов	Всего часов за сем.	Аудиторные занятия (час), в том числе практические занятия	Кол-во часов на самостоятельную работу
	68	34	34
1. Revision of the Forth Course Topics <small>Повторение тем за 4 курс</small>	8	4	4
2. Developing a Marketing Plan <small>Разработка маркетингового плана</small>	14	10	4
3. Implementing a Marketing Plan <small>Внедрение маркетингового плана</small>	12	8	4
4. Controlling a Marketing Plan <small>Контроль за маркетинговым планом</small>	8	4	4
5. Individual topics according to the Graduating Work of the Students <small>Индивидуальные темы в зависимости от темы дипломного сочинения</small>	26	8	18

2.2.Содержание программы дисциплины «Профессиональный иностранный язык»

3 курс, 5 семестр

Тема	Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
1. Marketing's Role in the Global Economy	Words and phrases dealing with Global Marketing	Passive Voice	Video "McDonalds in the USSR"	Writing a business letter	www.wto.org
2. Marketing's Role within the Firm	Words and phrases dealing with the topic	Modal verbs	Listening to the Tape	Writing an argument essay for and against	www.llbean.com
3. Marketing's Role within the Nonprofit Organization	Words and phrases dealing with the topic	Modals + Passive Infinitive	Listening to the Tape	Writing an argument essay for and against	
4. Marketing Strategy (Segmentation)	Words and phrases dealing with the topic	Infinitive	Listening to the Tape	Writing a summary	www.mcdonalds.com
5. Marketing Strategy (Positioning)	Words and phrases dealing with the topic	Complex object	Video	Writing an essay	
6. Changing Marketing Environment	Words and phrases on the topic.	Complex Subject	Video	Writing a plan of the text	www.tupperware.com

3 курс, 6 семестр

Тема	Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
1. Marketing Focus on the Customer	Words and phrases dealing with the topic	Gerund construction	Listening to the Tape	Writing an article to a newspaper	www.consumerreports.com/recalls
2. Consumer Behavior	Words and phrases dealing with the topic	Participle 1	Listening to the Tape	Writing a report	www.odci.gov/cia/publications/factbooks
3. Business and Organizational Customers	Words and phrases dealing with the topic	Participle 2	Listening to the MP	Writing an essay	www.thomasregister.com
4. Marketing Information	Words and phrases dealing with the topic	Complex object	Listening to the Tape	Writing a report	www.persueus.com
5. Product Planning for Goods and Services	Words and phrases dealing with the topic	The Nominative Absolute Construction	Listening to the Tape	Filling in the gaps in the text.	www.pg.com
6. Product Management and New Product Development	Words and phrases dealing with the topic	Revision of Non-finite forms of a verb	Listening to the Tape	Summing up the text	www.ourworld.com/puserve.com/homepages.mktgintlsv

4 курс, 7 семестр

Тема	Лексика	Перевод	Аудирование	Письмо	Интернет
1. Revision of the Third Course Topics	Words and phrases dealing with the topic			Writing an article to a newspaper	
2. Place and Development of Channel Systems	Words and phrases dealing with the topic	BM pp.298-317	Listening to the Tape	Writing a report	www.gateway.com
3. Logistics	Words and phrases dealing with the topic	BM pp.323-340	Video	Writing an essay	www.logisticdirectory.com
4. Retailers, Wholesalers and Their Strategy Planning	Words and phrases dealing with the topic	BM pp.348-375	Listening to the Tape	Writing a report	
5. Promotion	Words and phrases dealing with the topic	BM pp.382-406	Listening to the Tape	Filling in the gaps in the text.	www.campbellsoup.com
6. Advertising	Words and phrases dealing with the topic	BM pp.441-468	Video	Summing up the text	www.scriptorium.lib.duke.edu/ea/

4 курс, 8 семестр

Тема	Лексика	Перевод	Аудирование	Письмо	Интернет
1. Personal Selling	Words and phrases dealing with the topic	BM pp. 412-435	Listening to the Tape	Writing an article to a newspaper	
2. Pricing Objectives	Words and phrases dealing with the topic	BM pp.474-479	Listening to the Tape	Writing a report	
3. Pricing Policies	Words and phrases dealing with the topic	BM pp. 479-498	Listening to the Tape	Writing an essay	
4. Price Setting in Business World	Words and phrases dealing with the topic	BM pp.504-530	Listening to the Tape	Writing a report	www.sporting auction.com
5. Ethical Marketing	Words and phrases dealing with the topic	BM pp. 624-640	Video	Filling in the gaps in the text.	www.ikea.com
6. World-known Marketers	Words and phrases dealing with the topic	BM pp.670-682	Listening to the Tape	Summing up the text	

5 курс, 9 семестр

Тема	Лексика	Перевод	Аудирование	Письмо	Интернет
1. Revision of the Forth Course Topics	Words and phrases dealing with the topic			Writing an article to a newspaper	
2. Developing a Marketing	Words and phrases dealing with the topic	BM pp.592-618		Writing a report	www.sbponline.com
3. Implementing a Marketing Plan	Words and phrases dealing with the topic	BM pp. 536-562	Video	Writing an essay	www.copernicusmarketing.com
4. Controlling a Marketing Plan	Words and phrases dealing with the topic			Writing a report	
5. Individual topics according to the Graduating Work of the Students	По теме диплома	Статьи по теме диплома			Статьи по теме диплома

2.3. Контрольные вопросы к зачету**2.3.1. Требования к зачету:**

- Внеаудиторное чтение (20 000 печатных знаков; лексический минимум — 350 лексических единиц для продуктивного использования).
- Аудиторное чтение 16 000 печатных знаков по теме.

- Перевод с русского языка на иностранный 10 предложений (без словаря, на базе пройденной тематики).

- Обобщающий лексико-грамматический тест по пройденному материалу.

5 семестр

1. Marketing's Role in the Global Economy
2. Marketing's Role within the Firm
3. Marketing's Role within the Nonprofit Organization
4. Marketing Strategy (Segmentation)
5. Marketing Strategy (Positioning)
6. Changing Marketing Environment

6 семестр

1. Marketing Focus on the Customer
2. Consumer Behavior
3. Business and Organizational Customers
4. Marketing Information
5. Product Planning for Goods and Services
6. Product Management and New Product Development

7 семестр

1. Place and Development of Channel Systems
2. Logistics
3. Retailers, Wholesalers and Their Strategy Planning
4. Promotion
5. Advertising

8 семестр

1. Personal Selling
2. Pricing Objectives
3. Pricing Policies
4. Price Setting in Business World
5. Ethical Marketing
6. World-known Marketers

9 семестр

1. Developing a Marketing Plan
2. Implementing a Marketing Plan
3. Controlling a Marketing Plan

УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

3 курс 5 семестр

Тема 1			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
1. Marketing's Role in the Global Economy <small>Роль маркетинга в мировой экономике.</small>			10	4	6
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет

Words and phrases dealing with Global Marketing	Passive Voice	Video “McDonalds in the USSR”	Writing a business letter	www.wto.org
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Marketing’s Role in the Global Economy

Today’s successful companies at all levels have one thing in common: Like Amazon.com, they are strongly customer focused and heavily committed to marketing. These companies share a passion for understanding and satisfying the needs of customers in well-defined target markets. They motivate everyone in the organization to help build lasting customer relationships through superior customer value and satisfaction. As co-founder Bernie Marcus of Home Depot asserts, “All of our people understand what the Holy Grail is. It’s not the bottom line. It’s an almost blind, passionate commitment to taking care of customers.”

Marketing, more than any other business function, deals with customers. Building customer relationships based on customer value and satisfaction is at the very heart of modern marketing. Although we will soon explore more detailed definitions of marketing, perhaps the simplest definition is this one: Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

Wal-Mart has become the world’s largest retailer by delivering on its promise, “Always low prices. Always!” Ritz-Carlton promises—and delivers—truly “memorable experiences” for its hotel guests. AT&T says, “It’s all within your reach—one connection: across town, across the country, across the world.” At Disney theme parks, “imagers” work wonders in their quest to create fantasies and “make a dream come true today.” Dell leads the personal computer industry by consistently making good on its promise to “be direct,” making it easy for customers to custom-design their own computers and have them delivered quickly to their doorsteps or desktops. These and other highly successful companies know that if they take care of their customers, market share and profits will follow.

Sound marketing is critical to the success of every organization—large or small, for-profit or not-for-profit, domestic or global. Large for-profit firms such as Microsoft, Sony, Wal-Mart, IBM, Charles Schwab, and Marriott use marketing. But so do not-for-profit organizations such as colleges, hospitals, museums, symphony orchestras, and even churches. Moreover, marketing is practiced not only in the United States but also in the rest of the world.

You already know a lot about marketing—it’s all around you. You see the results of marketing in the abundance of products in your nearby shopping mall. You see marketing in the advertisements that fill your TV, spice up your magazines, stuff your mailbox, or enliven your Web pages. At home, at school, where you work, and where you play, 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.

This book will give you a more complete and formal introduction to the basic concepts and practices of today’s marketing. In this chapter, we begin by defining marketing and its core concepts.

Тема 2		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
2. Marketing’s Role within the Firm <small>Роль маркетинга в коммерческой фирме</small>		12	6	6
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	Modal verbs	Listening to the Tape	Writing an argument essay for and against	www.llbean.com

Marketing's Role within the Firm

What does the term *marketing* mean? Many people think of marketing only as selling and advertising. And no wonder—every day we are bombarded with television commercials, newspaper ads, direct-mail offers, sales calls, and Internet pitches. However, selling and advertising are only the tip of the marketing iceberg. Although they are important, they are only two of many marketing functions and are often not the most important ones.

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 does a good job of understanding consumer needs, develops products that provide superior value, and prices, distributes, and promotes them effectively, these products will sell very easily. Thus, selling and advertising are only part of a larger “marketing mix”—a set of marketing tools that work together to affect the marketplace.

We define marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.² To explain this definition, we will examine the following important core marketing concepts: *needs, wants, and demands; marketing offers (products, services, and experiences); value and satisfaction; exchanges, transactions, and relationships; and markets*. Figure 1.1 shows that these core marketing concepts are linked, with each concept building on the one before it.

The most basic concept underlying marketing is that of human needs. Human needs are states of felt deprivation. They include basic *physical* needs for food, clothing, warmth, and safety; *social* needs for belonging and affection; and *individual* needs for knowledge and self-expression. These needs were not created by marketers; they are a basic part of the human makeup.

Wants are the form human needs take as they are shaped by culture and individual personality. An American *needs* food but *wants* Big Mac, french fries, and a soft drink. A person in Mauritius *needs* food but *wants* a mango, rice, lentils, and beans. Wants are shaped by one's society and are described in terms of objects that will satisfy needs. When backed by buying power, wants become demands. Given their wants and resources, people demand products with benefits that add up to the most value and satisfaction.

Outstanding marketing companies go to great lengths to learn about and understand their customers' needs, wants, and demands. They conduct consumer research and analyze mountains of customer sales, warranty, and service data. Their people at all levels—including top management—stay close to customers. For example, top executives from Wal-Mart spend two days each week visiting stores and mingling with customers. At Disney World, at least once in his or her career, each manager spends a day touring the park in a Mickey, Minnie, Goofy, or other character costume.

At consumer products giant Procter & Gamble, top executives even visit with ordinary consumers in their homes and on shopping trips. “We read the data and look at the charts,” says one P&G executive, “but to shop [with consumers] and see how the woman is changing retailers to save 10 cents on a loaf of bread [so she can] spend it on things that are more important—that's important to us to keep front and center.”

Companies address needs by putting forth a *value proposition*, a set of benefits that they promise to consumers to satisfy their needs. The value proposition is fulfilled through a marketing offer—some combination of products, services, information, or experiences offered to a market to satisfy a need or want. Marketing offers are not limited to physical *products*. In addition to tangible products, marketing offers include *services*, activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything. Examples include banking, airline, hotel, tax preparation, and home repair services. More broadly, marketing offers also include other entities, such as *persons, places, organizations, information, and ideas*.

Thus, smart marketers look beyond the attributes of the products and services they sell. They create brand *meaning* and brand *experiences* for consumers. For example, Coca-Cola means much more to consumers than just something to drink—it has become an American icon with a rich tradition and meaning. And Nike is more than just shoes, it's what the shoes do for you and where they take you. The familiar Nike swoosh stands for high sports performance, famous athletes, and a

“Just Do It!” attitude. By orchestrating several services and products, companies can create, stage, and market brand experiences. Disney World is an experience; so is a ride on a Harley-Davidson motorcycle. You experience a visit to Barnes & Noble or surfing Sony’s playstation.com Web site. In fact, as products and services increasingly become commodities, experiences have emerged for many firms as the next step in differentiating the company’s offer. Consider, for example, a restaurant that doesn’t even serve food:

[One] entrepreneur in Israel has entered the experience economy with the opening of Cafe Ke’ilu, which roughly translates as “Cafe Make Believe.” Manager Nir Caspi told a reporter that people come to cafes to be seen and to meet people, not for the food; Cafe Ke’ilu pursues that observation to its logical conclusion. The establishment serves its customers empty plates and mugs and charges guests \$3 during the week and \$6 on weekends for the social experience.

“What consumers really want is [offers] that dazzle their senses, touch their hearts, and stimulate their minds,” declares one expert. “They want [offers] that deliver an experience.”

Тема 3			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
3. Marketing’s Role within the Nonprofit Organization			12	6	6
<small>Роль маркетинга в некоммерческой организации</small>					
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет	
Words and phrases dealing with the topic	Modals + Passive Infinitive	Listening to the Tape	Writing an argument essay for and against	Words and phrases dealing with the topic	

Marketing’s Role within the Nonprofit Organization

The concepts of exchange and relationships lead to the concept of a market. A market is the set of actual and potential buyers of a product. These buyers share a particular need or want that can be satisfied through exchange relationships. The size of a market depends on the number of people who exhibit the need, have resources to engage in exchange, and are willing to exchange these resources for what they want.

Originally the term *market* stood for the place where buyers and sellers gathered to exchange their goods, such as a village square. Economists use the term *market* to refer to a collection of buyers and sellers who transact in a particular product class, as in the housing market or the grain market. Marketers, however, see the sellers as constituting an industry and the buyers as constituting a market.

Marketers are keenly interested in markets. Each nation’s economy and the whole world economy consist of complex, interacting sets of markets that are linked through exchange processes. Marketers work to understand the needs and wants of specific markets and to select the markets that they can serve best. In turn, they develop products and services that create value and satisfaction for customers in these markets. The result is profitable long-term customer relationships.

The concept of markets finally brings us full circle to the concept of marketing. Marketing means managing markets to bring about profitable exchange relationships by creating value and satisfying needs and wants. Thus, we return to our definition of marketing as a process by which individuals and groups obtain what they need and want by creating and exchanging products and value with others.

Creating exchange relationships involves work. Sellers must search for buyers, identify their needs, design good marketing offers, set prices for them, promote them, and store and deliver them. Activities such as product development, research, communication, distribution, pricing, and service are core marketing activities. Although we normally think of marketing as being carried on by sellers, buyers also carry on marketing. Consumers do marketing when they search for the goods they need at prices they can afford. Company purchasing agents do marketing when they track down sellers and

bargain for good terms.

Figure 1.2 shows the main elements in a modern marketing system. In the usual situation, marketing involves serving a market of end users in the face of competitors. The company and the competitors send their respective offers and messages to consumers, either directly or through marketing intermediaries. All of the actors in the system are affected by major environmental forces (demographic, economic, physical, technological, political/legal, social/cultural).

Each party in the system adds value for the next level. Thus, a company's success depends not only on its own actions but also on how well the entire system serves the needs of final consumers. Wal-Mart cannot fulfill its promise of low prices unless its suppliers provide merchandise at low costs. And Ford cannot deliver high quality to car buyers unless its dealers provide outstanding service.

Some people think of marketing management as finding enough customers for the company's current output. But this view is too limited. Marketing management is not concerned with serving all customers in every way. Instead, marketers want to serve selected customers that they can serve well and profitably.

The organization has a desired level of demand for its products. At any point in time, there may be no demand, adequate demand, irregular demand, or too much demand. Marketing management must find ways to deal with these different demand states. It may be concerned not only with finding and increasing demand but also with changing or even reducing it.

For example, the Golden Gate Bridge sometimes carries an unsafe level of traffic, and Yosemite National Park is badly overcrowded in the summer. Power companies sometimes have trouble meeting demand during peak usage periods. In these and other cases of excess demand, demarketing may be required to reduce the number of customers or to shift their demand temporarily or permanently.⁷ For example, to reduce demand for space on congested expressways in Washington, D.C., the Metropolitan Washington Council of Governments has set up a Web site encouraging commuters to carpool and use mass transit. Thus, marketing management seeks to affect the types of customers served and the level, timing, and nature of their demand in a way that helps the organization achieve its objectives. Simply put, marketing management is *customer management* and *demand management*.

Nonprofit organizations, long known for their contributions as providers of assistance to those in need, have increasingly assumed an additional role in recent years as promoters of development, as vehicles for attacking the root causes of poverty and distress and encouraging individual and group autonomy and self-support.

This development role is not a simple one, however. It embraces not only the encouragement of economic development and job creation, but also the establishment of the supportive climate of trust and personal capability on which economic development ultimately depends. In addition to business development, this role therefore requires the opening of meaningful channels of political expression, the promotion of basic human rights, investment in human capital and protection of the natural environment.

Nonprofit organizations cannot achieve these objectives on their own. Government retains a fundamental obligation in the development sphere as does the private business sector. Nevertheless, nonprofit organizations also bring special advantages to the task of development that are all too often overlooked. As a consequence, significant barriers continue to impede the important contributions that nonprofit organizations can make in this field.

The purpose of this statement is to call attention to the special competencies that nonprofit organizations bring to the process of development, to identify the barriers that nonprofit organizations confront in this field, and to outline the actions that will be needed in order to take fuller advantage of the important contributions nonprofit organizations can make.

The statement reflects the work of more than 50 participants from 32 countries who took part in the VIII Annual Johns Hopkins International Philanthropy Fellows Conference in Mexico City, Mexico, from July 12 to 18, 1996. These participants include scholars and practitioners with years of experience in the nonprofit field in virtually every part of the world. The statement is offered here in

the hope that the collective wisdom of this unusual group of nonprofit experts might aid nonprofit agencies, government officials, international agencies, private donors, and the general public take better advantage of the important strengths that the "nonprofit sector" brings to the serious development challenges facing our world at the present time.

SPECIAL STRENGTHS AND ROLES OF NONPROFIT ORGANIZATIONS IN DEVELOPMENT

Nonprofit organizations have special strengths and competencies that equip them to contribute in often unique and important ways to the task of development. Nonprofit organizations therefore do not simply "fill in" for limitations of other social institutions. Rather, they bring something special, and something important, to the equation. In particular, they enjoy special qualities that in turn translate into a capability to perform special roles. To be sure, these qualities and roles are not unique to nonprofit organizations. Nor is it the case that all nonprofit organizations exhibit these qualities to the same degree, or, in some cases, even at all. Nevertheless, these features are more commonly and more distinctively evident among nonprofit organizations than among most other social institutions and they consequently contribute to the ability of these organizations to perform special roles in the development process.

Special Qualities

Nonprofit organizations are entities that exist outside the contours of the state, that do not distribute profits to their members or directors, and that govern themselves. As such, these organizations enjoy certain common qualities or strengths as contrasted with other institutions. These include:

- **Flexibility** -- the capacity to react quickly to new circumstances and needs and to accommodate and encourage diverse approaches to the challenges that development entails;
- **Relative Independence** -- freedom from many of the constraints of the market and the state and hence the ability to address neglected issues or needs;
- **Trustworthiness** -- a reputation for operating in the public interest and for serving public purposes;
- **Accessibility and Responsiveness** -- close ties to affected communities and groups, including many that are ignored by other institutions, and a special inclination to represent and give voice to their needs.

Special Roles

These special strengths and qualities enable nonprofit organizations to make distinctive contributions to the process of development. These contributions include:

- **Empowerment** -- the mobilization of grass-roots energies through self-help, mutual aid, and the promotion of social participation of all sorts;
- **Issue Identification** -- identifying new issues and bringing them to public attention;
- **Resource Mobilization** -- mobilizing untapped human and financial resources and bringing them to bear on the task of development. This can include, for example, channeling personal savings into productive investment and energizing underemployed human capabilities;
- **Mediation** -- serving as a bridge among social groups, between fields, and across political boundaries, thus reducing the social, professional, bureaucratic and geographic divisions that often impede effective action;
- **Promoting Change** -- exerting pressure outside the political system in order to produce change in public or private policies on unsolved issues;
- **Monitoring** -- serving as a watchdog to ensure the fair and effective implementation of public policies;
- **Leadership Development** -- facilitating the emergence of new leadership cadre by offering opportunities for meaningful engagement in public issues on the part of large numbers of community activists;
- **Ensuring Representation** -- representing alternative perspectives on important issues and ensuring that these perspectives are heard;
- **Legitimization** -- helping to secure popular support for needed policies and hence

promoting their implementation;

● **Promoting Participation** -- securing the active participation of various social strata in development activities and thus minimizing the dangers of exclusion either of particular groups or points of view.

Тема 4		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
4. Marketing Strategy (Segmentation) <small>Маркетинговые стратегии (сегментирование рынка)</small>		12	6	6
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	Modals + Passive Infinitive	Listening to the Tape	Writing an argument essay for and against	http://www.consumerpsychologist.com/

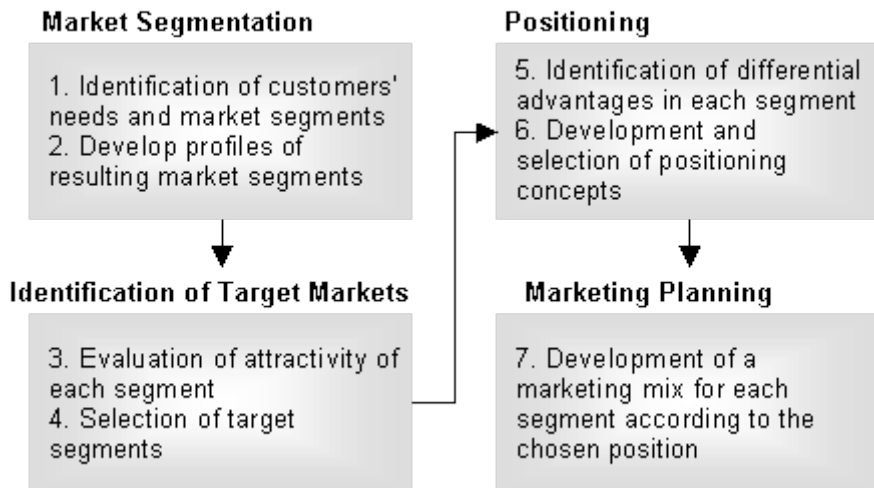
Marketing Strategy (Segmentation)

Why Segmentation?

Introduction and Definition

When it comes to marketing strategies, most people spontaneously think about the 4P (Product, Price, Place, Promotion) – maybe extended by three more Ps for marketing services (People, Processes, Physical Evidence).

Market segmentation and the identification of target markets, however, are an important element of each marketing strategy. They are the basis for determining any particular marketing mix. Literature suggests the following steps:



Adapted from Kotler and Doyle

The importance of market segmentation results from the fact that the buyers of a product or a service are no homogenous group. Actually, every buyer has individual needs, preferences, resources and behaviors. Since it is virtually impossible to cater for every customer's individual characteristics, marketers group customers to market segments by variables they have in common. These common characteristics allow developing a standardized marketing mix for all customers in this segment.

Definition:

Market segmentation is the segmentation of markets into homogenous groups of customers, each of them reacting differently to promotion, communication, pricing and other variables of the marketing mix. Market segments should be formed in that way that differences between buyers within each segment are as small as possible. Thus, every segment can be addressed with an individually targeted marketing mix.

Criteria for Market Segmentation

There are a huge number of variables that could be used for market segmentation in theory. They comprise easy to determine demographic factors as well as variables on user behavior or customer preferences. In addition, there are differences between private customers and businesses. The following table shows the most important traditional variables for segmentation.

Consumer Markets	Industrial Markets / Business Markets
Geographic: · Land or region · Rural or metropolitan area Demographic: · Age, sex, marital status · Income, occupation, education · Religion, nationality, ethnical Psychographic: · Social status · Lifestyle-type · Personal type Behavioral: · Intensity of product use · Brand loyalty · User behaviors	· Industry · Intermediary or final consumer · Type of corporation (public or private sector) · Size of corporation · Geographical location · Intensity of product use · Organization of purchasing function · Centralized or decentralized · Purchasing policies, rules and criteria

Since customer orientation of organizations is growing, segmentation as the basis for establishing customer relationships and customer loyalty gains importance. In this context, the elements of the loyalty ladder model could be used as segmentation variables:



Marketers have to choose those variables that are relevant for segmenting the market for a particular product. The basic rule is to focus on a limited number of important variables. To segment the market into too many small, slightly distinct segments would require splitting up the marketing budget into too many ineffective chunks. Such varied marketing activities in the diverse segments

could confuse customers and would lead to cannibalization effects.

Kotler mentions five criteria for an effective segmentation:

- **Measurable:** It has to be possible to determine the values of the variables used for segmentation with justifiable efforts. This is important especially for demographic and geographic variables. For an organization with direct sales (without intermediaries), the own customer database could deliver valuable information on buying behavior (frequency, volume, product groups, mode of payment etc).
- **Relevant:** The size and profit potential of a market segment have to be large enough to economically justify separate marketing activities for this segment.
- **Accessible:** The segment has to be accessible and servable for the organization. That means, for instance, that there are target-group specific advertising media, as magazines or websites the target audience likes to use.
- **Distinguishable:** The market segments have to be that diverse that they show different reactions to different marketing mixes.
- **Feasible:** It has to be possible to approach each segment with a particular marketing program and to draw advantages from that.

Reasons for Market Segmentation

As already stated, segmentation is the basis for developing targeted and effective marketing plans. Furthermore, analysis of market segments enables decisions about intensity of marketing activities in particular segments.

A segment-orientated marketing approach generally offers a range of advantages for both, businesses and customers.

Better serving customers needs and wants

It is possible to satisfy a variety of customer needs with a limited product range by using different forms, bundles, incentives and promotional activities. The computer manufacturer Dell, for instance, does not organize its website by product groups (desktops, notebooks, servers, printers etc), but by customer groups (privates, small businesses, large businesses, public/state organizations). They offer the same products to all customer groups. Nevertheless, they suggest product bundles and supporting services that are individually tailored for the needs of each particular group. As an example, Dell offers to take on all IT-administration for companies. This service provides a huge potential for savings for corporate customers. However, it would be absolutely useless for private customers. Thus, segment-specific product bundles increase chances for cross selling.

Higher Profits

It is often difficult to increase prices for the whole market. Nevertheless, it is possible to develop premium segments in which customers accept a higher price level. Such segments could be distinguished from the mass market by features like additional services, exclusive points of sale, product variations and the like. A typical segment-based price variation is by region. The generally higher price level in big cities is evidence for this.

When differentiating prices by segments, organizations have to take care that there is no chance for cannibalization between high-priced products with high margins and budget offers in different segments. This risk is the higher, the less distinguished the segments are.

Тема 5			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
5. Marketing Strategy (Positioning)			12	6	6
<small>Маркетинговые стратегии (позиционирование на рынке)</small>					
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	Infinitive	Listening to the Tape	Writing a summary	www.mcdonalds.com	

Marketing Strategy (Positioning)

Positioning.

After the organisation has selected its target market, the next stage is to decide how it wants to position itself within that chosen segment. Positioning refers to '*how organisations want their consumers to see their product*'. What message about the product or service is the company trying to put across? Car manufacturer Daewoo in the UK, has successfully positioned themselves as the family value model. The UK car Skoda brand which has been taken over by Volkswagen has been re-positioned as a vehicle which had negative brand associations, to one which regularly wins car of the year awards. The positive comments from the industry and attributes of this vehicle is has changed the perception of consumers about the Skoda brand.

Developing a positioning strategy

Developing a positioning strategy depends much on how competitors position themselves. Do organisations want to develop '**a me too**' strategy and position themselves close to their competitors so consumers can make a direct comparison when they purchase? Or does the organisation want to develop a strategy which positions themselves **away from their competitors**? Offering a benefit which is superior depends much on the marketing mix strategy the organisation adopts. The pricing strategy must reflect the benefit offered and the promotion strategy must communicate this benefit.

Positioning

Simply, positioning is how your target market defines you in relation to your competitors.

A good position is:

1. What makes you unique
2. This is considered a benefit by your target market

Both of these conditions are necessary for a good positioning. So what if you are the only red-haired singer who only knows how to play a G minor chord? Does your target market consider this a good thing?

Positioning is important because you are competing with all the noise out there competing for your potential fans attention. If you can stand out with a unique benefit, you have a chance at getting their attention.

It is important to understand your product from the customers point of view relative to the competition.

Environment

In order to begin positioning a product, two questions need to be answered:

1. What is our marketing environment?
2. What is our competitive advantage?

The marketing environment is the external environment. Some things to consider:

- How is the market now satisfying the need your software satisfies?
- What are the switching costs for potential users for your market?
- What are the positions of the competition?

The competitive advantage is an internal question. What do you have that gives you advantage over your competitors. Some things to consider:

- Is your company small and flexibility?
- Do you offer low cost and high quality?
- Does your product offer unique benefits?
- Are you the first on the market with this product (First mover advantage)?

Positioning Strategies

There are seven positioning strategies that can be pursued:

Product Attributes: What are the specific product attributes?

Benefits: What are the benefits to the customers?

Usage Occasions: When / how can the product be used?

Users: Identify a class of users.

Against a Competitor: Positioned directly against a competitor.

Away from a Competitor: Positioned away from competitor.

Product Classes: Compared to different classes of products.

Segmentation

There are three types of segmentation:

Mass Marketing or Undifferentiated Marketing: Go after the whole market with one offer and focus on common needs rather than differences

Product-variety Marketing or Differentiated Marketing: target several market segments and design separate offers for each

Target Marketing or Concentrated Marketing: Large share of one or a few sub-markets. Good when company's resources are limited

To identify a niche market, a series of 2 by 2 matrixes can be used to identify an area that is being overlooked by larger competitors. The competitors are mapped on this matrix and you can see where there may be some opportunities.

Positioning Differences

The differences that are promoted for a product must be:

Important: The difference delivers a highly valued benefit to the target buyers

Distinctive: Competitors do not offer the difference, or the company can offer it in a more distinctive way

Superior: The difference is superior to other ways that the customer might obtain the same benefit

Communicable: The difference can be explained and communicated to the target buyers

Preemptive: Competitors cannot easily copy the difference

Affordable: Buyers can afford to pay the difference

Profitable: Company can introduce the difference profitably

Тема 6		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
6. Changing Marketing Environment <small>Изменяющаяся маркетинговая среда</small>		10	6	4
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases on the topic.	Complex Subject	Video	Writing a plan of the text	www.tupperware.com



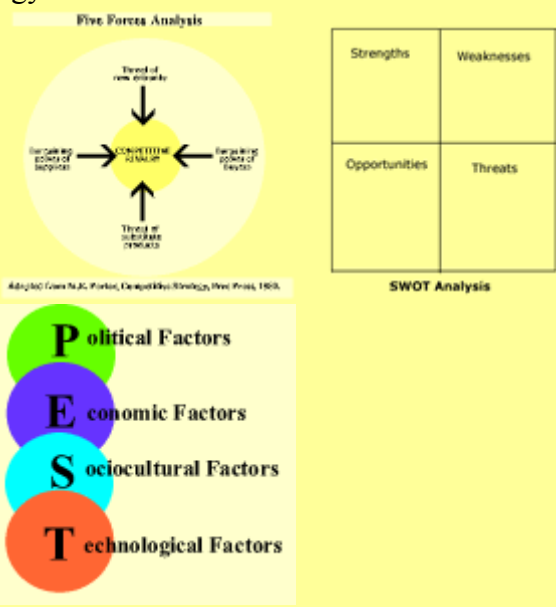
The marketing environment surrounds and impacts upon the organization. There are three key perspectives on the marketing environment, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment'.

The micro-environment

This environment influences the organization directly. It includes suppliers that deal directly or indirectly, consumers and customers, and other local stakeholders. Micro tends to suggest small, but this can be misleading. In this context, micro describes the relationship between firms and the driving forces that control this relationship. It is a more local relationship, and the firm may exercise a degree of influence.

The macro-environment

This includes all factors that can influence and organization, but that are out of their direct control. A company does not generally influence any laws (although it is accepted that they could lobby or be part of a trade organization). It is continuously changing, and the company needs to be flexible to adapt. There may be aggressive competition and rivalry in a market. Globalization means that there is always the threat of substitute products and new entrants. The wider environment is also ever changing, and the marketer needs to compensate for changes in culture, politics, economics and technology.



The internal environment.

All factors that are internal to the organization are known as the 'internal environment'. They are generally audited by applying the 'Five Ms' which are **M**en, **M**oney, **M**achinery, **M**aterials and **M**arkets. The internal environment is as important for managing change as the external. As marketers we call the process of managing internal change '[internal marketing](#)'.

Essentially we use marketing approaches to aid communication and change management.

The external environment can be audited in more detail using other approaches such as [SWOT Analysis](#), Michael Porter's [Five Forces Analysis](#) or [PEST Analysis](#).

УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

3 курс 6 семестр

Тема 1	Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
1. Marketing Focus on the Customer	10	4	6

Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	Gerund construction	Listening to the Tape	Writing an article to a newspaper	www.consumerreports.com/recalls

Marketing Focus on the Customer

This is the story of how a major retailer, Sears Canada, Inc., changed their organizational focus from a channel to a customer focus. It is an intriguing story.

Many marketers accept the idea that their companies should shift from a product or channel focus to a customer centric focus. But most of them don't know how their company can go about making the change. Why do they want to shift? To attract and retain the right kind of customers. There is a list of statements concerning customers that most marketers have recently begun to recognize as being true. They are:

- Eighty percent (or some very large percentage) of company revenue or profits comes from the top twenty percent of the customers.
- The bottom twenty percent of customers are usually unprofitable. In some companies the losses from this bottom group are very substantial.
- Long term customers have higher retention rates, higher spending rates, higher referral rates, and are less expensive to serve than new customers.
- Marketing dollars spent on up selling, cross selling or retention building programs focused on existing customers produce more revenue than the same dollars spent on new customer acquisition.
- A five percent increase in the retention rate will produce a very significant increase in company profits.
- The more different products or categories that a customer buys from your firm greatly increases the likelihood that the customer will become loyal, long term, and profitable.

These beliefs underlie customer relationship management: the idea that marketing activities should be focused on increasing customer lifetime value. To achieve LTV increase, the company has to recognize customer segments, and develop customer segment managers who develop customer-focused programs based on these beliefs. Yet, most corporations are not organized in this way. Their compensation systems work to frustrate customer relationship building activities. Look at the typical bank organization:

In a typical bank, there are vice presidents for each major product: credit cards, home equity loans, retail (checking and savings accounts), insurance, etc. The credit card manager receives no bonus or special recognition if some of his credit card customers take sign up for checking account. The Retail Vice President gets no special reward if some of his customers apply for a credit card. Yet any analysis of bank customers will show that the more different bank products that the average customer has, the higher will be that customer's loyalty to and profits for the bank. The organization and compensation system does not reflect the theory of customer relationship management.

With this background, it is very rewarding to see how Sears Canada dealt with this organizational problem, and solved it head on. The story was explained in a fascinating talk to the National Center for Database Marketing in Orlando last December by Bruce Clarkson, General Manager of Relationship Marketing for Sears Canada. Sears is the largest general retailer in Canada with sales of \$4.6 billion in 1997. In 1997 they had 110 full line retail stores. 8 whole home furniture stores, 8 outlet clearance stores. 79 dealer stores and 2,000 catalog agents. They continue to expand. Their big book catalog reaches 5 million households in Canada every year. Two thirds of all sales in both catalog and retail are done on the Sears Credit Card.

A few years ago, Sears made a major investment in database marketing, creating a state of the art marketing database which gave them a new insight into their customer base. A key benefit from the database was to put all customer sales – particularly those from the catalog operation, and the retail stores -- into the same customer record. It was an eye opener.

At the time the database was built, there was an SVP for retail stores and an SVP for catalog operations. These two channels competed with each other openly. Their rivalry went back a long ways in Canada. In early Canadian retailing history, the Sears Canada pioneers were the catalogers. They built a strong base in rural Canada. Once this base was established, Sears would open retail stores, based on the growth of the catalog. To the company it was profitable. But to the catalogers, it created a sense of perceived cannibalization. The catalog merchants who had previously owned these markets saw sales attrition due to the stores. They saw it as channel competition. Over the years, the competition became quite heated.

The competition reflected where the catalog operation was located in the typical Sears retail store. In Canada, as well as in the United States, Sears stores put the catalog office way back in the store, where you have to walk through the whole store to get there. It was viewed as an overhead to the selling operation, taking up valuable space that should be used for merchandise. The catalog desk was put as far as possible from the entrance to the store to generate store traffic. Customers coming in to pick up a catalog item, would have to walk past aisle after aisle of merchandise. It was not designed for customer convenience – just the opposite, in fact.

Once the database was built, Sears was able to measure the performance of catalog customers vs. retail customers. The data was very revealing. In 1997, for example, the average catalog customer spent \$492 dollars per year. The average retail customer spent \$1,102 dollars per year.

What about customers who were shopping both channels? These customers bought more than the average in both channels. When Bruce looked at these cross shoppers, the average cross shopping customer spent \$584 on catalog items *and* \$1,299 in retail stores. Leaving these cross shoppers out of the total figures, the customers who only shopped one channel spent \$409 on catalog items, or spent \$994 in retail stores. Cross shoppers were spending \$1,883 per year with Sears, compared to half that or less spent by single channel shoppers.

The facts were staggering. The marketing staff provided their findings to top management. Management could clearly see that the way the business was being managed was inconsistent with customer behavior. The leadership said things like, "I knew it, but we did not have the numbers to prove it!" "We have to do something to encourage cross channel shopping."

Once top management saw what was happening, Sears began to make major changes. No longer were Catalog and Retail each under a competing SVP. Instead, Sears Canada now has three major divisions:

1. EVP for Marketing
2. EVP for Sales and Service
3. EVP for Merchandising

Each EVP works across all channels: Retail, catalog and several other channels including the credit card, long distance services, gift registries, etc. Marketing does branding, advertising, TV, preprint, catalog production, in-store marketing, the look and feel of the store, the arrangement of the store, customer relationship marketing and e-commerce. Sales and Service delivers service excellence through all the channels.

One of the first fruits of the reorganization was the change in the location of the catalog desk in the retail stores. Stores have started to look contemporary: bright, functional and convenient. The catalog desks are put at the most used entrance of the store. Throughout the retail store, Sears now has outposts where they put copies of the catalog. At each outpost, there are telephones for immediate access to the call centers. The catalog is positioned as an extension to the retail store. Selected catalog pages are displayed throughout the store, so if you are in the footwear division, you will find catalog pages laminated in the footwear department. If you can't find the size or style you want, you can pick up a phone and order it. It is not promoted as being a catalog order. It is just another way of shopping at Sears.

To promote telephone shopping, Sears now has 48 hour national service on most orders. No matter where you are in Canada, they can arrange delivery for you to a convenient location near your home within 48 hours. Plus, they don't charge any shipping or handling. With 2,000 locations throughout Canada, goods can be shipped free to nearby locations. The whole idea is to increase the

number of cross shoppers, who they now know to be Sears most valuable customers.

What was the result of this? Before Sears provided the catalog and telephone service in the store, clerks would say, if they did not have what the customer wanted, "Gosh I am sorry. Maybe they have it at so and so down the mall." With the new system, Sears in 1998 saved sales that were equivalent to adding another mid sized store to their 110 store chain with no bricks and mortar – essentially at almost no cost. That virtual store may become the largest single store in the Sears Canada chain.

Sears recently began including a teleshopping icon in their flyers and preprint programs. You can call to obtain by phone any product that is available in the stores. It looks like retail, but it acts like direct. The customer does not know that they are ordering from a catalog. They think that they are calling a retail store with the teleshopping number. Sears customers are capitalizing on the convenience of the system. People call the number and then pick up their products at the retail store. In teleshopping Sears has had double digit growth in its first 15 months. The incremental sales from Teleshopping are equivalent to putting out a new catalog and sending it to 5 million households. The cost, however, has been virtually nil. This is what comes through organizational integration of catalog and retail.

But the database and the reorganization have not stopped at integrating catalogs with retail. Marketing is now moving towards the goals of retention, acquisition and purchase stimulation. Clarkson developed customer attrition models. His first effort was to find out why people were not shopping through the catalog any more. What he discovered was that the strongest predictive variable for not shopping the catalog was exposure to bad service: out of stock, or merchandise that was not satisfactory. Sears could prove that money spent on improved service would increase customer retention. The EVP for Sales and Service now measures his performance based on a customer loyalty index which is now well known throughout the organization.

Clarkson's staff has created two measures of customers: behavioral segments and RFM cells. They have developed 14 active customer segments and two lapsed customer segments:

1. One segment is the **Super Spenders**. This group has the highest retail transaction dollars, the highest total revenue overall and the highest revenue in five out of twelve merchandise categories. Their credit limit is very high. They are nuts about using the Sears card. In terms of demographics, they own, not rent their homes. They tend to live in affluent suburbs. These Super Spenders are only 2% of the customer base.
2. At the bottom are the **Occasional Store Shoppers**. They are the highest in terms of returns, and highest in payment to the credit balance. They pay off their account every month. They are the lowest in terms of overall revenue, lowest in catalog purchases. But there is a paradox: the Occasional Store Shoppers are demographically identical to the Super Spenders. They live in the same subdivisions. 28% of them lapse each year. Since they use the Sears card, it means that Sears has constantly to do acquisition programs to keep their card holder membership up. Occasional Store Shoppers account for 17% of the customer base. They absorb a tremendous amount of expense.

Besides creating these segments, Sears maintains an RFM system with 189 cells, tracking recency on a quarter by quarter basis. Clarkson's analysis showed that each quarter between 20,000 and 30,000 new customers acquire a Sears card, buy once, and never buy again. Sears spent a lot of money trying to get the card into people's hands, but was not doing enough to get them to use the card. Knowledge of this situation has prompted marketing efforts to shift the focus from acquisition to greater use of the card. The RFM analysis also showed that 14% of Sears customers were \$2,500 plus buyers who have contributed fifty percent of Sears total corporate merchandise revenues over the past five years. These loyal customers don't just buy the big-ticket items such as major appliances. Instead, they just loyally shop every month. The revenue builds up over time.

Finally, Sears Canada, like everyone else, has started a web site. They discovered something very surprising. 97% of sales volume is from people who have the paper catalog in front of them. With the catalog, of course, they could call the 800 number, talk to a live operator, and order their products. They prefer to use the catalog, look Sears up on the website, and order directly. What are

the implications of this amazing 97% number? Perhaps it makes no sense to put tens of thousands of SKU pictures up on a website. A paper catalog is much more convenient. In a catalog you can skip rapidly from dresses to furniture to automotive in one hundredth of the time it would take on the web. But you can order faster on the web than you can on the telephone.

Sears has built their database. They used and continue to use their database to understand their customers. Then they took that crucial step to change their organization to make use of what they had learned. They have become customer focused. It is a tremendous lesson for the rest of us.

Тема 2			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
2. Consumer Behavior <small>Поведение потребителей</small>			12	6	6
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет	
Words and phrases dealing with the topic	Participle 1	Listening to the Tape	Writing a report	1. www.odci.gov/cia/publications/factbook 2. http://www.consumerpsychologist.com/	

Consumer Behavior

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The the psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Understanding these issues helps us adapt our strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers' attention, we learn that to be effective, advertisements must usually be repeated extensively. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ.

One "official" definition of consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." Although it is not necessary to memorize this definition, it brings up some useful points:

- Behavior occurs either for the individual, or in the context of a group (e.g., friends influence what kinds of clothes a person wears) or an organization (people on the job make decisions as to which products the firm should use).
- Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased

consumption. Since many environmental problems result from product disposal (e.g., motor oil being sent into sewage systems to save the recycling fee, or garbage piling up at landfills) this is also an area of interest.

- Consumer behavior involves services and ideas as well as tangible products.
- The impact of consumer behavior on society is also of relevance. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for the national health and economy.

There are four main applications of consumer behavior:

- The most obvious is for *marketing strategy*—i.e., for making better marketing campaigns. For example, by understanding that consumers are more receptive to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon. By understanding that new products are usually initially adopted by a few consumers and only spread later, and then only gradually, to the rest of the population, we learn that (1) companies that introduce new products must be well financed so that they can stay afloat until their products become a commercial success and (2) it is important to please initial customers, since they will in turn influence many subsequent customers' brand choices.
- A second application is *public policy*. In the 1980s, Accutane, a near miracle cure for acne, was introduced. Unfortunately, Accutane resulted in severe birth defects if taken by pregnant women. Although physicians were instructed to warn their female patients of this, a number still became pregnant while taking the drug. To get consumers' attention, the Federal Drug Administration (FDA) took the step of requiring that very graphic pictures of deformed babies be shown on the medicine containers.
- *Social marketing* involves getting ideas across to consumers rather than selling something. Marty Fishbein, a marketing professor, went on sabbatical to work for the Centers for Disease Control trying to reduce the incidence of transmission of diseases through illegal drug use. The best solution, obviously, would be if we could get illegal drug users to stop. This, however, was deemed to be infeasible. It was also determined that the practice of sharing needles was too ingrained in the drug culture to be stopped. As a result, using knowledge of consumer attitudes, Dr. Fishbein created a campaign that encouraged the cleaning of needles in bleach before sharing them, a goal that was believed to be more realistic.
- As a final benefit, studying consumer behavior should make us better consumers. Common sense suggests, for example, that if you buy a 64 liquid ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32 ounce bottles. In practice, however, you often pay a size *premium* by buying the larger quantity. In other words, in this case, knowing this fact will sensitize you to the need to check the unit cost labels to determine if you are *really* getting a bargain.

There are several units in the market that can be analyzed. Our main thrust in this course is the *consumer*. However, we will also need to analyze our own firm's strengths and weaknesses and those of *competing firms*. Suppose, for example, that we make a product aimed at older consumers, a growing segment. A competing firm that targets babies, a shrinking market, is likely to consider repositioning toward our market. To assess a competing firm's potential threat, we need to examine its assets (e.g., technology, patents, market knowledge, awareness of its brands) against pressures it faces from the market. Finally, we need to assess conditions (the marketing environment). For example, although we may have developed a product that offers great appeal for consumers, a recession may cut demand dramatically.

Research Methods

There are two main categories of research methods. *Secondary* research uses research that has already been done by someone else. For example, marketers often find information compiled by the U.S. Census very useful. However, in some cases, information specific enough to satisfy a firm's needs is not publicly available. For example, a firm will have to run its own research to find out whether consumers would prefer that more vanilla taste be added to its soft drink brand. Original

research that a firm does for itself is known as *primary research*.

There is no one perfect primary research method. Each has strengths and weaknesses, and thus the appropriate method must be selected based on research needs.

Surveys are useful for getting a great deal of specific information. Surveys can contain open-ended questions (e.g., "In which city and state were you born? _____") or closed-ended, where the respondent is asked to select answers from a brief list (e.g., "___ Male ___ Female." Open ended questions have the advantage that the respondent is not limited to the options listed, and that the respondent is not being influenced by seeing a list of responses. However, open-ended questions are often skipped by respondents, and coding them can be quite a challenge. In general, for surveys to yield meaningful responses, sample sizes of over 100 are usually required because precision is essential. For example, if a market share of twenty percent would result in a loss while thirty percent would be profitable, a confidence interval of 20-35% is too wide to be useful.

Surveys come in several different forms. Mail surveys are relatively inexpensive, but response rates are typically quite low—typically from 5-20%. Phone-surveys get somewhat higher response rates, but not many questions can be asked because many answer options have to be repeated and few people are willing to stay on the phone for more than five minutes. Mall intercepts are a convenient way to reach consumers, but respondents may be reluctant to discuss anything sensitive face-to-face with an interviewer.

Surveys, as any kind of research, is vulnerable to bias. The wording of a question can influence the outcome a great deal. For example, more people answered no to the question "Should speeches against democracy be allowed?" than answered yes to "Should speeches against democracy be forbidden?" For face-to-face interviews, interviewer bias is a danger, too. Interviewer bias occurs when the interviewer influences the way the respondent answers. For example, unconsciously an interviewer that works for the firm manufacturing the product in question may smile a little when something good is being said about the product and frown a little when something negative is being said. The respondent may catch on and say something more positive than his or her real opinion. Finally, a response bias may occur—if only part of the sample responds to a survey, the respondents' answers may not be representative of the population.

The case of "The Pentagon Declares War on Rush Limbaugh" illustrated that biased surveys are often taken at face value. It was reported in the national media, without question of the validity of the research, that only 3.8% of listeners to the Armed Forces Network wanted to listen to Rush Limbaugh. It turned out, however, that this inference was based on the question "What single thing can we do to improve programming?" Only if a respondent wrote in an answer mentioning Rush Limbaugh were he or she counted as wanting to listen to Rush.

Experiments are used when the researcher wants to rule out all but one explanation for a particular observation. Suppose, for example, that we observe that sales of our brand increase when we send out coupons. However, retailers may also give us better shelf space when the coupon is out; thus, we can't tell if it was the coupon or the shelf-placement that caused sales to increase—the two variables are confounded. In an experiment, we carefully control what varies. In this case, we invite in one hundred people and ask them to shop in a simulated store. Half of the respondents are randomly selected and get a coupon; the others do not. Since the only difference here was whether the subjects got a coupon or not, we can be more confident that differences in brand choice were due to the coupon. Experiments do, however, have a serious drawback in that the consumer is removed from his or her natural surroundings. For example, if we pay some consumers to come into a lab and watch TV "as you normally would," these consumers, figuring that they are being paid, may give more attention to the advertisements than they would at home.

Тема 3	Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
3. Business and Organizational Customers Корпоративные клиенты	12	6	6

Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	Participle 2	Listening to the MP	Writing an essay	www.thomasregister.com

Business and Organizational Customers

Are you over-extending credit to your business customers because of a lack of visibility into your relationship with those customers in a hierarchy context?

Do you understand relationships between individuals and organizations so that you can find all relevant potential transactions and grow market share?

Are you missing out on volume discounts with suppliers because you don't realize how much you're buying from one vendor?

THE EMERGENCE OF ORGANIZATIONAL HIERARCHY MANAGEMENT

Nonintegrated, conflicting views of business and individual relationships across multiple channels, geographies, applications, and hierarchies result in a disparate view of the customer. Companies have a compelling need to understand how customers and suppliers are organized, because they cannot fully leverage those relationships without understanding them in a hierarchy context. Aligning customers and suppliers to a hierarchy enables global visibility, which is strategic for revenue growth, cost reduction, risk management, and compliance. Enterprise customer data integration (CDI) and organizational hierarchy management provide a proven solution to solve this problem.

COMPANIES STRUGGLE WITH EXISTING APPROACHES

Companies have struggled with the need for organizational hierarchy management for some time and have tried various approaches to address it. Companies today send data to external organizational data providers for processing, buy organizational data and a matching engine with which to apply it, or build the organizational hierarchies internally. However, these approaches have offered only partial or limited success.

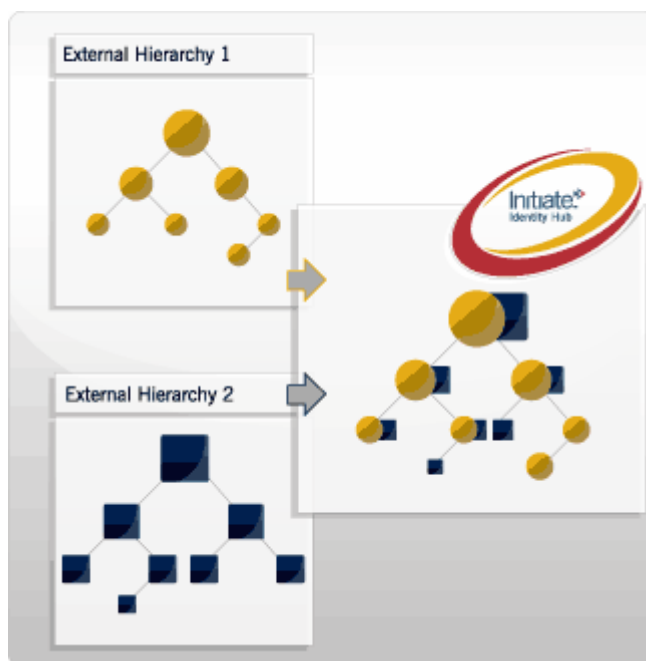


Figure 1. Aligning customers and suppliers to a hierarchy enables global visibility.

USING CDI AS THE SOLUTION

Companies are seeking new ways to solve their hierarchy management challenges. CDI enables companies to:

- Consume multiple different sources of hierarchy information while simultaneously

comparing and matching hierarchy structures across sources to create a logical master representation of the hierarchy—a single version of the truth.

- Create hierarchies without size or depth limits through a highly scalable model. CDI defines each organizational hierarchy through the use of metadata, covering the hierarchical definitions themselves as well as taxonomies, key attributes, and indices related to each organizational record. The hierarchy is based on the parent/child relationships between the various members of the hierarchy. This simple concept provides the necessary representation to enable efficient search and navigation of hierarchies.
- Classify individuals against the logical master hierarchy adopted from the external source systems by associating individual customers to nodes in the hierarchy through identity linkages. By leveraging a CDI solution that spans the notion of customer contacts within organizations as well as organizations within hierarchies, companies achieve global customer visibility.
- Query, navigate, and view the entire hierarchy based on a single node. This allows roll-up and drill-down through intuitive, Web-based views and powerful search capabilities. Situations may arise where the user needs to modify a hierarchy, altering the linkages. This might be because a conflict has been flagged and the user has elected to resolve the conflict manually, or perhaps a new merger or divestiture has changed the organizational landscape. In addition, CDI makes it possible to split and merge hierarchies, in the case of a change of corporate ownership, for example. And of course, all changes and modifications are logged and audited for future reference.

While a number of technologies understand some of the facets of a single view of the customer and provide functionality with varying degrees of effectiveness, it is only by including the full customer view enabled by CDI and organizational hierarchy management that companies can truly recognize the customer, in the broadest sense of the word, at the point of interaction.

Тема 4			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
4. Marketing Information <small>Маркетинговая информация</small>			12	6	6
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	Complex object	Listening to the Tape	Writing a report		www.perseus.com

Marketing Information

Definitions of marketing have got longer over the years, from the Chartered Institute of Marketing's:

Marketing is the management process responsible for identifying, anticipating and satisfying consumers' requirements profitably

to a 1994 definition of societal marketing (applicable to not-for-profit organisations such as charities or schools):

The societal marketing concept holds that the organisation's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors, in a way that preserves or enhances the consumer's and the society's well-being. (Kotler, Philip. **Marketing management: analysis, planning, implementation and control** 8th ed. Prentice-Hall, 1994)

This puts even more emphasis on identifying the needs of the clients, and on providing a service or product which is of the required quality. It also brings the well-being of society into the equation, and leaves out the profit motive (in order to include not-for-profit organisations). However,

if an organisation has profitability as one of its objectives, then that will be an important factor when marketing objectives are being drawn up.

There is a longer explanation of the meaning of social marketing at the [University of Strathclyde Centre for Social Marketing](#) site.

A phrase which often comes up is 'exchange relationships'. Exchange, in this context, means the provision or transfer of goods, services or ideas, in return for something of value. For example: a person may give their time to work in an Oxfam shop in exchange for feeling that they are doing something worthwhile. When a company information officer provides a search, exchanges take place between the user (who receives results and may also transfer funds), the intermediary (who receives wages and, hopefully, job satisfaction) and the company (which ultimately funds the exchange and benefits from the use of the information in decision making etc).

Relationship marketing is also currently much talked about. This focuses on developing a close relationship with your customers, and is particularly important in the information and library sector. With many services you depend on 'repeat business' in order to make your investment in acquiring a new customer worthwhile. Tom Peters has described it as:

The relentless pursuit of an almost familial bond between customer and product. (Peters, Tom. **The pursuit of Wow! every person's guide to topsy-turvy times.** London: Macmillan, 1995.)

For the scholarly, a useful background article available on the web is:

Gronroos, Christian. [From marketing mix to relationship marketing: towards a paradigm shift in marketing.](#) **Management Decision.** 32 (2): 1994. p4-20..

The main point of all the current definitions is that they cover the whole marketing cycle (including defining your mission, and market research), and that they focus on the needs of the target market (the people you want to use the product or service) or the individual customer.

Тема 5		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
5. Product Planning for Goods and Services		12	6	6
<small>Планирование новых продуктов и услуг</small>				
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	The Nominative Absolute Construction	Listening to the Tape	Filling in the gaps in the text.	www.pg.com

Product Planning for Goods and Services

Goods and services are the outputs offered by businesses to satisfy the demands of consumer and industrial markets. They are differentiated on the basis of four characteristics:

1. *Tangibility*: Goods are tangible products such as cars, clothing, and machinery. They have shape and can be seen and touched. Services are intangible. Hair styling, pest control, and equipment repair, for example, do not have a physical presence.
2. *Perishability*: All goods have some degree of durability beyond the time of purchase. Services do not; they perish as they are delivered.
3. *Separability*: Goods can be stored for later use. Thus, production and consumption are typically separate. Because the production and consumption of services are simultaneous, services and the service provider cannot be separated.
4. *Standardization*: The quality of goods can be controlled through standardization and grading in the production process. The quality of services, however, is different each time they are delivered.

For the purpose of developing marketing strategies, particularly product planning and promotion, goods and services are categorized in two ways. One is to designate their position on a goods and services continuum. The second is to place them into a classification system.

The goods and services continuum enables marketers to see the relative goods/services

composition of total products. A product's position on the continuum, in turn, enables marketers to spot opportunities. At the pure goods end of the continuum, goods that have no related services are positioned. At the pure services end are services that are not associated with physical products. Products that are a combination of goods and services fall between the two ends. For example, goods such as furnaces, which require accompanying services such as delivery and installation, are situated toward the pure goods end. Products that involve the sale of both goods and services, such as auto repair, are near the center. And products that are primarily services but rely on physical equipment, such as taxis, are located toward the pure services end.

The second approach to categorizing products is to classify them on the basis of their uses. This organization facilitates the identification of prospective users and the design of strategies to reach them. The major distinction in this system is between consumer and industrial products. Consumer goods and services are those that are purchased for personal, family, or household use. Industrial goods and services are products that companies buy to make the products they sell.

Two major changes have affected the marketing and production of goods and services since about 1950. The first was a shift in marketing philosophy from the belief that consumers could be convinced to buy whatever was produced to the marketing concept, in which consumer expectations became the driving force in determining what was to be produced and marketed. This change in orientation has resulted in increases in both lines of products and choices within the lines.

The second change was an increased demand for services. The growth in demand for services—and resulting production—continues to increase at a faster rate than the demand for manufactured goods.

Тема 6			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
6. Product Management and New Product Development <small>Управление существующим продуктом и разработка нового</small>			10	6	4
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	Revision of Non-finite forms of a verb	Listening to the Tape	Summing up the text	www.ourworld.com mpuserve.com/homepages.mktgintelsvc	

Product Management and New Product Development

There are several general categories of new products. Some are new to the market (ex. DVD players into the home movie market), some are new to the company (ex. Game consoles for Sony), some are completely novel and create totally new markets (ex. the airline industry). When viewed against a different criteria, some new product concepts are merely minor modifications of existing products while some are completely innovative to the company. These different characterizations are displayed in the following diagram.

Types of new products

The process

There are several stages in the new product development process...not always followed in order:

1. **Idea Generation** (The "fuzzy front end" of the NPD process, see below)

Ideas for new products can be obtained from customers (employing user innovation), the company's R&D department, competitors, focus groups, employees, salespeople, corporate spies, trade shows, or through a policy of Open Innovation. Ethnographic discovery methods (searching for user patterns and habits) may also be used to get an insight into new product lines or product features.

Formal idea generation techniques can be used, such as attribute listing, forced relationships, brainstorming, morphological analysis and problem analysis

Idea Screening

The object is to eliminate unsound concepts prior to devoting resources to them.

The screeners must ask at least three questions:

Will the customer in the target market benefit from the product?

Is it technically feasible to manufacture the product?

Will the product be profitable when manufactured and delivered to the customer at the target price?

2. **Concept Development and Testing**

Develop the marketing and engineering details

Who is the target market and who is the decision maker in the purchasing process?

What product features must the product incorporate?

What benefits will the product provide?

How will consumers react to the product?

How will the product be produced most cost effectively?

Prove feasibility through virtual computer aided rendering, and rapid prototyping

What will it cost to produce it?

test the concept by asking a sample of prospective customers what they think of the idea

3. **Business Analysis**

Estimate likely selling price based upon competition and customer feedback

Estimate sales volume based upon size of market

Estimate profitability and breakeven point

4. **Beta Testing and Market Testing**

Produce a physical prototype or mock-up

Test the product (and its packaging) in typical usage situations

Conduct focus group customer interviews or introduce at trade show

Make adjustments where necessary

Produce an initial run of the product and sell it in a test market area to determine customer acceptance

5. **Technical Implementation**

New program initiation

Resource estimation

Requirement publication

Engineering operations planning

Department scheduling

Supplier collaboration

Logistics plan

Resource plan publication

Program review and monitoring

Contingencies - what-if planning

6. **Commercialization** (often considered post-NPD)

Launch the product

Produce and place advertisements and other promotions

Fill the distribution pipeline with product

Critical path analysis is most useful at this stage

These steps may be iterated as needed. Some steps may be eliminated. To reduce the time that the NPD process takes, many companies are completing several steps at the same time (referred to as **concurrent engineering** or **time to market**). Most industry leaders see new product development as a *proactive* process where resources are allocated to identify market changes and seize upon new product opportunities before they occur (in contrast to a *reactive strategy* in which nothing is done until problems occur or the competitor introduces an innovation). Many industry leaders see new product development as an ongoing process (referred to as *continuous development*) in which the entire organization is always looking for opportunities.

For the more innovative products indicated on the diagram above, great amounts of uncertainty and change may exist, which makes it difficult or impossible to plan the complete project before starting it. In this case, a more flexible approach may be advisable.

Because the NPD process typically requires both engineering and marketing expertise, cross-

functional teams are a common way of organizing projects. The team is responsible for all aspects of the project, from initial idea generation to final commercialization, and they usually report to senior management (often to a vice president or Program Manager). In those industries where products are technically complex, development research is typically expensive, and product life cycles are relatively short, strategic alliances among several organizations helps to spread the costs, provide access to a wider skill set, and speeds the overall process.

Also, notice that because engineering and marketing expertise are usually both critical to the process, choosing an appropriate blend of the two is important. Observe (for example, by looking at the **See also** or **References** sections below) that this article is slanted more toward the marketing side. For more of an engineering slant, see the Ulrich and Eppinger reference below.

People respond to new products in different ways. The adoption of a new technology can be analyzed using a variety of diffusion theories such as the Diffusion of innovations theory.

Protecting new products

When developing a new product many legal questions arise, including: How do I protect the innovation from imitators?; Can the innovation be legally protected?; For how long?; How much will this cost?. The answers are complicated by the fact that several legal concepts may apply to any given innovation, product, process, or creative work. These include patents, trademarks, service marks, tradenames, copyrights, and trade secrets. It is necessary to know which are applicable and when each is appropriate. This varies somewhat from jurisdiction to jurisdiction. The advice of a lawyer that specializes in these matters and is knowledgeable with your corporate philosophy regarding IP protection is essential.

Generally, copyrights are fairly easy to obtain but are applicable only in certain instances. Patents on the other hand, tend to involve complex claims and approval processes, tend to be expensive to obtain, and even more expensive to defend and preserve.

Fuzzy Front End

The Fuzzy Front End is the messy "getting started" period of new product development processes. It is in the front end where the organization formulates a concept of the product to be developed and decides whether or not to invest resources in the further development of an idea. It is the phase between first consideration of an opportunity and when it is judged ready to enter the structured development process (Kim and Wilemon , 2002; Koen et al., 2001). It includes all activities from the search for new opportunities through the formation of a germ of an idea to the development of a precise concept. The Fuzzy Front End ends when an organization approves and begins formal development of the concept.

Although the Fuzzy Front End may not be an expensive part of product development, it can consume 50% of development time (see Chapter 3 of the Smith and Reinertsen reference below), and it is where major commitments are typically made involving time, money, and the product's nature, thus setting the course for the entire project and final end product. Consequently, this phase should be considered as an essential part of development rather than something that happens "before development," and its cycle time should be included in the total development cycle time.

Koen et al. (2001, pp.47-51) distinguish five different front-end elements (not necessarily in a particular order):

1. Opportunity Identification
2. Opportunity Analysis
3. Idea Genesis
4. Idea Selection
5. Concept and Technology Development

The first element is the opportunity identification. In this element, large or incremental business and technological chances are identified in a more or less structured way. Using the guidelines established here, resources will eventually be allocated to new projects.... which then lead to a structured NPPD (New Product & Process Development) strategy. The second element is the opportunity analysis. It is done to translate the identified opportunities into implications for the business and technology specific context of the company. Here extensive efforts may be made to

align ideas to target customer groups and do market studies and/or technical trials and research. The third element is the idea genesis, which is described as evolutionary and iterative process progressing from birth to maturation of the opportunity into a tangible idea. The process of the idea genesis can be made internally or come from outside inputs, e.g. a supplier offering a new material/technology, or from a customer with an unusual request. The fourth element is the idea selection. Its purpose is to choose whether to pursue an idea by analyzing its potential business value. The fifth element is the concept and technology development. During this part of the front-end, the business case is developed based on estimates of the total available market, customer needs, investment requirements, competition analysis and project uncertainty. Some organizations consider this to be the first stage of the NPPD process (i.e., Stage 0).

The Fuzzy Front End is also described in literature as "Front End of Innovation", "Phase 0", "Stage 0" or "Pre-Project-Activities".

УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

4 курс 7 семестр

Тема			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
1. Revision of the Third Course Topics <small>Повторение тем за 3 курс</small>			18	8	10
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic			Writing an article to a newspaper		

Тема			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
2. Place and Development of Channel Systems <small>Размещение и развитие маркетинговых каналов</small>			16	8	8
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	ВМ pp.298-317	Listening to the Tape	Writing a report		www.gateway.com

Place and Development of Channel Systems

PLACE: making goods and services available in:

- The right quantities
- The right locations
- When the customer wants them

ALL ECONOMIES NEED MARKETING SYSTEMS

Pure Subsistence Economy

Each family unit produces everything it consumes.

No need to exchange goods and services since each producer-consumer is completely self-sufficient

What is a Market?

- Group of potential customers with similar needs who are willing to offer something to sellers in order to satisfy those needs
- Negotiation required - face-to-face at physical location or done indirectly through network of

intermediaries that link buyers and sellers living far apart

· Central markets - are convenient places where buyers and sellers can meet one on one to exchange goods and services.

+ Intermediaries; someone who specializes in trade rather than

Production, reduces the number of transactions, provides

Time, place and possession utility and are known today as wholesalers and retailers

EFFECTIVE MARKETING LINKS PRODUCERS AND CONSUMERS

MARKETING FUNCTIONS HELP NARROW THE GAP

Universal Functions of Marketing –are those: Buying, Selling, Transporting, Storing, Standardization, Grading, Financing, Risk Taking, Market Information.

Buying function: means looking for and evaluating goods and services.

Selling function: involves promoting the product. It includes the use of

Personal selling, advertising, and other direct and mass

Selling methods. This is probably the most visible

Function of marketing.

Transporting function: involves moving goods from one place to another.

Storing Function: involves holding goods until customers need them.

Standardization and grading: involve sorting products according to size and Quality. This makes buying and selling easier

By reducing the need for inspection and

Sampling.

Financing: provides the necessary cash and credit to produce, transport, Store, promote, sell and buy products.

Risk taking: involves bearing the uncertainties that are part of the marketing

Process. A firm can never sure those customers will want to buy its product. Products can also be damaged, stolen or outdated.

Market information function: involves that collection, analysis, and

Distribution of all the information needed to plan, carry out, and control marketing activities, whether in the firm's own neighborhood or in a market overseas.

Some of the marketing functions are shifted and shared with middlemen and facilitators (advertising agencies, market research firms, transportation firms, warehouses, financial institutions etc., who can perform the marketing functions better and at a lower cost.

Who performs marketing functions?

Everyone: consumer, government, specialists, etc.

Facilitators: firms that provide one or more of the marketing functions other than buying or selling. These include advertising agencies, marketing research firms, independent product-testing laboratories, and public warehouse transporting firms.

Discrepancy of Quantity: refers to the difference between the quantity of products it is economical for a producer to make and the quantity final users or consumers normally want.

Discrepancy of assortment: refers to the difference between the line a typical producer makes and the assortment final consumers or users want.

+Selling variety different product at one shop. E.g. golf shoe, golf ball, golf stick. Etc.

Regrouping activities: adjust the quantities and /or assortments of products handled at each level in a channel of distribution.

Accumulating, Bulk-breaking, Sorting, and Assorting.

Accumulating: involves collecting products from many small producers.

· Larger quantities in a way of getting the lowest transporting rate, and of making it more convenient for distant food processing companies to buy and handle it.

· Important for professional services e.g. hospital makes it easier for patients by accumulating the services of a number of health care specialists. (Specialist at one place)

Bulk Breaking: involves dividing larger quantities into smaller quantities.

As products get closer to the final market.

Wholesalers may sell smaller quantities to other wholesalers or retailers.

Retailer continues to sell to customer.

Sorting: means separating products into grades and qualities desired by

Different target markets. E.g. wholesaler deal with restaurant, & hotels.

Assorting: means putting together a variety of product to give a target

Market what it wants.

Channel System may be direct or In-direct

Channel of Distribution

All firms who participate in the flow of product from producer to final consumer.

Direct Channel: involves the distribution of the product or service directly by the producer to the final customer without the use of intermediaries.

Producer sells directly to the consumer

They want to control the entire marketing job.

They may think they can serve target customer at a lower cost.

Do the work more effectively than intermediaries.

More aware of changes in customer attitudes

Not the same as "direct marketing"

Direct Marketing: direct communication between the seller and the individual customer using a promotion method other than face-to-face personal selling.

Indirect Channel

Direct not possible, not enough resources or does not want to handle all the distribution activities

Discrepancies and Separations create Channel Specialists

Producers can be located too far from the customer or don't have the knowledge to distribute the product effectively

Effect of the Internet

Providers of goods and services to deal directly with the consumer.

Quantity Discrepancies dealt with by;

Regrouping - adjust the quantities or assortment

Accumulating - collect products from small producers

Bulk breaking - divide larger quantities into smaller ones

Assortment Discrepancies dealt with by;

Sorting - separating products into grades and qualities

Assorting - put together a variety of products to give a target market what it wanted

Changing distribution strategies

Computers switching to direct channel - following Dell

Cellular phones are being sold more through electronic stores, since it is cheaper than using their own sales people

Role of the Internet - disintermediation and cybermediaries (infomediaries)

CHANNELS MUST BE MANAGED

Why important to manage channel relationships in a traditional channel system?

Traditional Channel System:

The various channel members make little or no effort to cooperate

With one another. They buy and sell one-another.

Co-operation needed between channel members

Channel captain tries to avoid or solve conflicts

Conflict gets in the way

Vertical conflicts: occur between firms at different levels of the channel of distribution.

E.g. a producer and a retailer may disagree about how much shelf space or promotion effort the retailer should give the producer's product.

Horizontal conflicts: occur between firms at the same level in the channel of distribution. E.g. a furniture store that keeps a complete line of furniture on display isn't happy to find out that a store down the street is offering customers lower prices on special orders of the same items.

Channel captain: a manager who helps direct the activities of an entire channel and tries to avoid, or solve, channel conflicts.

Producer Dominated Channels

Most common

Retailer or Middlemen Dominated Channels

Japanese trading companies

Dealer brands - President's Choice, Sears etc.

VERTICAL MARKET SYSTEMS

Vertical Marketing System is channel systems in which the entire channel focuses on the same target market at the end of the channel.

· Such systems make sense and are growing because if the final customer doesn't buy the product, the entire channel suffers.

Corporate Channel System

Corporate ownership all along the channel—we might say the firm is going “direct” but actually the firm may be handling manufacturing, wholesaling and retailing –so it's more accurate to think of the firm as a vertical marketing system.

· Handle all parts of the channel internally or

· Vertically integrate (buy other firms)

Administered Channel System

The channel members informally agree to cooperate with one another.

E.g. they can agree to routinize ordering, standardize accounting, and

Coordinate promotion efforts.

Contractual Channel System

The channel members agree by contract to cooperate with one

Another, e.g. IGA

Expanding worldwide

De-regulation is allowing vertical marketing systems to expand throughout the world

See Exhibit 11-5

BEST CHANNEL SYSTEM = IDEAL EXPOSURE

Ideal market exposure: makes a product available widely enough to satisfy target customers needs but not exceed them.

Too much exposure only increases the total cost of marketing.

Ideal exposure may be: Intensive, selective or exclusive

Intensive Distribution: involves selling a product through all responsive

And suitable wholesalers or retailer who will stock

And sell the product.

Selective Distribution: selling through only those intermediaries who will

Give the product special attention.

Exclusive Distribution: involves selling through only one intermediary in a

Particular geographic area.

This is “the 80/20 rule”

80 percent of a company’s sales often come from only 20 percent of its customer until the firm becomes more selective in choosing customers.

Consignment selling: when such a policy is being used to:

1. Fix the price at which a dealer sells the products so supplied
2. Discriminate between those receiving the product for resale.

Legalities of Limiting Market Exposure

Can’t fix prices or restrict distribution through consignment selling or refusal to supply

CHANNEL SYSTEMS CAN BE COMPLEX

Dual Distribution: involves a producer using several competing channels to

Reach the same target market.

Changes in Distributions can be difficult

Ethical issues as channel members affected differently

Why marketing managers should plan for reverse channels?

Reverse Channels

Channels used to retrieve products that customers no longer

Want.

Marketing managers should plan for reverse channels to allow for product recalls, errors in completing orders, warranty work, recycling orders, warranty work, recycling, and returns by customers.

Reverse channels are also necessary for goods customer service and good customer relations.

Homogeneous Shopping Products: need enough exposure to facilitate price comparison.

Speciality Products: Limited distribution may be acceptable, but should be treated as a convenience or shopping product(in whichever category product would typically be included) to reach persons not yet sold on its specialty product status.

Impulse product: widespread distribution with display at point of purchase.

Тема		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
3. Logistics <small>Логистика</small>		16	8	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp.323-340	Video	Writing an essay	1. www.logisticdirectory.com 2. http://teachers.net/lessons/posts/2428.html

Logistics

Logistics is the art and science of managing and controlling the flow of goods, energy, information and other resources like products, services, and people, from the source of production to the marketplace. It is difficult or nearly impossible to accomplish any international trading, global export/import processes, international repositioning of raw materials/products and manufacturing without a professional logistical support. It involves the integration of information, transportation, inventory, warehousing, material handling, and packaging. The operating responsibility of logistics is the geographical repositioning of raw materials, work in process, and finished inventories where required at the lowest cost possible.

Logistics and Supply Chain services are provided by a wide range of 3rd party suppliers.

The word of logistics originates from the ancient Greek **logos** (λόγος), which means “ratio,

word, calculation, reason, speech, oration”.

Logistics is an idea considered to have transformed from the military's need to supply themselves as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title ‘*Logistikas*’ who were responsible for financial and supply distribution matters.

The Oxford English dictionary defines *logistics* as: “*The branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities.*” Another dictionary definition is: “The time related positioning of resources.” As such, logistics is commonly seen as a branch of engineering which creates “*people systems*” rather than “*machine systems*”....

Logistics as a business concept evolved only in the 1950s. This was mainly due to the increasing complexity of supplying one's business with materials and shipping out products in an increasingly globalized supply chain, calling for experts in the field who are called Supply Chain Logisticians. This can be defined as *having the right item in the right quantity at the right time at the right place for the right price* and is the science of process and incorporates all industry sectors. The goal of logistics work is to manage the fruition of project life cycles, supply chains and resultant efficiencies.

In business, logistics may have either internal focus (inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management). The main functions of a qualified logistician include inventory management, purchasing, transportation, warehousing, consultation and the organizing and planning of these activities. Logisticians combine a professional knowledge of each of these functions so that there is a coordination of resources in an organization. There are two fundamentally different forms of logistics. One optimizes a steady flow of material through a network of transport links and storage nodes. The other coordinates a sequence of resources to carry out some project.

The term is used for describing logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right point in time.

The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminate non-value adding ones. Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency.

The importance of production logistics is getting more and more important with the decreasing batch sizes. In many industries (e.g. mobile phone) batch size one is the short term aim. This way even a single customer demand can be fulfilled in an efficient way. Track and tracing, which is an essential part of production logistics - due to product safety and product reliability issues - is also gaining importance especially in the automotive and the medical industry. One of the major provider of production logistics solutions is FlexLink.

Тема		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
4. Retailers, Wholesalers and Their Strategy Planning		16	8	8
Розничные торговцы и оптовики, их стратегическое планирование				
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp.348-375	Listening to the Tape	Writing a report	Words and phrases dealing with the topic
Retailers, Wholesalers and Their Strategy Planning				

Тема		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
5. Promotion Промоушн		18	10	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp.382-406	Listening to the Tape	Filling in the gaps in the text.	www.campbellsoup.com

Promotion

Promotion is one of the four key aspects of the marketing mix. The other three elements are product management, pricing, and distribution. Promotion involves disseminating information about a product, product line, brand, or company.

Promotion is generally sub-divided in the textbooks into two parts:

- Above the line promotion: Promotion in the media (e.g. TV, radio, newspapers, Internet) in which the advertiser pays an advertising agency to place the ad
- Below the line promotion: All other promotion. Much of this is intended to be subtle enough that the consumer is unaware that promotion is taking place. E.g. sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal selling, public relations, trade shows

The specification of these four variables creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image.

An example of a fully integrated, long-term, large-scale promotion are My Coke Rewards and Pepsi Stuff.

Above the line (ATL) is an advertising technique using mass media to promote brands. Major above-the-line techniques include TV and radio advertising, web and internet banner ads. This type of communication is conventional in nature and is considered impersonal to customers. It differs from **BTL** (Below the line), that believes in unconventional brand-building strategies, such as direct mail and printed media (usually involve no motion graphics). The ATL strategy makes use of current media: television, radio, Outdoor Monitor, and internet.

The term comes from accountancy and is to do with the way in which Procter and Gamble, one of the world's biggest clients, were charged for their media in the 1950s and 1960s. Advertising agencies made so much commission from booking media for clients that the creative generation and actual production costs of making TV ads was free - hence above the line. Everything else they paid for and was therefore below the line. [citation needed]

Since then, models have changed. Clients are no longer charged for their media in that way so the term has changed. [citation needed]

Loosely, above the line still means mass media. However the media landscape has shifted so dramatically that advertisers have reconsidered the definitions of mass media.

For example, the proliferation of TV channels means that there is a far smaller likelihood that millions of people will be watching the same commercial at the same time than that a similar number will walk past the same communication in Wal-Mart.

Obviously the Internet is the one remaining mass communication channel. But when people engage with internet advertising it is usually because they are responding to highly targeted content-driven websites. But can these really be called mass media? Just because it's on the internet doesn't

mean the whole world will look at it.

Increasingly, the skills learnt in below the line advertising such as specific targeting and specification of communication are being used in mass media, particularly the internet. But really, the terms above and below the line are becoming less and less relevant when we talk about advertising. Largely above the line is used as a qualitative statement rather than a strategic one. Agencies still often define themselves as above the line. These tend to be the ones that think that they still have a monopoly over brands and ideas but more and more they are finding that this is not the case.

There are four main aspects of the **Promotional Mix**. These consist of:

Advertising- Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

Examples: Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails.

Personal selling- A process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation.

Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face or via telephone.

Sales promotion- Incentives designed to stimulate the purchase or sale of a product, usually in the short term.

Examples: Coupons, sweepstakes, contests, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions.

Public relations- Non-paid non-personal stimulation of demand for a product, service, or business unit by planting significant news about it or a favourable presentation of it in the media.

Examples: Newspaper and magazine articles/reports, TV and radio presentations, Charitable contributions, speeches, issue advertising, and seminars.

Тема		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
6. Advertising <small>Реклама</small>		18	10	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	BM pp.441-468	Video	Summing up the text	www.scriptorium.lib.duke.edu/ea/

Advertising

Advertising is paid, one-way communication through a medium in which the sponsor is identified and the message is controlled by the sponsor. Variations include publicity, public relations, product placement, sponsorship, underwriting, and sales promotion. Every major medium is used to deliver these messages, including: television, radio, movies, magazines, newspapers, the Internet (see Internet advertising), and billboards.

Advertisements can also be seen on the seats of grocery carts, on the walls of an airport walkway, on the sides of buses, heard in telephone hold messages and in-store public address systems. Advertisements are usually placed anywhere an audience can easily and/or frequently access visuals and/or audio, especially on clothing.

Advertising clients are predominantly, but not exclusively, profit-generating corporations seeking to increase demand for their products or services. Some organizations which frequently spend large sums of money on advertising but do not strictly sell a product or service to the general public include: political parties, interest groups, religion-supporting organizations, and militaries looking for new recruits. Additionally, some non-profit organizations are not typical advertising clients and rely upon free channels, such as public service announcements. For instance, a well-known exception to

the use of commercial advertisements is Krispy Kreme doughnuts which relies on word-of-mouth.

The advertising industry is large and growing. In the United States alone in 2005, spending on advertising reached \$144.32 billion, reported TNS Media Intelligence. That same year, according to a report titled Global Entertainment and Media Outlook: 2006-2010 issued by global accounting firm PricewaterhouseCoopers, worldwide advertising spending was \$385 billion. The accounting firm's report projected worldwide advertisement spending to exceed half-a-trillion dollars by 2010.

While advertising can be seen as necessary for economic growth, it is not without social costs. Unsolicited Commercial Email and other forms of spam have become so prevalent as to have become a major nuisance to users of these services, as well as being a financial burden on internet service providers.^[1] Advertising is increasingly invading public spaces, such as schools, which some critics argue is a form of child exploitation

History



Black-figured lekythos with the inscription: “buy me and you'll get a good bargain”, ca. 550 BC, Louvre

Commercial messages and political campaign displays have been found in the ruins of ancient Arabia. Egyptians used papyrus to create sales messages and wall posters, while lost-and-found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America.

The tradition of wall painting can be traced back to Indian rock-art paintings that date back to 4000 BCE.^[4] As printing developed in the 15th and 16th century, advertising expanded to include handbills. In the 17th century advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote: books and newspapers, which became increasingly affordable due to the printing press; and medicines, which were increasingly sought after as disease ravaged Europe. However, false advertising and so-called "quack" advertisements became a problem, which ushered in the regulation of advertising content.



Edo period advertising flyer from 1806 for a traditional medicine called *Kinseitan*

As the economy expanded during the 19th century, advertising grew alongside. In the United States of America, classified advertisements became popular, filling pages of newspapers with small print messages promoting various goods. The success of this advertising format eventually led to the growth of mail-order advertising.

In 1841, the first advertising agency was established by Volney Palmer in Boston. It was also the first agency to charge a commission on ads at 25% commission paid by newspaper publishers to sell space to advertisers. At first, agencies were brokers for advertisement space in newspapers. N.W. Ayer & Son was the first full-service agency to assume responsibility for advertising content. N.W. Ayer opened in 1875, and was located in Philadelphia.

At the turn of the century, there were few career choices for women in business; however, advertising was one of the few. Since women were responsible for most of the purchasing done in their household, advertisers and agencies recognised the value of women's insight during the creative process. In fact, the first American advertising to use a sexual sell was created by a woman – for a soap product. Although tame by today's standards, the advertisement featured a couple with the message "The skin you love to touch".



A print advertisement for the 1913 issue of the *Encyclopaedia Britannica*

When radio stations began broadcasting in the early 1920s, the programs were aired without advertisements. This was so because the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. As time passed, many non-profit organizations followed suit in setting up their own radio stations, and included: schools, clubs and civic groups.^[5] When the practice of sponsoring programs was popularised, each individual radio program was usually sponsored by a single business in exchange for a brief mention of the business' name at the beginning and end of the sponsored shows. However,

radio station owners soon realised they could earn more money by selling sponsorship rights in small time allocations to multiple businesses throughout their radio station's broadcasts, rather than selling the sponsorship rights to single businesses per show. This practice was carried over to television in the late 1940s and early 1950s.

A fierce battle was fought between those seeking to commercialise the radio and people who argued that the radio spectrum should be considered a part of the commons – to be used only non-commercially and for the public good. The United Kingdom pursued a public funding model for the BBC, originally a private company but incorporated as a public body by Royal Charter in 1927. In Canada, advocates like Graham Spry were likewise able to persuade the federal government to adopt a public funding model. However in the United States, the capitalist model prevailed with the passage of the 1934 Communications Act which created the Federal Communications Commission.^[6] To placate the socialists, the U.S. Congress did require commercial broadcasters to operate in the "public interest, convenience, and necessity".^[7] Nevertheless, public radio does exist in the United States of America.

In the early 1950s, the Dumont television network began the modern trend of selling advertisement time to multiple sponsors. Previously, Dumont had trouble finding sponsors for many of their programs and compensated by selling smaller blocks of advertising time to several businesses. This eventually became the norm for the commercial television industry in the United States. However, it was still a common practice to have single sponsor shows, such as the U.S. Steel Hour. In some instances the sponsors exercised great control over the content of the show - up to and including having one's advertising agency actually writing the show. The single sponsor model is much less prevalent now, a notable exception being the Hallmark Hall of Fame.

The 1960s saw advertising transform into a modern, more scientific approach in which creativity was allowed to shine, producing unexpected messages that made advertisements more tempting to consumers' eyes. The Volkswagen ad campaign--featuring such headlines as "Think Small" and "Lemon" (which were used to describe the appearance of the car)--ushered in the era of modern advertising by promoting a "position" or "unique selling proposition" designed to associate each brand with a specific idea in the reader or viewer's mind. This period of American advertising is called the Creative Revolution and its poster boy was Bill Bernbach who helped create the revolutionary Volkswagen ads among others. Some of the most creative and long-standing American advertising dates to this incredibly creative period.



Public advertising on Times Square, New York City.

The late 1980s and early 1990s saw the introduction of cable television and particularly MTV. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in *for* the advertising message, rather than it being a byproduct or afterthought. As cable and satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising, such as QVC, Home Shopping Network, and ShopTV.

Marketing through the Internet opened new frontiers for advertisers and contributed to the "dot-com" boom of the 1990s. Entire corporations operated solely on advertising revenue, offering everything from coupons to free Internet access. At the turn of the 21st century, the search engine Google revolutionized online advertising by emphasizing contextually relevant, unobtrusive ads intended to help, rather than inundate, users. This has led to a plethora of similar efforts and an increasing trend of interactive advertising.

The share of advertising spending relative to GDP has changed little across large changes in media. For example, in the U.S. in 1925, the main advertising media were newspapers, magazines,

signs on streetcars, and outdoor posters. Advertising spending as a share of GDP was about 2.9%. By 1998, television and radio had become major advertising media. Nonetheless, advertising spending as a share of GDP was slightly lower -- about 2.4%.^[1]

A recent advertising innovation is "guerrilla promotions", which involve unusual approaches such as staged encounters in public places, giveaways of products such as cars that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. This reflects an increasing trend of interactive and "embedded" ads, such as via product placement, having consumers vote through text messages, and various innovations utilizing social networking sites (e.g. MySpace).

Paul McManus, the Creative Director of TBWA\Europe in the late 90's summed up advertising as being "...all about understanding. Understanding of the brand, the product or the service being offered and understanding of the people (their hopes and fears and needs) who are going to interact with it. Great advertising is the creative expression of that understanding."^[citation needed]

Branding

Although advertising has existed for a long time, explicit "branding" is a product of the late 1800s. Due to the prevalence of dangerous products and unregulated industries of the Industrial Revolution, brands were introduced to increase the reputation and value of a particular manufacturer. An identified brand often meant safety and quality.

Mobile Billboard Advertising

Mobile Billboards are flat-panel campaign units in which their sole purpose is to carry advertisements along dedicated routes selected by clients prior to the start of a campaign. Mobile Billboard companies do not typically carry third-party cargo or freight. Mobile displays are used for various situations in metropolitan areas throughout the world, including:

- Target advertising
- One day, and long term campaigns
- Convention
- Sporting events
- Store openings or other similar promotional events
- Big advertisements from smaller companies

Product advertising

Certain products use a specific form of advertising known as "Custom publishing". This form of advertising is usually targeted at a specific segment of society, but may also "draw" the attention of others. The lists are presented in the following box:

Public service advertising

The same advertising techniques used to promote commercial goods and services can be used to inform, educate and motivate the public about non-commercial issues, such as AIDS, political ideology, energy conservation, religious recruitment, and deforestation.

Advertising, in its non-commercial guise, is a powerful educational tool capable of reaching and motivating large audiences. "Advertising justifies its existence when used in the public interest - it is much too powerful a tool to use solely for commercial purposes." - Attributed to Howard Gossage by David Ogilvy

Public service advertising, non-commercial advertising, public interest advertising, cause marketing, and social marketing are different terms for (or aspects of) the use of sophisticated advertising and marketing communications techniques (generally associated with commercial enterprise) on behalf of non-commercial, public interest issues and initiatives.

In the United States, the granting of television and radio licenses by the FCC is contingent upon the station broadcasting a certain amount of public service advertising. To meet these requirements, many broadcast stations in America air the bulk of their required Public Service Announcements during the late night or early morning when the smallest percentage of viewers are watching, leaving more day and prime time commercial slots available for high-paying advertisers.

Public service advertising reached its height during World Wars I and II under the direction of several governments.

[edit] **Types of advertising**

[edit] **Media**



Paying people to hold signs is one of the oldest forms of advertising, as with this Human directional pictured above



A bus with an advertisement for GAP in Singapore. Buses and other vehicles are popular mediums for advertisers.



A DBAG Class 101 with UNICEF ads at Ingolstadt main railway station

Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television ads, web banners, shopping carts, web popups, skywriting, bus stop benches, human directional, magazines, newspapers, town criers, sides of buses or airplanes ("logojets"), taxicab doors, roof mounts and passenger screens, musical stage shows, subway platforms and trains, elastic bands on disposable diapers, stickers on apples in supermarkets, the opening section of streaming audio and video, posters, and the backs of event tickets and supermarket receipts. Any place an "identified" sponsor pays to deliver their message through a medium is advertising.

Another way to measure advertising effectiveness is known as ad tracking. This advertising research methodology measures shifts in target market perceptions about the brand and product or service. These shifts in perception are plotted against the consumers' levels of exposure to the company's advertisements and promotions. The purpose of Ad Tracking is generally to provide a measure of the combined effect of the media weight or spending level, the effectiveness of the media buy or targeting, and the quality of the advertising executions or creative. Ad Tracking Article

Covert advertising

Main article: Product placement

Covert advertising is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an item or other of a definite brand, as in the movie Minority Report, where Tom Cruise's character John Anderton owns a phone with the Nokia logo clearly written in the top corner, or his watch engraved with the Bulgari logo. Another example of

УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

4 курс 8 семестр

Тема 1			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
1. Personal Selling <small>Личные продажи</small>			18	8	10
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	ВМ pp. ВМ pp. 412-435	Listening to the Tape	Writing an article to a newspaper		
<p>Personal Selling</p> <p><i>Personal selling is oral communication with potential buyers of a product with the intention of making a sale. The personal selling may focus initially on developing a relationship with the potential buyer, but will always ultimately end with an attempt to "close the sale"</i></p> <p>Personal selling is one of the oldest forms of promotion. It involves the use of a sales force to support a push strategy (encouraging intermediaries to buy the product) or a pull strategy (where the role of the sales force may be limited to supporting retailers and providing after-sales service).</p> <p>What are the main roles of the sales force?</p> <p>Kotler describes six main activities of a sales force:</p> <p>(1) Prospecting - trying to find new customers</p> <p>(2) Communicating - with existing and potential customers about the product range</p> <p>(3) Selling - contact with the customer, answering questions and trying to close the sale</p> <p>(4) Servicing - providing support and service to the customer in the period up to delivery and also post-sale</p> <p>(5) Information gathering - obtaining information about the market to feedback into the marketing planning process</p> <p>(6) Allocating - in times of product shortage, the sales force may have the power to decide how available stocks are allocated</p> <p>What are the advantages of using personal selling as a means of promotion?</p> <ul style="list-style-type: none"> • Personal selling is a face-to-face activity; customers therefore obtain a relatively high degree of personal attention • The sales message can be customised to meet the needs of the customer • The two-way nature of the sales process allows the sales team to respond directly and promptly to customer questions and concerns • Personal selling is a good way of getting across large amounts of technical or other complex product information 					

- The face-to-face sales meeting gives the sales force chance to demonstrate the product
- Frequent meetings between sales force and customer provide an opportunity to build good long-term relationships

Given that there are many advantages to personal selling, why do more businesses not maintain a direct sales force?

Main disadvantages of using personal selling

The main disadvantage of personal selling is the cost of employing a sales force. Sales people are expensive. In addition to the basic pay package, a business needs to provide incentives to achieve sales (typically this is based on commission and/or bonus arrangements) and the equipment to make sales calls (car, travel and subsistence costs, mobile phone etc).

In addition, a sales person can only call on one customer at a time. This is not a cost-effective way of reaching a large audience.

Personal selling occurs where an individual salesperson sells a product, service or solution to a client. Salespeople match the benefits of their offering to the specific needs of a client. Today, personal selling involves the development of longstanding client relationships. In comparison to other marketing communications tools such as advertising, personal selling tends to:

- Use fewer resources, pricing is often negotiated.
- Products tend to be fairly complex (e.g. financial services or new cars).
- There is some contact between buyer and seller after the sale so that an ongoing relationship is built.
- Client/prospects need specific information.
- The purchase tends to involve large sums of money.

There are exceptions of course, but most personal selling takes place in this way. Personal selling involves a selling process that is summarised in the following Five Stage Personal Selling Process. The five stages are:

1. Prospecting.
2. Making first contact.
3. The sales call.
4. Objection handling.
5. Closing the sale.

A Five Stage Personal Selling Process.

Stage One - Prospecting.

Prospecting is all about finding prospects, or potential new customers. Prospects should be 'qualified,' which means that they need to be assessed to see if there is business potential, otherwise you could be wasting your time. In order to qualify your prospects, one needs to:

- Plan a sales approach focused upon the needs of the customer.
- Determine which products or services best meet their needs.
- In order to save time, rank the prospects and leave out those that are least likely to buy.

Stage Two - Making First Contact.

This is the preparation that a salesperson goes through before they meet with the client, for example via e-mail, telephone or letter. Preparation will make a call more focused.

- Make sure that you are on time.
- Before meeting with the client, set some objectives for the sales call. What is the purpose of the call? What outcome is desirable before you leave?
- Make sure that you've done some homework before meeting your prospect. This will show that you are committed in the eyes of your customer.
- To save time, send some information before you visit. This will wet the prospect's appetite.
- Keep a set of samples at hand, and make sure that they are in very good condition.
- Within the first minute or two, state the purpose of your call so that time with the client is maximised, and also to demonstrate to the client that you are not wasting his or her time.
- Humour is fine, but try to be sincere and friendly.

Stage Three - The Sales Call (or Sales Presentation).

It is best to be enthusiastic about your product or service. If you are not excited about it, don't expect your prospect to be excited.

Focus on the real benefits of the product or service to the specific needs of your client, rather than listing endless lists of features.

Try to be relaxed during the call, and put your client at ease.

Let the client do at least 80% of the talking. This will give you invaluable information on your client's needs.

Remember to ask plenty of questions. Use open questions, e.g. TED's, and closed questions i.e. questions that will only give the answer 'yes' or the answer 'no.' This way you can dictate the direction of the conversation.

Never be too afraid to ask for the business straight off.

Stage Four - Objection Handling.

Objection handling is the way in which salespeople tackle obstacles put in their way by clients. Some objections may prove too difficult to handle, and sometimes the client may just take a dislike to you (aka the hidden objection). Here are some approaches for overcoming objections:

- Firstly, try to anticipate them before they arise.
- 'Yes but' technique allows you to accept the objection and then to divert it. For example, a client may say that they do not like a particular colour, to which the salesperson counters 'Yes but X is also available in many other colours.'
- Ask 'why' the client feels the way that they do.
- 'Restate' the objection, and put it back into the client's lap. For example, the client may say, 'I don't like the taste of X,' to which the salesperson responds, 'You don't like the taste of X,' generating the response 'since I do not like garlic' from the client. The salesperson could suggest that X is no longer made with garlic to meet the client's needs.
- The sales person could also tactfully and respectfully contradict the client.

Stage Five - Closing the Sale.

This is a very important stage. Often salespeople will leave without ever successfully closing a deal. Therefore it is vital to learn the skills of closing.

- Just ask for the business! - 'Please may I take an order?' This really works well.
- Look for buying signals (i.e. body language or comments made by the client that they want to place an order). For example, asking about availability, asking for details such as discounts, or asking for you to go over something again to clarify.
- Just stop talking, and let the client say 'yes.' Again, this really works.
- The 'summary close' allows the salesperson to summarise everything that the client needs, based upon the discussions during the call. For example, 'You need product X in blue, by Friday, packaged accordingly, and delivered to your wife's office.' Then ask for the order.
- The 'alternative close' does not give the client the opportunity to say no, but forces them towards a yes. For example 'Do you want product X in blue or red?' Cheeky, but effective.

So this is the Five Stage Personal Selling Process. Now have a go at it yourself by completing the lesson.

Тема 2		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
2. Pricing Objectives <small>Цели ценообразования</small>		16	8	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp.474-479	Listening to the Tape	Writing a report	

Pricing Objectives

Pricing objectives or goals give direction to the whole pricing process. Determining what your objectives are is the first step in pricing. When deciding on pricing objectives you must consider: 1) the overall financial, marketing, and strategic objectives of the company; 2) the objectives of your product or brand; 3) consumer price elasticity and price points; and 4) the resources you have available.

Some of the more common pricing objectives are:

- maximize long-run profit
- maximize short-run profit
- increase sales volume (quantity)
- increase dollar sales
- increase market share
- obtain a target rate of return on investment (ROI)
- obtain a target rate of return on sales
- stabilize market or stabilize market price: an objective to stabilize price means that the marketing manager attempts to keep prices stable in the marketplace and to compete on non-price considerations. Stabilization of margin is basically a cost-plus approach in which the manager attempts to maintain the same margin regardless of changes in cost.
- company growth
- maintain price leadership
- desensitize customers to price
- discourage new entrants into the industry
- match competitors prices
- encourage the exit of marginal firms from the industry
- survival
- avoid government investigation or intervention
- obtain or maintain the loyalty and enthusiasm of distributors and other sales personnel
- enhance the image of the firm, brand, or product
- be perceived as "fair" by customers and potential customers
- create interest and excitement about a product
- discourage competitors from cutting prices
- use price to make the product "visible"
- build store traffic
- help prepare for the sale of the business (harvesting)
- social, ethical, or ideological objectives
- get competitive advantage

Retrieved from "http://en.wikipedia.org/wiki/Pricing_objectives"

Тема 3			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
3. Pricing Policies <small>Политика ценообразования</small>			16	8	8
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	ВМ pp. 479-498	Listening to the Tape	Writing an essay		
Pricing Policies					
Does your pricing maximize your revenue opportunities? A recent episode of "The Apprentice" underscores the importance of packaging and merchandising to pricing and, ultimately,					

profitability.

Two teams competed to sell the most M-Azing candy bars. The winners packaged the chocolate with the "Amazing Sisters," two attractive blondes in short skirts. The augmented offering sold for a whopping \$5, yielding higher profits than the other team's candy.

The losing team undermined the value of its product with a combination of generic pricing, an established \$3 price for a basic candy bar; anxiety pricing, whatever customers were willing to pay (under the \$3 price point); and "flasher pricing," \$20 for a view of a contestant's underwear with a candy bar.

Like the contestants, marketers too often underestimate the strategic importance of pricing. As a result, they don't optimize revenue potential. To avoid this, examine your offering's benefits, both tangible and intangible, in fulfilling the consumer's specific needs. Consider how you can move your product from generic, including only its core physical attributes, to augmented, including additional features to enhance the offering and enabling you to charge more. In doing so, be careful how customers perceive the offering.

To increase annual subscriptions, for example, an online publishing client considered bundling subscriptions with \$25 worth of merchandise its target market valued. The merchandise retailed on its Web site. The strategy instead *decreased* the value of my client's subscription in subscribers' eyes. Customers considered the subscription worth the full subscription price -- but minus the merchandise value.

Pricing Factors to Consider

- **Determine primary and secondary market segments.** This helps you better understand the offering's value to consumers. Segments are important for positioning and merchandising the offering to ensure maximized sales at the established price point.
- **Assess the product's availability and near substitutes.** Underpricing hurts your product as much as overpricing does. If the price is too low, potential customers will think it can't be that good. This is particularly true for high-end, prestige brands. One client underpriced its subscription product, yielding depressed response and lower sales. The firm underestimated the uniqueness of its offering, the number of close substitutes, and the strength of the consumer's bond with the product. As a result, the client could increase the price with only limited risk to its customer base. In fact, the initial increase resulted in more subscribers as the new price was more in line with its consumer-perceived value.
- **Survey the market for competitive and similar products.** Consider whether new products, new uses for existing products, or new technologies can compete with or, worse, leapfrog your offering. Examine all possible ways consumers can acquire your product. I've worked with companies that only take into account [direct competitors](#) selling through identical channels. Don't limit your analysis to online distribution channels. Competitors may define your price range. In this case, you can price higher if consumers perceive your product and/or brand is significantly better; price on parity if your product has better features; or price lower if your product has relatively similar features to existing products. An information client faced this situation with a premium product. Its direct competitors established the price for a similar offering. As the third player in this segment, its choices were price parity with an enhanced offering or a lower price with similar features.
- **Examine market pricing and economics.** A paid, ad-free site should generate more revenue than a free ad-supported one, for example. In considering this option, remember to incorporate the cost of forgone revenue, especially as advertisers find paying customers more attractive. To gain additional insight from this analysis, observe consumers interacting with your product to better understand their connection to it. This can yield insights into how to package and promote the offering that can affect on pricing, features, and incentives.
- **Calculate the internal cost structure and understand how pricing interacts with the offering.** I recommended a content client promote its advertising-supported free e-zines to incent readers to register. The client believed the e-zines had no value as the content was

repurposed from another product, so it didn't advertise them. Yet the repurposed content was exactly what readers viewed as a benefit. By undervaluing its offering, the client missed an opportunity to increase registrations and, hence, advertising revenues with a product that effectively had no development costs.

- **Test different price points if possible.** This is important if you enter a new or untapped market, or enhance an offering with consumer-oriented benefits. To determine price, MarketingExperiments.com [tested three different price points](#) for a book. It found the highest price yielded the greatest product revenue. Interestingly, the middle price yielded greater revenue over time, as it generated more customers to whom other related products could be marketed.
- **Monitor the market and your competition continually to reassess pricing.** Market dynamics and new products can influence and change consumer needs.

Pricing is tricky, as "The Apprentice" contestants learned. Optimally, you should test to determine the best price and understand long-term goals. Determine price based on a number of factors. Most important is what potential customers are willing to pay and their value to your company over time. You don't want to hear, "You're fired," when it comes to pricing policies.

Тема 4			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
4. Price Setting in Business World			16	8	8
<i>Ценообразование</i>					
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and phrases dealing with the topic	ВМ pp.504-530	Listening to the Tape	Writing a report	www.sportingauction.com	

Price Setting in Business World

In economics and business, the **price** is the assigned numerical monetary value of a good, service or asset.

The concept of price is central to microeconomics where it is one of the most important variables in resource allocation theory (also called price theory).

Price is also central to marketing where it is one of the four variables in the marketing mix that business people use to develop a marketing plan.

Conventional definition

In ordinary usage, price is the quantity of payment or compensation for something. People may say about a criminal that he has 'paid the price to society' to imply that he has paid a penalty or compensation. They may say that somebody paid for his folly to imply that he suffered the consequence.

Economists view price as an exchange ratio between goods that pay for each other. In case of barter between two goods whose quantities are x and y, the price of x is the ratio y/x , while the price of y is the ratio x/y .

This however has not been used consistently, so that old confusion regarding value frequently reappears. The value of something is a quantity counted in common units of value called numeraire, which may even be an imaginary good. This is done to compare different goods. The unit of value is frequently confused with price, because market value is calculated as the quantity of some good multiplied by its nominal price.

Theory of price asserts that the market price reflects interaction between two opposing considerations. On the one side are demand considerations based on marginal utility, while on the other side are supply considerations based on marginal cost. An equilibrium price is supposed to be at once equal to marginal utility (counted in units of income) from the buyer's side and marginal cost

from the seller's side. Though this view is accepted by almost every economist, and it constitutes the core of mainstream economics, it has recently been challenged seriously.

There was time when people debated use-value versus exchange value, often wondering about the Diamond-Water Paradox (paradox of value). The use-value was supposed to give some measure of usefulness, later refined as marginal benefit (which is marginal utility counted in common units of value) while exchange value was the measure of how much one good was in terms of another, namely what is now called relative price.

[edit] Relative and nominal price

The difference between nominal price and relative or real price (as exchange ratio) is often made. Nominal price is the price quoted in money while relative or real price is the exchange ratio between real goods regardless of money. The distinction is made to make sense of inflation. When all prices are quoted in terms of money units, and the prices in money units change more or less proportionately, the ratio of exchange may not change much. In the extreme case, if all prices quoted in money change in the same proportion, the relative price remains the same.

It is now becoming clear that the distinction is not useful and indeed hides a major confusion. The conventional wisdom is that proportional change in all nominal prices does not affect real price, and hence should not affect either demand or supply and therefore also should not affect output. The new criticism is that the crucial question is why there is more money to pay for the same old real output. If this question is answered, it will show that dynamically, even as the real price remains exactly the same, output in real terms can change, just because additional money allow additional output to be traded. The supply curve can shift such that at the old price, the new higher output is sold. This shift if not possible without additional money.

From this point of view, a price is similar to an opportunity cost, that is, what must be given up in exchange for the good or service that is being purchased. For example, if $x=1$ and $y=2$, the relative price of x in terms of y is 2, and the price of y in terms of x is 0.5.

The price of an item is also called the **price point**, especially where it refers to stores that set a limited number of price points. For example, Dollar General is a general store or "five and dime" store that sets price points only at even amounts, such as exactly one, two, three, five, or ten dollars (among others). Other stores (such as dollar stores, pound stores, euro stores, 100-yen stores, and so forth) only have a single price point ($\$1$, $\pounds 1$, $\text{€}1$, $\text{¥}100$), though in some cases this price may purchase more than one of some very small items.

[edit] Marxian price theory

In Marxian economics, it is argued that price theory must be firmly grounded in the *real history of economic exchange* in human societies. Money-prices are viewed as the monetary expression of exchange-value. Exchange-value can however also be expressed in trading ratios between quantities of different types of goods.

In Marxian economics, the increasing use of prices as a convenient way to measure the economic or trading value of labor-products is explained historically and anthropologically, in terms of the development of the use of money as universal equivalent in economic exchange. However, in an anthropological-historical sense, Marxian economists argue a "price" is not necessarily a sum of money; it could be whatever the owner of a good gets in return, when exchanging that good. Money prices are merely the most common form of prices.

Marxian economists distinguish very strictly between *real* prices and *ideal* prices. Real prices are actual market prices realized in trade. Ideal prices are hypothetical prices which would be realized *if* certain conditions would apply. Most equilibrium prices are hypothetical prices, which are never realized in reality, and therefore of limited use, although notional prices can influence real economic behavior.

According to Marxian economists, while all labor-products existing in an economy have economic *value*, only a minority of them have *real* prices; the majority of goods and assets at any time are not being traded, and they have at best a *hypothetical* price. Six criticisms Marxian economists make of neoclassical economics are that neoclassical price theory:

- is not based on any substantive, realistic theory of economic exchange as a social process,

- and simply assumes that exchange will occur;
- simply assumes prices can be attached or imputed to all goods and services;
- assumes equilibrium prices will exist and that markets tend spontaneously to equilibrium prices;
- fails to distinguish adequately between actual market prices; administered prices; and ideal, accounting, or hypothetical prices.
- disconnects price theory from the real economic history of the use of prices.
- is unable to provide a coherent explanation of the relationship between price and economic value.

[edit] Austrian theory

The last objection is also sometimes interpreted as the paradox of value, which was observed by classical economists. Adam Smith described what is now called the *Diamond – Water Paradox*: diamonds command a higher price than water, yet water is essential for life, while diamonds are merely ornamentation. One solution offered to this paradox is through the theory of marginal utility proposed by Carl Menger, the father of the Austrian School of economics.

As William Barber put it, human volition, the human subject, was "brought to the centre of the stage" by marginalist economics, as a bargaining tool. Neoclassical economists sought to clarify choices open to producers and consumers in market situations, and thus "fears that cleavages in the economic structure might be unbridgeable could be suppressed".

Without denying the applicability of the Austrian theory of value as *subjective* only, within certain contexts of price behavior, the Polish economist Oskar Lange felt it was necessary to attempt a serious *integration* of the insights of classical political economy with neo-classical economics. This would then result in a much more realistic theory of price and of real behavior in response to prices. Marginalist theory lacked anything like a theory of the social framework of real market functioning, and criticism sparked off by the capital controversy initiated by Piero Sraffa revealed that most of the foundational tenets of the marginalist theory of value either reduced to tautologies, or that the theory was true only if counter-factual conditions applied.

One insight often ignored in the debates about price theory is something that businessmen are keenly aware of: in different markets, prices may not function according to the same principles except in some very abstract (and therefore not very useful) sense. From the classical political economists to Michal Kalecki it was known that prices for industrial goods behaved differently from prices for agricultural goods, but this idea could be extended further to other broad classes of goods and services.

- Wages, Prices & Living Standards: The World-Historical Perspective
- Historicalstatistics.org Links to historical statistics on prices

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Тема 5		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
5. Ethical Marketing <small>Этика маркетинга</small>		18	10	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp. 624-640	Video	Filling in the gaps in the text.	www.ikea.com

Ethical Marketing

Ethical marketing is an honest and factual representation of a product, delivered in a framework of cultural and social values for the consumer. It promotes qualitative benefits to its customers, which other similar companies, products or services fail to recognise. The concern with ethical issues, such as child labour, working conditions, relationships with third world countries and

environmental problems, has changed the attitude of the Western World towards a more socially responsible way of thinking. This has influenced companies and their response is to market their products in a more socially responsible way.

The increasing trend of fair trade is an example of the impact of ethical marketing. The idea of fair trade is that consumers pay a guaranteed commodity price to a small group of producers. The producers agree to pay fair labour prices and conserve the environment. This agreement sets the stage for a commerce that is ethically sound.

The philosophy of marketing is not lost with this newfound ethical slant, but rather hopes to win customer loyalty by reinforcing the positive values of the brand, creating a strong citizen brand. However, this new way of thinking does create new challenges for the marketer of the 21st century, in terms of invention and development of products to add long-term benefits without reducing the product's desirable qualities.

Ethical marketing should not be confused with government regulations brought into force to improve consumer welfare, such as reduce carbon dioxide emissions to improve the quality of the air. Enlightened ethical marketing is at work when the company and marketer recognise further improvements for humankind unrelated to those enforced by the government. By way of example, the Coop Group refuses to invest money in tobacco, fur and any countries with oppressive regimes.

Тема 6		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
6. World-known Marketers <small>Всемирно известные маркетологи</small>		18	10	8
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	ВМ pp.670-682	Listening to the Tape	Summing up the text	

УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

5 курс 9 семестр

Тема 1		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
1. Revision of the Forth Course Topics <small>Повторение тем за 4 курс</small>		8	4	4
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic			Writing an article to a newspaper	

Тема 2		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
2. Developing a Marketing Plan <small>Разработка маркетингового плана</small>		14	10	4
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет

Words and phrases dealing with the topic	BM pp.592-618	Writing a report	www.sbponline.com
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Developing a Marketing Plan

VOCABULARY NOTES

Look up the following words and word-combinations in the dictionary to make your text reading more **comfortable (sensible)**

ad=advertising	advantage	to challenge
a slate of advertising	to provide	turf
to run ads	foothold	to support
to trust	to be obsessed with	cheapskate

CULTURAL NOTES

Cool Aid – <http://www.kraftfoods.com/koolaid>

Kool-Aid - растворимый напиток наподобие некогда известных у нас Yuppi! или Invite.

Procter & Gamble - <http://www.procterandgamble.ru>, и <http://www.pg.com>

В настоящее время Компания является мировым лидером в производстве и сбыте потребительских товаров и продукции производственного назначения. "Procter & Gamble", главный офис которой находится в Цинциннати (штат Огайо, США) реализует свою продукцию более чем в 140 странах. За 160 лет, прошедших с момента ее основания, "Procter & Gamble" превратилась в компанию с годовым оборотом более 35 миллиардов долларов. Численность ее сотрудников во всем мире составляет около 110 тысяч человек. Компания производит свыше 40 групп изделий, и в ассортименте ее продукции входит более 300 наименований. Компания представляет в России более 24 своих торговых марок, таких как Ariel, Tide, Fairy, Blend-a-med, Pampers, Always, Pantene, Clairol, и имеет лидирующие доли рынка в 3/4 категорий товаров, где она представлена (прежде всего, моющие средства, шампуни и зубные пасты).

American Express - https://home.americanexpress.com/home/mt_personal.shtml?

American Express – многопрофильная международная компания. Основанная в 1850 г., сегодня компания American Express занимает лидирующие позиции в сфере туризма, выпуска и обслуживания дорожных чеков и пластиковых карт, а также на рынке международных банковских услуг. American Express считается одним из самых дорогостоящих брендов в мире, его стоимость оценивается в 19.64 миллиардов долларов США (по данным компании Interbrand, 2006). На сегодняшний день в компании работают более 65 300 сотрудников по всему миру. Чек American Express – это платежный документ, представляющий собой денежное обязательство эмитента, выпустившего чек (компании American Express), выплатить обозначенную в чеке сумму (иногда с небольшой банковской комиссией) владельцу, образец подписи которого поставлен на чек в момент продажи. Наиболее важной отличительной чертой всех чеков American Express является возможность возмещения их номинальной стоимости в случае утраты обычно в течение 24 часов.

MCI - <http://www.mci.com/>

Microwave Communications, Inc. - имя происходит от первоначального названия одного из ведущих операторов дальней телефонной связи США, позже эта фирма стала корпорацией.

Fortune – <http://www.fortune.com/fortune>

Журнал «Форчун» - один из лидеров деловой прессы, освещающий тенденции развития мирового бизнеса, публикующий статьи, посвященный отдельным компаниям. Во всем мире широкое признание получили регулярно публикуемые журналом списки крупнейших компаний мира.

BRUSH UP YOUR MARKETING BASICS

brand marketing
to embrace smart marketing
consumer
customer's needs
benefits
volume of advertising
impact of the message
positioning

CREATING A PLAN

About fifteen years ago, classical brand marketing reached its peak. The idea behind brand marketing was simple: buy a slate of advertising in national media, run ads, and wait for people to come to the store and buy your product. Classical brand marketing turned Cool Aid into a \$600 million business, built Procter & Gamble into a money machine, and even worked for service businesses like American Express and MCI.

All of sudden, all of these Fortune 500 companies, together with hundreds of thousands of smaller businesses, have changed course completely and embraced smart marketing. **Why now? There are many reasons, including increased skepticism among consumers, increased competition, and a fragmentation of the mass media.**

In order to sell a product or a service, a company must establish a relationship with the consumer. It must build trust and support. It must understand the customer's needs, and it must provide a product that delivers the promised benefits.

Smart marketers use every technique available to gain a foothold in the consumer's mind. With modern marketing, the focus changes from the *volume* of advertising to the *impact* of the message. The marketers would rather reach ten people with a message that works than 100 people with one that doesn't.

The marketer must be obsessed with benefits. Whenever offering a product or service, he/she focuses on how it will benefit the consumer and builds everything—the product, the delivery, the marketing—around that benefit.

The smart marketer understands positioning. He/she knows that challenging the market leader on his turf is foolish—an invitation to disaster. Instead, the smart marketer maneuvers *around the* leader, repositioning him to his/her advantage. Every self-respecting smart marketer can recite the position of his/her product or service in one or two sentences.

The smart marketer is a cheapskate. She knows that every dollar allocated to marketing is essential, and she doesn't plan to waste a penny. But she's not foolish. When necessary, she hires the best designers, media planners, and experts in the business—she realizes that the best is often the cheapest in the end.

Most of all, the smart marketer is committed. She/he understands that marketing doesn't work overnight. By setting a goal and sticking to it, the smart marketer has an easier time of dealing with the inevitable setbacks that occur. The smart marketer knows that path to marketing success is filled with failed marketers who gave up just a little too soon.

THREE REASONS WHY MARKETERS FAIL

Lack of Commitment

If you don't believe in your product, or if you're not consistent and regular in the way you promote it, the odds of succeeding go way down. **The primary function of the marketing plan is to ensure that you have the resources and the wherewithal to do what it takes to make your product work.**

Lack of a Clear Benefit

It seems so obvious, but few marketers understand that you must **SELL SOMETHING PEOPLE WANT**. Without getting close to your customer, doing the research, and looking hard at what you have to offer, you're unlikely to stumble onto a hit. Too often, companies look at their skills or their factory and invent a new product or service that will be easy for them to make. That's the last reason to offer a product. Customers don't care about your skills or inventory. They want to know what's in it for them.

Poor Positioning

Sometimes there is no position available in a crowded or depressed market. But markets where there are no positions available are few and far between. More often, marketers make the mistake of going up against a market leader on his own turf. As the marketing plan takes you through the positioning segment, pay careful attention. The best product and the best execution won't help if a market leader is selling the same benefit in the same way for half the price.

WHY A MARKETER NEEDS A PLAN

Why is a marketing plan so important? Very few businesses have an accounting plan or a manufacturing plan, so why the focus on marketing?

Unlike most other aspects of your business, marketing involves unquantifiable risks. There's just no way to know how your ad is going to pull, how many people will come to your grand opening, or what sort of word of mouth you'll be able to generate.

One way to deal with this uncertainty is to ignore it. Many businesses blindly plod along, investing money in marketing when business is good, cutting back when sales go down. (Does that sound as silly to you as it does to us?) When an ad campaign doesn't pull right away, they kill it quickly. When it works well, they soon tire of it and move on to something new.

The smart marketer understands that a marketing plan is the first key to success. Zig Ziglar tells the story of the airplane pilot who takes off on a flight from Dallas to New York, gets blown a little off course, and returns to the airport and starts again. Obviously, very few flights would get to their destinations if pilots were this shaky in their ability to deal with setbacks. The secret of a marketing plan is that it will enable you to see your ultimate goal with clarity, making minor setbacks and failures along the way unimportant. Just as important, a plan helps you communicate your vision to employees, ad agencies and investors. When completed, your plan will outline seven critical elements in your approach to marketing.

THE SEVEN CRITICAL ELEMENTS OF YOUR MARKETING PLAN

1. The benefit to consumers
2. Your positioning in the marketplace: What business are you in?
3. Your target market
4. Your advertising strategy and positioning
5. Your budget
6. The tools and techniques you'll use to reach your audience
7. A month-by-month implementation timetable

Тема 3		Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
3. Implementing a Marketing Plan		12	8	4
<small>Внедрение маркетингового плана</small>				
Лексика	Грамматика (повторение)	Аудирование	Письмо	Интернет
Words and phrases dealing with the topic	BM pp. 536-562	Video	Writing an essay	www.copernicusmarketing.com

STEP I: THE BENEFIT TO CONSUMERS

The only products or services that succeed are those that offer a benefit to consumers that is greater than their cost. If necessary, write that on a big sign and post it over your desk. It is the obvious but often overlooked key to marketing.

Marketers frequently confuse features and benefits. Features are elements of a product that deliver a benefit. A quick look at the following table will help you remember the difference:

Feature	Benefit
Airbags	Lowered risk of serious injury
Large type	Ease of reading
Digital recording	Hiss-free listening
Soft leather sneakers	More comfortable walking
Mercedes Benz logo	Increased self-esteem based on status

Think about the last time you went to buy a new car. You probably thought about what you wanted: safety for your family, low operating costs, lots of room for the kids, etc. It's not too hard to translate these benefits into features: airbags, good gas mileage, an extra-large trunk, etc. But it's the benefit, not the feature, that sells the car.

But what do people want? In our rapidly evolving consumer-based society, understanding the answer to this question can unlock the potential of your marketing campaign. As soon as you can distinguish between wants and basic needs, as soon as you understand how to talk directly to the consumer's psyche, you can begin to establish your role in their life.

Most Americans have everything they need to survive. They have enough food to eat and a place to sleep. Most marketers are no longer concerned about satisfying these basic needs. Instead, they're focusing on consumers' wants and desires. Here's a partial sampling of what people want:

- > To be safe
- > To be happy
- > To have fun
- > To eat delicious foods
- > To be attractive

• *BEING CHEAPER IS NOT ENOUGH*

The marketing trash heap is filled with people who have created products just like brand x, but cheaper. Even if you could offer a bottle of perfume that smell just like Chanel No. 5, you're unlikely to convert the bulk of the audience. Understand that people rarely choose products solely on price (when was the last time you ate canned chicken breast?). If that's the only benefit, it probably means you should try again.

- To be successful
- To like themselves
- To be liked by other people
- To protect their family and friends
- To be free from pain

Here's a list of best-selling products. All of them sell for many times their manufacturing cost, which means that customers are paying for more than the products themselves. See if you can determine which of the key desires these products position themselves to satisfy.

best-selling products	key desires these products position themselves to satisfy
Coca-Cola Master locks Volvo cars Marlboro cigarettes Hostess Twinkies American Express cards	

Mastering the list of what people want and communicating the benefits of your product are crucial steps in understanding marketing. No successful guerrilla would build a marketing plan without keeping these desires in mind.

• **BENEFITS EXERCISE**

Choose a branded product that you and your family use— toothpaste, luxury car, perfume, clothing, etc. Then make an honest list of the benefits that the product offers. You 'll probably be surprised at how little these benefits have to do with the actual utility of the product.

<i>branded product that you use</i>	<i>benefits that the product offers</i>

IS YOUR BUSINESS A COMMODITY?

It's easy to fall into the trap of believing that the only reason people buy from you is price. After all, your competitors offer virtually the same product. The problem is that commodities— salt, sugar, and airline seats, to name a few—are notorious for low profits.

You can transform virtually any commodity into a branded product by focusing on your customer and delivering exactly what they want. King Arthur created a branded flour, Nucor makes branded steel, Evian even turned ordinary water into a product people will pay a premium for.

STEP 2: WHAT BUSINESS ARE YOU IN?

You'd be amazed how much easier it is to succeed when you create a product or service that people really want. Some examples:

>• Musicals and plays open and close on Broadway all the time. Marketers struggle to fill the seats and keep the theaters (barely) afloat. Ricky Jay, a closeup magician, opened on the edge of the Broadway theater district on February 10th. By February 15th, every seat at every show was sold out. He added four more weeks of shows in March. Those tickets sold out in six hours. The reason has not got that much to do with marketing tools and everything to do with benefits—Ricky Jay was offering a small segment of people exactly what they wanted.

>- Federal Express was the first company to offer overnight service to virtually everywhere in the country at an affordable rate. Once people tried FedEx, they were hooked. It wasn't that hard to persuade first-time customers that overnight delivery was a service they couldn't live without. Again, the benefit here *is so* obvious, so tangible, that Fedex doesn't have to spend much *time persuading business customers to send stuff overnight.*

>- Southwest Airlines opened service to a number of cities that already had quite a few major airlines, including American and United. Yet their flights were quickly booked. People liked the low fares, the friendly people, and the excellent service.

What do these successes have in common? In each case the marketers identified a genuine need on

the part of customers to use their service. They offered a clear and distinct benefit, and positioned themselves to reach consumers with a personal message about how their lives would be better once they used this product or service.

Critics tell us that this is too obvious. "Of course," they say, "you should offer a product that people want." Maybe the fact that this is so obvious explains why so many people ignore it. Take a look at the movie flops in the video store, or the expensive failures in the supermarket. Fingos breakfast cereal was launched with a \$32 million marketing campaign. After first year sales stalled at \$22 million, the marketers gave up. While the idea behind the cereal seemed appealing, it just wasn't something consumers were willing to pay for.

The hard part is figuring out what sort of product or service people are going to line up for. When Microsoft creates a new word processor, they go through more than 10,000 hours of consumer testing, surveys, and feedback. You can be sure that the products they make appeal to a wide range of computer users. On the other hand, most businesses don't even bother to ask their best customers for ideas for new products.

If you're not Microsoft, how can you introduce a product and maximize the chances that it will succeed? A little planning can go a long way. Let's start the process.

First, write down the product or service you offer or plan to offer:

Don't be shy. Write directly in the book—it's more permanent that way. Be as specific as possible. Don't say, "a grocery store." Say, "a gourmet grocery store stocking 10,000 items, located in the swank village of Williamsville."

List the features that your product will offer that are different from or better than your competitors':

Domino's Pizza is a great example of how understanding your customers' desires can help grow a business. Most pizza lovers agree that Domino's is not the best pizza you can buy. But it is the fastest and most convenient. By staying close to his customers, Tom Monaghan understood that college students (his original market) wanted fast and easy food, not necessarily gourmet quality. Many competitors have been stymied trying to offer a better pizza instead of a pizza that gave customers what they wanted.

Remember, if you think you can differentiate your business on price, you're probably mistaken. Customers are far more frequently motivated by service, speed, quality, or other non-monetary attributes.

Now identify the benefits of using your product. How will you make the user's life better? Remember, list benefits, not features.

Take a look at the benefits you've listed. Are they substantially better than your competition? If not, what will compel consumers to switch?

Тема 4			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
4. Controlling a Marketing Plan			8	4	4
<small>Контроль за маркетинговым планом</small>					
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
Words and			Writing a report		

Controlling a Marketing Plan

STEP 3: WHO'S THE PRODUCT FOR?

Once you've established the benefits of your product, you've implicitly identified a target market. A fishing lure, for example, that is guaranteed not to prick your finger, is probably not aimed at infants or vegetarians—it's for anglers. Now segment your market even further. Exactly who wants and needs your product?

If you said "everyone," try again. There are very few products that appeal to everyone. Usually that's shorthand for "no one really wants this product a lot, everyone wants it a little." Use the space below to identify exactly who wants your product the most. Talk about their age, income, shoe size, race, musical taste, height—whatever differentiates your market. Can you identify what magazines they read? What TV shows they watch?

If you're having trouble identifying a market, it may be time to start again. But this time, work backward. Start with the market first, then create a product especially for that market. For example, you might discover that widowed women over 70, living in south Florida, have trouble getting their prescriptions filled. Solving this problem would create an obvious benefit.

Once you've identified your target market, it's time to test your thinking. You'll need to find a dozen or so members of your target market and assemble them for a focus group. This is a decidedly unscientific way to get feedback on your ideas, but a lot better than nothing.

Invite the focus group out to dinner or to your office for coffee. Sit them in a comfortable room and start asking questions. Ask them about what they use now to achieve the benefits you're offering. Ask them what they like about the product or service—and what they don't like. Find out how much they pay for the benefit you're offering. Let them talk. Best of all, let them disagree with each other.

You don't have to run a focus group in person. If your market is scattered, try using an on-line computer service or a mail-in survey to get feedback. If it turns out that you've completely misjudged your market (a likely scenario), then you'll have to go back to step one and try again.

After you've worked your way through this process (and it may take a few tries) you will know the benefits you're offering to your target market. Turn this knowledge into a one- or two-sentence marketing statement that makes it clear what you have to offer and to whom you are offering it. For example:

- >• Hard Manufacturing offers reliable, hassle-free hospital cribs to pediatric nurses at major hospitals.
- > Boston Chicken offers healthy, delicious, homemade-tasting chicken meals to busy families.
- > Marlboro cigarettes offer a feeling of ruggedness and freedom to urban youth around the world searching for the American dream.
- > Dr. Johnson offers pain-free dentistry (that children might even find fun) in the 10070 zip code.

Notice that in each case you can clearly visualize the audience—in some cases, like Dr. Johnson or Hard Manufacturing, you could even buy a mailing list of every possible customer. This precision is critical in reaching your market.

IMPORTANT m Remember that a focus group doesn't present a statistically significant sample. If 9 out of 12 people in the focus group independently endorse your product, it doesn't mean you're

guaranteed to succeed. This isn 't a survey. Instead, it is a, chance for you to hear your customers' wants and desires in their own words.

STEP 6: CHOOSING YOUR TOOLS

Once you've determined your budget, it's time to read Section Two of this / Look through each tool and decide if it is a cost-effective way to reach your get market. As you find each tool that appeals to you, write it down here.

<i>TOOL</i>	COST PER USE	MONTHLY FREQUENCY	MONTHLY COJ

STEP

7: IMPLEMENTING A MONTH-BY-MONTH MARKETING TIMETABLE

Once you've ranked the tools that appeal to you, fill in this grid to determine your media plan:

TOOL	JAN	FAB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

TOOL				COST PER USE				MONTHLY FREQUENCY				MONTHLY COST	
TOOL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	

Here are two extra charts to use when creating alternate plans

Before spending a dollar on media, ask yourself these questions to be sure you're ready to start:

- 1. What benefit do you offer the consumer?
- 2. Exactly who is your consumer? Be specific.
- 3. What is your position relative to your competitors?
- 4. What barriers exist to keep others from stealing your market share?
- 5. How will you (personally) communicate with your customers?
- 6. How will you measure the response of your promotions?
- 7. Do you have sufficient inventory and manpower to deal with increased demand?
- 8. Have you worked through the non-media tools to ensure that you've established the framework for a successful media campaign?
- 9. What is your month-by-month media plan? Have you planned for enough frequency with your target market? Do you have enough money budgeted to support the plan even if initial sales are weak?

(Attach a copy of your marketing plan here)

- 10. Does your media meet your tactical and strategic goals, or is it just pretty?

If your company already exists, audit your company's position. Make a simple questionnaire and send it to your employees, asking the following:

- >• Who is our target customer?
- >• What benefits do we offer that our competition doesn't?

>• If you could use just two sentences to describe what our business stands for, what would they be? You may be surprised at the answers. Once you've checked in with your employees, call a few of your customers on the phone (you do have their numbers handy, don't you?) and ask them the same questions. Place a stack of comment cards on your counter and encourage people who come into your store to fill one out.

If your business is new there's still one step that you can take in this audit:

Show your new advertising to some strangers. Ask them the same three questions:

> Who is our target customer?

> What benefits do we offer that our competition doesn't?

> If you could use just two sentences to describe what our business stands for, what would they be?

If any person you ask can't answer these questions after reading your ad, think twice (maybe three times) before spending a penny running it.

Тема 5			Всего часов	Аудиторные занятия (час.)	Самостоят. работа (час.)
5. Individual topics according to the Graduating Work of the Students			26	8	18
<small>Индивидуальные темы в зависимости от темы дипломного сочинения</small>					
Лексика	Грамматика (повторение)	Аудирование	Письмо		Интернет
По теме диплома	Статьи по теме диплома				Статьи по теме диплома

3. УЧЕБНО-МЕТОДИЧЕСКОЕ ОБЕСПЕЧЕНИЕ ДИСЦИПЛИНЫ

«Профессиональный иностранный язык»

3.1. Основная литература

Название издания	Год издания
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2. The Gorilla Marketing Handbook, J.C. Levinson& S. Godin, Houghton Muffin Company, NY, 376	1995

3. Simon Sweeney. Communicating in Business. A short course for Business English Students.-Cambridge university press, 2004

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5. www.economist.com

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