

Listening 2: Confirming first impressions

▶ 1.10

AUDIO SCRIPT

JOHN ANTONAKIS Now the reason why observers make these rapid decisions about others in such situations is because they do not have full information on the target person. In a short interview that lasts half an hour or an hour, the interviewer cannot possibly know the target individual in terms of their personality, in terms of their intelligence. They're going to use small cues, and from these small cues they're going to make large inferences, so it's very important that the signals or the cues that the interviewee gives out are very concordant or close to what the interviewer expects. In psychology, we call this phenomenon 'confirmation bias'. So what happens is that the individual who's observing has some kind of stereotype or some kind of prototype in their heads about what a competent person should look like or what a good person for that particular post should look like. Now if you resemble that individual, they will try to confirm that initial impression by creating conditions in the interview that will make you succeed. If they don't like you, or if the initial impression is negative, the conditions that they will create in the interview will be such so that one fails. In other words, what we have observed in actual interview situations, or simulated situations where experimentally we, we have manipulated certain factors, is that interviewers don't change their minds very much from their initial impressions, so if someone is misclassified or classified badly in the beginning, it's very hard to recover that bad initial classification, again because of this confirmation bias, which is why it is so important to make a very good first impression.

ANSWERS

- 1A** Yes: 'observers ... do not have full information on the target person'
B No: 'the interviewer cannot possibly know the target individual in terms of their personality, in terms of their intelligence'

- C** Yes: 'They're going to use small cues, and from these small cues they're going to make large inferences'
D Yes: '... has some kind of stereotype or some kind of prototype in their heads about what a competent person should look like'
E No: they are biased as to what they think competent people are like. (Although interviewers probably consider themselves competent, they are interviewing people for posts that usually require different competences.)
F Yes: 'if you resemble that individual, they will try to ... creat[e] conditions in the interview that will make you succeed. If they don't like you ... the conditions that they will create in the interview will be such so that one fails'
G No, or not very much: 'interviewers don't change their minds very much from their initial impressions'
2 It means that interviewers are (unconsciously) biased towards individuals who resemble the stereotype or prototype they have in their heads about what a competent person or a good candidate for a job should look like.

Listening 3: Preparing for an interview

▶ 1.11

AUDIO SCRIPT

JOHN ANTONAKIS So in highly competitive situations where one really has to distinguish oneself, it's very very important in the interview situation to look natural, and by natural I mean that it doesn't seem like you are putting on an act. Of course it's a cat and mouse game in the interview setting so if one truly is natural one is natural because one is like that, or because one has practised to be like that. So again, the importance in preparation, I just cannot, one cannot underestimate. So, for example, if you've never had an interview before, it's very good to perhaps ask a peer, a friend, or someone who has more experience, or someone who already works, to give you a few practice runs, so that you can prepare yourself better, act in more natural ways, show a bit of, you know, positive body language, and confident body language, I mean small things

like, you know, sitting up straight, smiling a little bit from time to time, maintaining good eye contact, using body gestures that are positive, those little things are like interest in the bank, they will add up, and they will really pay out in the long run. The reason why I say that is in the interview setting, the interviewer will probably pay as much, perhaps if not more attention, to things like appearance and non-verbal behaviour than actually what you say, so, you know, being natural and you know, sort of oozing positive body language and confident body language, I think is another important factor.

ANSWERS

- Look natural or act naturally (so it doesn't seem that you are putting on an act).
- Practise before the interview with a friend with experience.
- Use positive and confident body language and gestures (e.g. sit up straight).
- Smile occasionally.
- Maintain good eye contact.

Discussion: First impressions

There are no 'right answers' here. Many learners may deny that they judge people as quickly as Antonakis suggests they might, while also insisting that their first impressions are generally accurate; the same probably applies to many teachers!

It is conceivable that interviewers might become less biased simply by learning about what psychologists call confirmation bias, and the fact that they probably have stereotypes or prototypes in their heads.

Further tips for job interviews

There is no 'right answer' to the question. Some of these tips can be put to good use in the following Role play.

Role play: A job interview

There are three job advertisements at the back of the Student's Book on page 143, followed by a role card for the interviewer on page 144, but some preparation is needed before learners look at these.

The first task – studying the website of a large company – will presumably have to be done out of class, as homework. But first you or the class need to decide, probably in class, which company. It needs to be an organization that could conceivably have all three of the jobs advertised: Assistant Brand Manager, Assistant Supply Chain Manager, and Executive Assistant to the Chief Financial Officer. You could also substitute real jobs advertised by a local company, or a company to which the learners might apply in the future.

The second task, in which the learners choose one of the three positions on page 143 in the Student's Book and embellish their CV so that they are a potential candidate, can be done either in or out of class. In class, this could take 15–20 minutes. If this is done out of class, some of the learners can explain to the group in class which imaginary qualifications, skills and experiences they considered necessary, and why.

Anticipating (or for students with experience, discussing) the kind of questions asked at job interviews can be done in pairs or groups; how long this will take will depend on the experience and sophistication of the learners.

The role card for the interviewer is on page 144 in the Student's Book, and learners will need time to read through the notes and discuss them in pairs as part of their preparation. Once students have prepared their roles, the actual role play can be done twice, with different pairs, so that each learner gets a chance to interview and to be interviewed. Promising interviews can be repeated in front of the whole class.

This unit contains extracts from an interview with Alison Maitland, co-author with Avivah Wittenberg-Cox of *Why Women Mean Business: Understanding the Emergence of our Next Economic Revolution* (Jossey-Bass, 2008); a newspaper article about legislation concerning women company directors; a discussion activity about male and female ways of thinking and behaving at work; and a role play about a company that wants to increase its number of women managers. The listening extracts put forward what appear to be very sound reasons for having more women directors and senior managers.

Lead-in

The answers to these questions will vary from country to country. However, very few business schools have more women than men teaching staff.

The essential reason for the relative absence of women managers is (presumably) the impact of childbearing and childcare on a woman's career.

Listening 1: Women in business – a strategic issue (1) ▶1.12

The two listening extracts are quite short and clear, but will probably need to be played twice. Learners can be asked to try to answer the general questions (and check them in pairs) after one listening, and the vocabulary questions after a second listening (again checking their answers in pairs).

AUDIO SCRIPT

ALISON MAITLAND Well, there are several key reasons why women mean business, and why this issue is now really a strategic business issue – it's not a women's issue – and why it's time for CEOs to get serious about sex, as we say in the book.

One of these is the talent side of the equation, and that is that these days women actually account for the majority of university graduates. Six out of ten university graduates in North America, and in Europe, are women, so that's the talent pool, that's more than half of the world's, the developed world's, intellectual potential.

Another aspect is the market and the importance of women as consumers, and in the United States, eight out of ten consumer spending decisions are made by women these days, and that's not something peculiar to the US, it's a trend that's being followed by other

countries, like Britain and France, Scandinavia, and we're going to see more of that. So women as earners earning money independently, spending, making big spending decisions, even in Japan two-thirds of car purchases are either made by or influenced by women.

ANSWERS

- 1 Firstly, there are more women than men university graduates, so women make up over half of all the potential higher-level employees. Secondly, women themselves are important as consumers, and they also influence spending decisions made by men or couples.
- 2 All the potential qualified staff that a company could employ

Note

'It's time for CEOs to get serious about sex' is of course a jokey expression; *gender* would be a more usual word than *sex* in this context.

Listening 2: Women in business – a strategic issue (2) ▶1.13

AUDIO SCRIPT

ALISON MAITLAND There's another reason which is very important in terms of profitability, and that is that now there are three big research studies that have shown a link between companies that have the most women in their senior management or on the board, and greater profitability. So those companies that have particularly a critical mass of women – that's to say about 30% plus of women on the board or in senior management – are

outperforming those that have no women or very few women in their senior teams, to the extent of, in one study there was an 83% higher return on equity amongst those companies that had the most women in their leadership ranks.

ANSWERS

Companies with a lot of women directors and senior managers are much more profitable than ones without.

Vocabulary

ANSWERS

1 D 2 E 3 A 4 B 5 C

Discussion: The importance of women in business

If your learners are too young and poor ever to have made any major consumer spending decisions, you'll have to ask them to think about their parents, family, friends, etc.

The answer to the second question is presumably that women bring different ways of thinking to a business which, combined with more masculine ways of thinking, produce a large number of good ideas (about organization, procedures, products, services, marketing, etc.).

Reading: You're fired!

The text is extracted from an article in *The Guardian*, Thursday 6 March 2008.

Comprehension

ANSWERS

- 1 40% of non-executive company directors must be female.
- 2 He says that there are very few experienced women working in the banking sector.
- 3 He says that they are 'apprentices' who need ten years' more experience before they can be competent company directors.

- 4 He says that companies will still get advice from people they have trusted for years, even though they are no longer on the board, so there will be parallel formal and informal systems.

Vocabulary

ANSWERS

- 1 come across 2 compulsory 3 quota
- 4 voluntary 5 compliance 6 dissolution
- 7 apprentices 8 convert 9 accountability

Vocabulary note

Convert as a noun is stressed on the first syllable ('*convert*'), unlike the verb *con'vert*, which is stressed on the second.

Discussion: Compulsory quotas

There are clearly no 'right answers' here.

Questionnaire: Ways of thinking

These statements are adapted from various chapters of *Why Women Mean Business*. Wittenberg-Cox and Maitland suggest that numbers 1, 3, 5, 7, 11, 13, 14, 15, 16 and 17 reflect mainly masculine ways of thinking. (They prefer 'masculine' to male, as there is also a minority of women who think this way.) They suggest that 2, 4, 6, 8, 9, 10, 12 and 18 are feminine ways of thinking. You can tell the learners this, if necessary, after they have completed and discussed their questionnaires. Some learners (and teachers) may vigorously resist 'essentializing' statements about 'how men/women think and act', but they cannot deny that such statements are widely made.

In-service learners will probably have more to say about these matters than full-time business students who have yet to work for any length of time. The former may have examples and anecdotes to offer.

Role play: Do we need more women managers?

There are five role cards at the back of the Student's Book on pages 145, 147, 149, 151 and 153. Depending on the number of learners, they can be asked to prepare a role individually, in pairs or in small groups. Select a good student for the CEO role, and emphasize the part of the role instructions that says 'Explain why you think this [the under-representation of women managers] is a problem', probably paraphrasing arguments from the **Listening** activities.

Director D is perhaps a delicate or 'politically incorrect' role, but you may have a learner whom this role fits.

Tell the learners that they should *not* simply read out their role card, but think about how they can express the beliefs outlined there in their own words. They should also think about possible responses to anyone who disagrees with them.

The (persuasive) arguments given to Directors A and B come from Wittenberg-Cox and Maitland's book. Which of these ideas the CEO in the role play will prefer may depend on the learner playing the role, or on the persuasiveness of the learners taking the other roles. The class can be invited to discuss the suggestions, and the meeting's (or the CEO's) conclusions, after the role play.

Writing

This memo or email could begin like this:

The CEO held a meeting with the non-executive directors to discuss his belief that the company does not have enough women managers and directors, and to see what can be done about this.

The following points were agreed ...

The different sectors of the economy

This is the first of four units on production. For a long time – certainly up to 2000, when the previous edition of this book was written – it was conventional to talk about the three sectors of the economy: agriculture, manufacturing and services. More recently, people have begun describing activities like ICT, consultancy, R&D, the news media, tertiary education, and so on, as belonging to a quaternary sector, which explains the revised title of this unit.

The unit includes a description of part of the economic infrastructure, seen from an aeroplane, extracted from David Lodge's *Nice Work*, which was published in 1989, before the notion of the quaternary sector became well known. There are also discussion activities and a reading about the pros and cons of manufacturing, as compared with service industries, and a listening involving business news items about different economic sectors.

Most governments encourage and welcome advanced service sector activities and companies, so the major discussion topic is the future of manufacturing in advanced countries. The emphasis on manufacturing explains why this unit has been moved to an expanded section on production.

Lead-in

The upper photo shows fields (primary sector) in the background, a quarry and cement works (primary and secondary sectors) on the right, a railway (tertiary sector) running diagonally across the picture, and housing and a football pitch in the foreground.

The lower photo shows the Millennium Dome at Greenwich in London, built for a temporary exhibition in 2000 and now a venue for concerts and sporting events. In front of the Dome is housing and various industrial units, with some wasteland and a cement works to the right. To the left of the Dome is a major road which leads to a tunnel under the River Thames, a gas storage tank, etc. Across the river on the left is Canary Wharf, with office buildings, bank headquarters, etc. With the help of Google Maps and Google Earth, and enough time to waste, you could probably identify every building!

Reading: Another cup of tea

The extract is from David Lodge's novel, *Nice Work* (London: Penguin, 1989), p. 269. Robyn, the university English lecturer, had never previously thought about economic matters before she met the managing director of a manufacturing company, so thinking about all this while looking out of the aeroplane (AmE: airplane) window is something of a revelation to her.

ANSWER

The text suggests that most people take for granted the amazing complexity of the economic infrastructure.

Vocabulary notes

It is probably not necessary for learners to understand every word in this text. But since they will ask ... ! A *semi* is a semi-detached house, almost a symbol of suburban middle-class life in Britain. *Pebble-dashed* means that the bricks are covered with lots of small stones stuck in a thin layer of cement.

German speakers may confuse *warehouse* with *Warenhaus* (department store); French speakers may wrongly think *inhabit* is a negative word like the French *inhabité* (uninhabited).

A possible **additional exercise** related to this text would be to describe other processes, along the lines of Lodge's description of all the activities that precede boiling water in a kettle. For example, what has been done that enables you to pick up and use a pencil, brush your teeth, look in a mirror, and so on.

Comprehension

ANSWERS

- 1 Tiny fields (the primary sector), factories (the secondary sector), and railways, motorways, shops, offices, and schools (the tertiary sector)
- 2 *Suggested answers*

primary sector	secondary sector	tertiary sector
digging ore/bauxite mining coal	assembling building cutting metal laying cables milling metal pressing metal smelting ore welding metal	advertising products calculating prices distributing added value maintenance* marketing products packaging products* pumping oil* transportation

* Some of these answers are open to discussion. For example, if maintenance involves cleaning office floors, this is a tertiary service, but if it involves replacing broken windows or overhauling machines, this is closer to building or construction, and should consequently be considered a secondary sector activity. Similarly, designing product packaging is a tertiary sector service, but the physical activity of packaging products can be considered part of the production process, which is a secondary sector activity. If pumping oil is understood as extracting oil by pumping water into bore holes, this is a primary sector activity, but if it is understood as pumping oil to or from a refinery, it is perhaps a tertiary sector transport activity.

- 3 Other primary sector activities include farming (agriculture), fishing and forestry. Other secondary sector activities include manufacturing, transforming and processing. Other tertiary sector activities include financing, designing and retailing.

The quaternary sector

This is quite hard to answer definitively. The advertising industry clearly uses a lot of computer applications; prices may be calculated using spreadsheets and other financial applications; packaging is almost certainly automated; assembly may be entirely automated, etc. Some of the other primary and secondary sector activities will use information technology; others will still largely involve manual labour.

Discussion: Your place in the economy

You might want to do some internet research to get statistics for the third question (or set it as a task for the learners). For the moment, statistics on the 'quaternary sector' are hard to come by.

Reading: Manufacturing and services

The seven statements here present arguments in support of having either services or manufacturing in advanced countries.

ANSWERS

Statements 1, 3, 4 and 7 are in support of manufacturing in advanced countries.

(1 states that a lot of service sector jobs depend on manufacturing industry; 3 points out that all the world's major economies export a lot of manufactured goods; 4 points out that relying on services alone can be dangerous; and 7 points out that many service functions, unlike high-quality

manufacturing, can be delocalized to cheaper countries.)

Statements 2, 5 and 6 are in support of services. (2 argues that advanced countries have expertise in things like education, R&D, computing, consulting, etc., rather than low-cost manufacturing; 5 argues that manufacturing will be delocalized because of high labour costs; and 6 argues that major cities in advanced countries should specialize in arts and entertainment and tourism rather than manufacturing and industry.)

There's no saying which statements learners will agree with. Statement 1 is indisputably true. The first sentences in statements 2, 3, 4, 6 and 7 are all equally unarguable, but it is not certain that the next sentence necessarily follows. Some would argue with the 'inevitably' in statement 5. Statement 3 contains a sentence ('obviously') without any justification or reason.

Vocabulary

ANSWERS

- 1 exported goods 2 real estate (largely AmE)
3 labour 4 to delocalize 5 to outsource

Listening: The business news ▶ 1.14

Because there is a lot to listen for and write down here, it might be a good idea to have the learners work in threes. One can complete the first two columns, the second can complete the third and fourth columns, and the third can write down the figures in the last one. They can then compare and check and complete their answers. The learners will probably need to check their answers against the audio script too, perhaps while listening a final time.

NOTE

A trillion has 12 zeros: 1,000,000,000,000.

AUDIO SCRIPT

- 1 World oil prices have continued to fall today, with US sweet light crude dropping more than \$3 to \$63.20. Several members of OPEC,

the 13-nation producers' group, which is responsible for producing about 40% of the world's total supply, want to cut output by at least one million barrels a day to increase prices.

- 2 US software giant Microsoft has posted profits and sales figures well above analysts' expectations. The company made a \$4.37 billion profit during the first three months of its financial year, up from \$4.29 billion a year ago, while turnover rose 9% to \$15.06 billion.
- 3 In South Korea, Hyundai Motor Company has reported a 38% fall in third-quarter net profit, which was slightly better than expected, in a difficult year. Hyundai say that although global auto demand is shrinking, demand for smaller cars is rising. German car maker Daimler has reported a €213 million profit for the quarter, a dramatic turnaround from the €1.5 billion loss it made in the same period a year ago.
- 4 Although the service sector represents three-quarters of the British economy, a report published today by an American consulting company suggests that British manufacturers are still doing well. The UK is currently the world's sixth-largest manufacturer, but the country appears set to remain in the top ten for the next 15 years. Even though it is expected to slip to ninth place by then, its share of global manufacturing value added is forecast to dip by just one percentage point.
- 5 Mixed news from the airline sector today. While figures from the Association of European Airlines show that airline traffic has fallen for the first time in 25 years, because of the economic slowdown, Airbus has published its latest Global Market Forecast, which foresees a demand for some 24,300 new passenger and freight aircraft valued at US\$ 2.8 trillion between now and 2026. This will create an average annual delivery of some 1,215 aircraft. The current decrease in traffic is expected to be temporary, and the long-term forecast for passenger traffic is that it is expected to grow at an average rate of 4.9% per year.

- 6 In another study published today, it is predicted that the rapidly growing biofuel market, involving cereals, sugar, oilseeds and vegetable oils, will keep farm commodity prices high over the next decade. The study, co-written by the Organization for Economic Cooperation and Development and the UN Food and Agriculture Organization, predicts prices will rise by between 20% and 50% in the next ten years.

Writing: The business news

This can be done in pairs. After writing their stories, the learners can read them out to the class or another pair. The six news stories in the Listening activity can serve as models.

ANSWERS

News item	Which industry or industries are mentioned?	Which economic sector or sectors are involved?	Which companies or organizations are named?	Is this good, bad or mixed news for the industry?	What figures are mentioned?
1	Oil	Primary	OPEC (Organization of the Petroleum Exporting Countries)	Bad	\$3 fall to \$63.20; 13 nations; 40% of supply; 1m barrels
2	Software	Secondary (production), tertiary (services) and quaternary (IT)	Microsoft	Good	\$4.37bn profit; 3 months; \$4.29bn; 9% rise in turnover to \$15.06bn
3	Cars/ automobiles	Secondary	Hyundai, Daimler	Good (or at least better than expected)	38% fall in profit; 3rd quarter; 213m profit; 1.5bn loss
4	Manufacturing	Secondary, tertiary and quaternary (the consulting company)	An American consulting company	Good	6th largest manufacturing country; top 10; 15 years; 9th place; 1% dip in global manufacturing value added
5	Airlines and aeroplane/ airplane manufacturers	Tertiary and secondary	Association of European Airlines, Airbus	Mixed	25 years; 24,300 new aircraft; US\$ 2.8 trillion; 1,215 planes a year; 2026; 4.9% annual passenger traffic growth
6	Farming/ agriculture, biofuels	Primary and secondary	Organization for Economic Cooperation and Development (OECD), UN Food and Agriculture Organization (FAO)	Good	Price rises of between 20% and 50%; 10 years

For a manufacturing company, production is obviously one of the four key functions, along with human resources, marketing and finance. This is the second of four units on production; the next two concentrate on supply chain logistics and quality.

This unit contains vocabulary and reading exercises relating to production capacity and inventory decisions; extracts from an interview with Alan Goodfellow of Leica Microsystems in Cambridge in which he talks about purchasing and low-cost manufacturing; an extract from Thomas Friedman's well-known book *The World Is Flat: A Brief History of the Twenty-first Century*, about what he calls (with tongue in cheek) 'The Dell Theory of Conflict Prevention'; and a case study about potential procurement risks for a multinational hi-tech manufacturer.

Lead-in

The **cartoon** might provide a good lead-in to the subject. Are your learners likely to go into manufacturing, or are they more interested in making money, probably in the financial industry, than in working in manufacturing industry?

- Production managers coordinate all the people and equipment involved in the manufacturing process, and try to ensure that production runs smoothly. Quality managers have to assure the quality of the products they make or the service they are responsible for, and also try to improve it.
- Production and operations managers should presumably be interested in making products or providing services. They usually need a lot of technical knowledge (about manufacturing processes) and mathematical abilities.
- The objectives of the production department are usually to produce a specific product, on schedule, at minimum cost. But there may be other criteria, such as concentrating on quality and product reliability; producing the maximum possible volume of output; fully utilizing the plant or the workforce; reducing lead time; generating the maximum return on assets; ensuring flexibility for product or volume changes, and so on. Some of these objectives are clearly incompatible, and most companies have to choose among price, quality and flexibility. There is an elementary trade-off between low cost and quality, and another between low cost and the flexibility to customize products or to deliver in a very short lead time.

Vocabulary: Industrial production

ANSWERS

1 D 2 I 3 H 4 A 5 E 6 D 7 C 8 B 9 G

Vocabulary notes

The word *inventory* is used in both America and Britain. In Britain *stock* is sometimes used with the same meaning, although it also has a financial meaning (see British and American usage in **Unit 17**).

Location in English, meaning place, is of course not the same as *location* in French, meaning rental.

Reading: Capacity and inventory

SUGGESTED ANSWERS

1 A and E 2 C 3 D 4 A and E 5 A 6 D 7 F
8 E 9 F 10 E 11 B 12 E 13 B 14 E
15 B and F

Notes

- 1 A long lead time means you can't start producing something quickly, but this isn't a problem if you have a sufficient inventory.
- 2 A large facility allows you to have a large production volume.
- 3 A large facility probably requires a lot of staff; it is sometimes easier to find staff if you have smaller factories in different locations. Logistics and material flow are clearly more complicated in larger facilities.
- 4 As with (1), this can be avoided by having a large inventory.

- 5 Lost sales and market share would arise from insufficient capacity (or insufficient inventory, which is not one of the six headings).
- 6 Labour relations tend to be worse in larger factories.
- 7 These are many of the disadvantages of having a large inventory in a single sentence!
- 8 These are among the advantages of having a large inventory.
- 9 These are further disadvantages of having a large inventory.
- 10 This is a basic reason to have an inventory.
- 11 If a factory is too large, some workers may not be needed if demand falls.
- 12 These are advantages of holding inventory from the supply point of view.
- 13 This could be another consequence of having excess capacity, or surplus workers.
- 14 This is a financial advantage of large production runs and inventories, although there are also financial disadvantages.
- 15 These could be two situations that would force companies to reduce prices.

Vocabulary note

Excess in heading B has a negative connotation (unlike *spare* capacity which could be an advantage).

Listening 1: Purchasing

▶ 1.15

AUDIO SCRIPT

ALAN GOODFELLOW Obviously one of the main goals of any company is to drive down the cost of raw materials and components that are used in manufacture, and Leica uses a number of techniques to achieve that. Firstly as part of the Danaher group they have the leverage of global buying power, that helps, that helps enormously because we can share suppliers with other companies within the Danaher group, and we also use techniques like, for example the reverse auction, which is a technique where we allow suppliers to bid for our business. It's rather like eBay in reverse in that they post on an internet site the lowest price with which they would do business with us and compete against each

other in that way. Of course this has to be very carefully managed and there are a number of strategies in its use because price is not everything, we also have to guarantee quality, and we have to guarantee that the company can supply with reliability to that given price, so it's just one tool and even once the price has been determined we may not in fact choose the lowest price because we may deem another supplier to have an advantage with quality and delivery, but it's a useful tool used in that area.

ANSWERS

- 1 Driving down (reducing) the cost of raw materials and components
- 2 They have the leverage of global buying power, meaning that they can buy in large quantities for all their companies at once.
- 3 The company announces what materials and components it wants, and suppliers state the lowest price they are prepared to offer.
- 4 Because instead of prices rising, as in a standard auction, the buyer can choose the lowest offer
- 5 Other criteria, such as quality and reliability, are also important.
- 6 Leica may not in fact choose the lowest price.

Listening 2: Low-cost manufacturing

▶ 1.16

AUDIO SCRIPT

ALAN GOODFELLOW Well, the products are very high-tech, but Leica has always used low-cost region. I wouldn't describe it as outsourcing because they are factories owned by Leica. For example, we've had a factory in Singapore for 35 years and in China for 12 years which is a very long time in this industry, so they're wholly owned by Leica, not outsourced, but they provide low-cost manufacturing and we are able to maintain quality because they are wholly owned by Leica.

Yes, when we first set up the company in China there were a great many problems, mainly to do with training local staff, but particularly staff

retention, because the economy was booming so much, we found that after training staff, bringing them up to the standards we expected, they were very attractive to other companies and could easily move and take their skills elsewhere, so there was a constant process of training and retraining, it was very hard to retain staff.

ANSWERS

- 1 They are countries that provide low-cost manufacturing.
- 2 Because the factories are owned by Leica
- 3 It was hard to keep or retain skilled staff because the economy was booming and they could easily move to another company.
- 4 1 training 2 staff retention 3 booming
4 skills 5 retraining 6 retain

- 2 Because it has been active in sourcing products from suppliers in many countries (in which there had previously been 'really disruptive events' such as conflicts between them)
- 3 They would probably lose their place in that supply chain for a long time.
- 4 It has brought prosperity and stability to a number of countries.

Vocabulary

ANSWERS

- 1 embedded 2 standards of living 3 founder
- 4 risk premium 5 equity 6 disruptive
- 7 exponentially 8 procurement 9 prosperity
- 10 stability

Reading: 'The Dell Theory of Conflict Prevention'

The extract is from Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-first Century, Release 3.0* (New York: Picador, 2007), pp. 587–8.

This is the first of two extracts from Friedman's well-known book, which is being updated in successive paperback editions (hence the 'Release 3.0' in the title above). Thomas Friedman is an American writer and journalist, and a *New York Times* columnist; he is not to be confused with the Chicago school monetarist economist Milton Friedman.

As to how convincing Friedman's argument is, only time will tell whether 'No two countries will ever fight a war against each other as long as they are both part of the same global supply chain' is correct. It still holds true at the time of writing, though there could be other reasons for the lack of conflicts between these countries.

Comprehension

ANSWERS

- 1 Because people in these countries work to provide goods and services for international companies, which increases their standards of living

Role play

This can either be an ad hoc meeting, or you can select someone to chair each group. The meeting doesn't need any preparation, as learners can be expected to know something about the three continents.

What the learners decide, especially about delivery times, will depend on where they (or their imagined assembly plant) are. At present, South America does not have a reputation for manufacturing hi-tech components, but if it did, they might well be low-cost. Some Asian countries have a reputation for being low cost, but not all of them (e.g. Japan). Low cost often correlates with low quality, but again, not in the case of Japan, South Korea and, increasingly, other Asian countries. Japan certainly has a reputation for reliability. Western Europe has a reputation for having higher costs than Asia. Some European countries have a particular reputation for quality and reliability (Switzerland, Germany, Sweden, etc.).

Writing

This email should have introductory and concluding sentences, and the body of the text could be arranged either by the five aspects of supply, or by the three geographical regions.

This unit is largely about supply chains – the sequence of organizations and activities involved in acquiring components and raw materials, and producing and delivering goods or a service to the final consumers. Supply chaining has been greatly influenced by production processes, originating in Japan, that seek to minimize the quantity of inventory held by companies, and by advances in information technology. The unit contains a text about inventories, push and pull strategies, Just-In-Time (JIT) production, and so on; listening activities in which Alan Goodfellow of Leica Microsystems talks about inventory levels, Kanban and MRP; a second extract from Thomas Friedman's book *The World Is Flat*, about Wal-Mart's supply chain; and a short case study about potential supply risks in various industries.

Lead-in

The questions reprise the discussion about capacity and inventory in **Unit 8**. Satisfying current demand while holding the minimum of inventory is financially efficient, but does not allow organizations to meet an unexpected increase in demand. Holding a large inventory in case of increased demand allows a business to satisfy all potential customers, but comes at a cost – cash tied up in unsold goods.

Vocabulary: Pull and push strategies

Doing this exercise first may simplify the subsequent reading task.

ANSWERS

1 D 2 C 3 A 4 B 5 G 6 E 7 F 8 H

Reading: Pull and push strategies

ANSWERS

- 1 Manufacturing companies can produce ...
- 2 With a pull strategy ...
- 3 In other words, this is a ...
- 4 This replenishment strategy was ...
- 5 Historically, Kanban was ...
- 6 Apart from JIT ...
- 7 With a push strategy ...
- 8 Supplies are scheduled ...

Notes

The terms and abbreviations Just-In-Time, Kanban and MRP are used in many languages, as a quick Google search reveals.

What the text does not mention is that early push strategies were based on Materials Requirements Planning (MRP, later called MRP1). Most of these systems were later replaced by Manufacturing Resources Planning (MRP2), which combined MRP1 and capacity planning with a better control system.

Comprehension: Pull and push strategies

ANSWERS

1 A 2 E 3 D 4 B 5 C

Listening 1: Inventory, Kanban and MRP ▶ 1.17

AUDIO SCRIPT

ALAN GOODFELLOW Yes, nowadays companies do not want to hold inventory. Inventory is capital tied up that could otherwise be used to grow the business, so there are always pressures to keep inventory as low as possible. Now throughout the business of course we need inventory, we need equipment that we demonstrate to the customer, and we need certain stocks of materials used in manufacture, but always the strategy is to have the suppliers deliver when it's needed in the production process, and that can keep us agile, it enables us to react to sales and market demands without stocking large amounts of inventory which, as I said, has a large cost

implication. So we move the responsibility to the suppliers to deliver to our factories when the demand is there.

The manufacturing processes in Leica tended to be based on MRP, which is Material Requirements Planning, quite a sophisticated IT-based forecasting of the parts needed for production, but under Danaher we've changed that to a Kanban system which is a pull system. When a part is used it's immediately replaced by another in that bin and it pulls all the way through to the manufacture, so it's not Just-In-Time as such, but it is a direct link between the demands of the customer on finished products and the supply of the components from our individual suppliers.

ANSWERS

- 1 Because it costs money, and uses ('ties up') capital that could be spent on developing ('growing') the business
- 2 To manufacture their products, and to demonstrate them to (potential) customers
- 3 They have their suppliers deliver materials to their factories when they are needed ('when the demand is there').
- 4 The company changed from an MRP system to a Kanban system.
- 5 Because there is a small inventory of each product

Listening 2: Leica's supply chain

▶ 1.18

AUDIO SCRIPT

ALAN GOODFELLOW As you can imagine for a global company of our size it's quite a complex supply chain. We have at the moment nineteen selling units selling in different countries around the world, and nine business units manufacturing the products that are sold, and often we need to consolidate products together to ship to the customer at one time, so the supply chain therefore becomes complicated. You'll have a business unit in one country, for example Singapore, that will manufacture parts themselves, most particularly the optics, which are the key parts of these systems, but also take

sub-assemblies from suppliers, produce a unit which will then in some cases be shipped to Europe for consolidation with other parts before sending on to the end customer.

And then following all of this trail of course are the financial transactions and documents that allow you to invoice the customer in the local language of that customer and the local currency. The main goal is that the customer always deals with a local party in his own language, his own currency, and where he can get local service, and all of this supply chain is transparent to him. Big challenge for the company of course is delivering on time, when you're dealing with this global operation, and that's how we have to balance local stock which is always very expensive, we try and drive down inventory, we do not want inventory, but we have to balance the needs of local customers and the fast turnover of stock with the cost of keeping that inventory.

ANSWERS

- 1 The business units manufacture products and the selling units sell them.
- 2 No; sometimes it uses sub-assemblies from suppliers.
- 3 So that a customer's order is shipped (and delivered) all at the same time
- 4 Leica tries to make sure that customers always get local service, in their own language, and are quoted prices in their own currency.
- 5 It is easier to satisfy customers' needs and deliver products quickly if you have inventory stored near the customer, but the convenience of this must be balanced against the cost.

Reading: Supply-chaining

The text is from Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-first Century*, Release 3.0 (New York: Picador, 2007), pp. 151–2. (A previous extract from this book appears in **Unit 8**.)

This exercise can be done as an extensive reading; learners do not necessarily need to know every word (e.g. *perch*, *scores*, *sweeps*, *coastal*, *finale*, etc.).

ANSWERS

Friedman is clearly very impressed with Wal-Mart's distribution center (BrE: centre).

Comprehension

ANSWERS

- 1 a bar codes b truck c merchandise
d conveyor belt e scans f signal
g supplier h delivered i stores j loaded

Note

These are the words in the text, but others are possible:

- b lorry c goods h sent i shops

Correct order:

- 1 A Wal-Mart truck ...
 - 2 The goods are unloaded ...
 - 3 The boxes are placed ...
 - 4 The small conveyor belt ...
 - 5 A machine reads ...
 - 6 Electric arms guide...
 - 7 This belt leads to ...
 - 8 The products are delivered ...
 - 9 A customer buys ...
 - 10 The cashier scans ...
- 2 Friedman describes the automated system in the distribution centre as a 'show'.

He describes the conveyor belts as streams and rivers, because that's what they look like from above (from the 'viewing perch' in the distribution centre).

He describes the whole complex operation as a never-ending symphony in multiple movements, because symphonies consist of several movements and involve complex arrangements of a lot of 'components' or instruments and melodies, and this one has no finale.

Writing

This summary can take most of its words from Friedman's text, presumably missing out the metaphors.

MODEL ANSWER

Trucks deliver merchandise from suppliers at loading docks. At each loading dock boxes are placed on conveyor belts. These little conveyor belts lead to a bigger one. An electric eye reads the bar codes on each box as it travels along the belt. The large conveyor belt divides into smaller ones, and electric arms guide the boxes to Wal-Mart trucks, which deliver them to Wal-Mart stores across the country that have ordered these products.

When a consumer buys a product in a store it is scanned, and a signal is sent to the product's supplier. The supplier receives the computerized signal and manufactures another item of that product, and ships it to Wal-Mart, and the cycle starts again.

Reading: Manufacturing supply chain work flow

ANSWERS

- 1 The sales department identifies a need for a product, and tells the marketing department about it.
- 2 The marketing department researches the project, and forwards a detailed business plan to the Business Unit Manager.
- 3 The senior business managers make a decision on the project.
- 4 The plan is approved and passed to the analysts to prepare and implement the manufacturing process.
- 5 The analysts pass details of raw materials and components to purchasing.
- 6 The purchasing, logistics and transport departments plan the purchase of materials and their delivery to the manufacturing plant.
- 7 Suppliers receive orders and despatch raw materials and components to the manufacturing site on agreed dates.
- 8 The product is manufactured.

- 9 Finished goods are put into inventory in a warehouse awaiting orders, and the company computer system is updated.
- 10 Customers place orders through customer services.
- 11 Customer services take orders and input them to the computer system.
- 12 The order is sent to the warehouse.
- 13 The transport company collects the consignment and delivers it to the customer.
- 14 As stock has now been used, the computer system generates a request for new stock.
- 15 The re-order process generates a request to the purchasing department to place new orders with the suppliers.

Case study: Risk analysis

Companies try to minimize foreseeable risks, but there is always the danger of what the US Secretary of Defense Donald Rumsfeld once famously called 'unknown unknowns'.

SUGGESTED ANSWERS

- A British car factory sourcing components from Britain, Europe and Asia would face just about every risk possible: wars and conflicts in any of these areas; labour problems (strikes, etc.) at the producers or in the transport industry; damage to goods in transit; etc.
- The fruit and vegetable department of a national supermarket chain would face potential temporary shortages in supply due to climatic or market conditions, and would probably have a wide network of local and not-so-local suppliers.
- A tourist industry company hiring seasonal workers would probably always face competition from other employers, especially if it only wished to offer seasonal work to skilled employees; it would probably need to have potential alternative sources of supply.

Writing

This short report could be written individually or by pairs or small groups. It could have an introduction, stating its objectives or terms of reference (why it was written and who for), followed either by two sections, one listing the risks and the other the actions recommended, or a series of paragraphs each outlining one potential risk and a recommended course of action.

For example:

This report was written by _____ at the request of _____, to attempt to identify the potential supply chain risks for our _____ business. The major risks that we have identified are a) _____, b) _____ and c) _____.

We suggest minimizing these risks as follows. Concerning a), we recommend _____. Regarding b), we think that the company should _____. In relation to c), we believe that we need to _____.

10 Quality

This unit contains a discussion about quality, a text about TQM (Total Quality Management), listening exercises based on an interview with a manager responsible for setting up new hotels in Britain, and a role play about quality decisions in a hotel chain.

Lead-in

These questions should generate the vocabulary often used in relation to quality (*performance, appearance, reliability, durability*, and so on) and that related to poor quality (*repairs, replacing, complaints*, etc.).

SUGGESTED ANSWERS

- A small car is probably a relatively cheap one (luxury cars tend to be big). It will not perform like an expensive sports car, but it should be reliable and durable. It may not have as many features as larger cars, but should still have a good appearance.
- A raincoat should keep you dry, i.e. be waterproof, and also last a reasonable length of time, and look good: appearance is probably important. 'Serviceability' might also be important: can you just put it in the washing machine, or does it have to be dry-cleaned?
- A good laptop computer should probably be sturdy but light, come with a good quality screen, good quality sound, up-to-date software, a wi-fi card, a lot of memory, and so on. It should be durable, i.e. it should last a number of years without needing to be repaired, even though people tend not to use the same computer for many years because of rapid advances in technology.
- A mobile phone or internet provider should provide non-stop service, without breaks because of technical problems. Mobile or cell phones should work almost everywhere, except perhaps on the top of a high mountain or in the middle of the ocean. And their prices should be competitive.
- A good insurance company offers policies that are easy to understand, and deals with claims quickly and efficiently.

Reading and discussion

The text is from the inside flaps of the cover of the original hardcover edition of Philip B. Crosby's book *Quality Is Free* (McGraw-Hill, 1979).

ANSWERS

1 1 C 2 D 3 E 4 A 5 G 6 F 7 B

- 2 Further examples of avoidable expenses relating to a lack of quality include:
- handling complaints
 - identifying the causes of defects
 - redesigning a product or system
 - implementing corrective action
 - repairing or replacing defective products
 - training or retraining personnel
 - losing customers or their goodwill, etc.

Reading: Total Quality Management

Business learners may well know the expression Total Quality Management (and its abbreviation TQM). Without giving away the content of the reading passage, you could ask some preliminary discussion questions, such as: Is *total* quality really necessary? For example, would the learners throw away an advertising leaflet that had a single grammar or spelling error, because this gives a poor impression of the company? Are such details important?

There's a saying in English: 'If a job's worth doing, it's worth doing well'; how about reversing this – if something's really worth doing, surely it's also worth doing badly?!

Comprehension

ANSWERS

- 1 TQM was developed in America, but first taken up by the Japanese.
- 2 TQM aims at (but doesn't guarantee) 'zero defect' production and no waste.
- 3 TQM never stops because products, services and processes are always capable of being improved.
- 4 TQM requires all a company's staff to be involved in the search for continuously improving quality.
- 5 TQM considers quality to be more important than maximizing output or reducing costs.

An **additional activity** would be to have the learners make a short **presentation** summarizing the main ideas behind TQM. They could first write these out as bullet points, and make a presentation based on those. For example:

- TQM (or just Quality Management), developed in the 1940s by W. Edwards Deming, was first taken up by the Japanese after World War II.
- It involves an attitude and a corporate culture dedicated to providing customers with products and services that satisfy their needs.
- Products should have zero defects, and services should be as close to perfect as possible.
- In other words, the company or organization should do the right things, and do them right, the first time and every time.
- But because products, services and processes change, everything is capable of being improved all the time.
- TQM requires the staff in all a business's activities to be involved in the search for continuously improving quality.
- The entire staff should use their knowledge and experience to identify and correct faulty systems and processes.
- Production workers should be empowered to stop production to solve quality problems.

Discussion: Good and bad quality

If learners can think of organizations whose product or service quality could *easily* be improved, there are presumably evident reasons why the organization is not offering higher quality, probably related to cost, or a perceived price–quality ratio. Or perhaps because they have a dominant market position and can get away with poor quality.

Notwithstanding the exercise above about quality being free, and a lack of quality costing money, it is unlikely that significant quality improvements could be made to most products or services without a corresponding increase in costs and prices.

Discussion: A four-star hotel

A four-star hotel should probably have large, relatively soundproof rooms with comfortable furniture, a bath and shower, and probably amenities such as air-conditioning, a minibar, a safe, cable TV, internet access, etc. There will also generally be a restaurant, room service, multilingual reception staff, and private car parking. (You might also walk into your room the first time and find several lights on and the air-conditioning at full blast, and a welcoming message with your name on it on the TV screen. And, of course, the end of the toilet roll pointlessly folded into a triangle!)

Listening 1: Hotel customers and quality ▶ 1.19

Denis Frucot is French and, understandably, has a French accent. He also uses a few expressions and constructions that most native speakers would not use, but there seems no point dwelling on these.

AUDIO SCRIPT

DENIS FRUCOT If your guests have been satisfied with what they had and they think that the service you've offered is of quality they'll come back. If you are no quality or very little quality to the customers' perception they won't come back, it's as simple as that, so the more you can offer, the better the service you can offer, the more comprehensive it can be, the more, the more you'll be successful and the more you'll have a customer base, it's as, pretty much that.

After that, especially with what we do, the notion of quality is very subjective, it tends to come with the customers' perception of it.

For instance, a bed and breakfast, you have a pre-conceived idea of what the service is going to be like, your notion of quality will be, will revolve round the fact that they exceed these expectation[s] or they went below. If you find out that you have an en suite bathroom in a bed and breakfast and you've got some form of turndown service you'll be 'I'm coming back tomorrow, I'm staying a week!' Same opposite, if you find a dead cockroach in the middle of your bathroom, well certainly you have second thoughts about even spending one night, so it's pretty much like that.

ANSWERS

- 1 The fact that if customers are satisfied (they perceive the quality to be good) they'll come back, and if they are not, they won't
- 2 An en suite bathroom and someone who turns down your blankets or duvet, and a dead cockroach in the middle of the bathroom

Listening 2: Customer care ▶ 1.20

AUDIO SCRIPT

DENIS FRUCOT Obviously, we're not a five-star hotel – Hotel du Vin as a group has always looked for, we aim at about three, four, but if we were to look and behave as a star rating system, but for that quality, for that level of conception, we tend to give a lot more. The service provided is usually of a higher standard. The service we offer, the notions we offer, revolves around the actual service that we provide. In order to give people the idea and that notion of quality which is very, as I said, very subjective, we have to emphasis[e] the customer care, we define what we call a guest's journey which revolves around, from the first impression they get from seeing it on a website to the last impression they get when they walk out the door of the hotel. You have to have friendly reception staff that know about the area, that know about Cambridge

as if they were born there, although they are not, clearly, but they have to be able to get you a taxi whenever you need one, hairdressers, restaurants, it goes through a vast amount, array of things that people will not necessarily expect you to have but will be very, very impressed if you do, and really we try to embed that into absolutely every single member[s] of staff.

ANSWERS

- 1 He says that it is of a higher standard than the number of stars the hotels have would suggest, as they put a lot of emphasis on customer care
- 2 Friendly, knowledgeable and helpful reception staff

Listening 3: Selecting and training staff

▶ 1.21

AUDIO SCRIPT

DENIS FRUCOT We have a very strong programme of progression for each member[s] of staff. All of my heads of department have come with me from a different hotel – I've opened four so far, I tend to hop around the country and I do that – but I've got a nucleon of people that I will, whenever I open a new one elsewhere I will call them or I'll go round the whole group and just select people that already have the philosophy of what we're trying to achieve, and then after that from the top down they train a smaller amount of people, reception for instance, all the girls in reception I was very adamant that I wanted local people, people that know Cambridge, because after that we have, I have at least two people, two persons in reception – head receptionist and her assistant, are both from within the company, so they know the brand – after that I take four people that know Cambridge very well, you've got at least a base to work on and they can exchange, it's interactive for both of them, as well with the idea of evolution within the company, whether it's here, whether it's elsewhere, but we open at a rate of about three hotel[s] a year at the moment so it's a lot of growing opportunity.

ANSWERS

- 1 He selects heads of department who have already worked in other hotels in the group, or people with the 'philosophy' of quality that he's looking for, who will train the other staff.
- 2 People from within the company, who know the brand, and local people who know the town very well, and so can give advice and information to customers

Role play: A hotel chain in trouble

There are four role cards at the back of the Student's Book on pages 145, 147, 149 and 152. The learners can prepare their roles in pairs or small groups. They can be asked to decide what they will say in the meeting, and how they will counter opposing arguments.

As always, it is important to select a learner to chair the meeting who is likely to be able to do it well. Quite how the role play will go is hard to predict. The Financial

Director's cost-cutting suggestions are rather lame, and unlikely to find favour; his/her suggestion of selling or converting unprofitable hotels probably makes more sense. The Marketing Manager's suggestion of going downmarket would definitely be a lot cheaper than the Operations Manager's suggestion of going upmarket, and closing hotels for several months to rebuild them. But a persuasive learner could sway the others.

Writing

A press release announcing that the hotels were to be re-branded as low-cost hostels, or converted into luxurious four-star hotels, would be resolutely positive. An internal email explaining that costs were going to be reduced and prices increased would simply have to be factual.

See also the role play 'Quality and personnel' in *Business Roles* by John Crowther-Alwyn (Cambridge University Press).

This is the first of three units on marketing. It contains a text about products and branding strategies, an interview with the director of a chain of juice bars in Switzerland, and a case study about launching a business.

Lead-in

People's brand loyalties are unpredictable, but often include brands of clothing, food, cosmetics, personal hygiene products, alcoholic drinks, cigarettes, sports teams, newspapers and magazines, etc.

The reasons for brand loyalty can vary. Consumers may be satisfied with the quality and price of the brand, and so have no reason to change; they may consider a brand to be fashionable, and therefore desirable; they may be influenced by continuous advertising; or they may simply have unwittingly acquired a habit, which saves them the time and effort necessary to make a choice when they go shopping.

Products that many people buy without even noticing the brand name might include stationery (ball-point pens, pencils, erasers, pencil sharpeners, note paper, writing paper, envelopes, and so on), as well as matches, salt, sugar, flour and other cooking ingredients.

Reading: Products and brands

Business learners – and even thoughtful consumers – may already understand the logic of branding. There is a lot of information in the text, but the concepts and vocabulary are all tested in the exercises which follow.

ANSWERS

- 1 Products, product lines and product mixes
- 2 Branding
- 3 Branding strategies
- 4 Brand value

Comprehension

SUGGESTED ANSWERS

- 1 Because both customers' needs and the market change, and because the company's products are at different stages of their life cycles, including some in the decline stage

- 2 In order to distinguish them from competitors' products
- 3 Corporate branding means including the company's name in all its products, while individual branding means giving each product its own brand name.
- 4 Because this allows them to occupy more space on supermarket shelves, and in this way get more sales and a bigger market share
- 5 Because of the value of their brands, and the future sales these brands will bring

Vocabulary

ANSWERS

- 1 outlets 2 product mix 3 retailers 4 logo
- 5 packaging 6 brand recognition 7 shelves
- 8 market share 9 brand-switchers

Vocabulary note

The singular of *shelves* is *shelf*, and marketers often talk of occupying 'shelf space'.

Discussion: Brands and attitudes

There are, of course, no 'right answers' here.

An **additional activity** would be for learners to look at the current Top 100 brands on Interbrand's website at <http://www.interbrand.com>. Ask:

- How many of the brands do you recognize?
- For how many of these companies are you a potential customer?
- Why do you think you know these brands – from seeing their products, from advertising, from newspaper articles, etc.?

Alternatively, you could show the learners these companies' logos – or even just a small part of each logo – and see how many are instantly recognized.

Most of the companies and brands named in the text are widely known in developed countries (Nike, Starbucks, Apple Computer, The Body Shop, Philips, Virgin, Yamaha, Pampers, Pringles, Duracell, Gillette, Coca-Cola). Because of their individual branding strategy, Procter & Gamble will be less known to people who don't read the business pages in newspapers or the small print on products.

The top ten brands (at the time of writing), according to Interbrand, are:

1 Coca-Cola **2** IBM **3** Microsoft **4** GE (General Electric) **5** Nokia **6** Toyota **7** Intel **8** McDonald's **9** Disney **10** Google

An **additional question**: which of these brands are not American?

Answer: Nokia (Finland), Toyota (Japan)

Most of Interbrand's top 100 are international consumer-goods companies, but there are also a lot of financial institutions. The make-up of the top 100 can and does change; in autumn 2008, several large banks and insurance companies either went bankrupt or got taken over or had to be rescued by their governments.

Listening 1: Not just a juice bar

▶ 1.22

At the time of writing, Zeste4Life have three juice bars in the French-speaking part of Switzerland, and they plan to open several more. The interview with Melissa Glass was not recorded by a professional sound recordist, and the quality is not as good as most of the other Listeners. As her accent reveals, Melissa Glass is Australian.

AUDIO SCRIPT

MELISSA GLASS We launched a bar called Zeste Juice Bars. We sell a product that is a smoothie. We have two lines of products, we have smoothie which is a mixture of juice with frozen fruits, with either sorbet or yoghurt and ice, that's quite a thick drink, and the other thing we sell is freshly squeezed juice which is carrots

juice, apple juice, there's orange juices and mixers of that to make different cocktails. We have a small side product of food as well, to complement the juice, so that people who come at lunchtime, they don't have to go to two places, they can buy something at ours and eat and drink at the same place, but in general our whole concept is based around a slogan of 'Zeste4Life', so it's about the image that we create, the whole, the energy behind it, the youth, the colours, the package, essentially. We're not, we don't consider ourselves just a juice bar.

ANSWERS

- 1** Smoothies – a mixture of juice with frozen fruits; freshly squeezed fruit juices; and a small side product of food
- 2** Because they are also selling a concept and an image of energy and youth; and they are selling food

Listening 2: The origin of smoothies

▶ 1.23

AUDIO SCRIPT

MELISSA GLASS OK, so the concept came, originally started in California, and that was about 20 years ago, at which point the concept was based just around juice. It progressed to be more based around smoothies. That concept then was taken to Australia in '99. I saw the concept in Australia grow in '99 through to 2001, where it became very popular, and you eventually saw bars like this all over the place. My husband and I decided that, we thought it was a product, a line of product or a concept that really wasn't existent in Switzerland, and we thought that it was a population, the Swiss are a population that would consume that sort of product and that there was a niche in the market. So we decided that we would launch Zeste Juice Bars, and we did that in 2004.

ANSWERS

- 1 In California, with bars first selling fruit juices, and later smoothies
- 2 In Australia
- 3 Because the product didn't exist there and they thought the Swiss would buy it

needed to test the product first off and then do our adaptations from that, and then launch in bigger towns like Geneva or Zurich or places like that, but it's important, it was important we decided to trial one store. We decided that one store, we would trial for one year and then after that we would consider expanding.

Listening 3: Launching the product

▶ 1.24

AUDIO SCRIPT

MELISSA GLASS Launching a new product from scratch is quite difficult. First off we had to ... we had the idea, we had to then do market research here obviously to work out, if the product would be, would be accepted and consumed here.

We had to do research into pricing, we had to do research into colours, what locations where it was going to be the most successful. We knew that obviously we needed high-frequency passage. The problem with that in Switzerland is the locations, the places with high passage are extremely expensive, so it's always a balance between getting somewhere that's got enough passage but not too, too expensive, because when you're selling a product that has a cost price of five francs you have to sell a lot of juices and smoothies to cover the base, the base cost. Apart from that we had to do obviously questionnaire friends, take surveys, we had to do, we also did trialling, sampling, we did a couple of parties at our place to try the different products, and to choose the different smoothies that we were going to start with.

We then had to come up with names as well, we had the big difficulty of deciding which language we were going to do it in, and we decided to take English for our names because that sort of followed where the concept came from, the base of the product, the origin, the origin of the product, and then we, we decided to launch in Lausanne because that was our home town. We knew the town very well, we knew the passage, we knew the frequency, we knew basically where the town works, the heart of the town, and we

ANSWERS

- 1 1 pricing 2 locations 3 high frequency
4 base cost 5 trialling 6 sampling
- 2 A lot of people (potential customers) walking past the store
- 3 Because the product originated in an English-speaking country (and is perhaps associated in customers' minds with warm climates like California and Australia)
- 4 To test or trial the product in one store for a year, and make any necessary adaptations, and then launch in bigger towns

Vocabulary note

Market research is used in British and Australian English; *marketing research* is more common in American English.

Case study: Researching a product concept

This case study can be done as rigorously as time permits. If there is time, the groups of learners could be asked to prepare their product concept out of class, and then present it to the class. They will need to present their product concept – what the business would offer, and where, and its name – and to explain how it would differ from existing businesses (if any). They could be asked to investigate commercial rents in their town, from property agencies' advertisements, or from official statistics provided by the local government. Learners studying marketing may know about pricing strategies.

If there is even more time, the learners could do the market research, either preparing a questionnaire and interviewing real people (in whatever language), or using the rest of the class as a focus group (which could of course substitute for presenting the product concept to the class), or doing the less exciting statistical research.

- For a juice bar, you (the teacher) would want to know about products and prices, and how they would differ from any local competitors.
- For a taxi company, you would want to know where the taxis would be situated, and how customers would find them (in the street, by telephone, via the Internet, etc.).
- A home-delivery pizza service (as opposed to a restaurant) does *not* need expensive premises on a shopping street. It does require effective advertising, but this is the subject of a later unit.
- A gym and fitness centre needs expensive equipment, and location (perhaps with 'high-frequency passage') is important. You would definitely want to know how it would differ from any local competitors.

- For a language school, you would want to know which languages would be offered, who the potential customers would be, how the business would recruit teachers, etc.

A final question to the learners could be: If the research shows that there is not much interest in the product, would you abandon the idea, or launch the business anyway, trusting that the research was wrong, or that you could improve and adapt the service as you went along? (The right answer is, of course: abandon the idea.)

Writing

This could be done individually or in pairs or groups. The report could be as long and detailed as time permits.

12 Marketing

After the usual opening discussion questions and a vocabulary exercise, this unit contains a reading exercise about product life cycles, discussion activities about pricing and distribution channels, a text extracted from a well-known article in the *Harvard Business Review*, further listening exercises concerning the business talked about in **Unit 11**, and a case study about promotions.

Lead-in

There is no 'right answer' here. The first definition is succinct, and is often used to distinguish between the 'selling concept', which is presumed to be out-of-date and inefficient, and the 'marketing concept', which is assumed to be current and effective.

The second definition comes from *Marketing: Principles and Practices* by Dennis Adcock et al, first published in 1995. The most recent edition keeps the words in bold, but puts it in the past tense: 'marketing covers a wide range of activities, in fact everything related to what was once described as providing **the right product, in the right place, at the right price, and at the right time**' (4th edition, *Financial Times* / Pearson Education, *Financial Times* / Prentice Hall, 2001, p.1). The term 'marketing mix', to which this definition relates, was first used by Harvard professor Neil Borden in the 1950s to describe all the actions a company can perform in order to influence the consumer decision to purchase goods or services. In the early 1960s, E. Jerome McCarthy, another Harvard professor, suggested that the marketing mix consisted of the four Ps (see his *Basic Marketing: A Managerial Approach*, and all marketing textbooks since).

The third definition is similar to many others of the past decades, while the fourth one is a bit more modern, and rather more extreme, as it suggests that marketing doesn't so much involve identifying needs as anticipating and creating them.

(An **additional question**: can you give some examples of products you use that you didn't know you wanted until someone produced them? Older teachers may remember life before personal stereos, personal computers, the Internet, Google, eBay, Facebook, mobile phones, etc.; younger learners won't!)

Vocabulary: Basic marketing terms

ANSWERS

- 1 distribution channel 2 wholesaler 3 market segmentation 4 product differentiation
5 market opportunities 6 market skimming
7 sales representative (often abbreviated to 'sales rep' or just 'rep') 8 product features 9 price elasticity 10 market penetration

Reading: The product life cycle

Learners should be able to work out most of the answers from the shape of the graph, the logic of competition, pricing, etc. Like a crossword, this exercise should get easier as it progresses.

ANSWERS

- Sales: 2 A 3 B 4 C 1 D
- Costs: 1 E 3 F 2 G 4 H
- Prices: 4 I 1 J 2 K 3 L
- Promotion: 3 M 2 N 4 O 1 P

Alternatively:

- Introduction stage: D E J P
- Growth stage: A G K N
- Maturity stage: B F L M
- Decline stage: C H I O

An **additional writing** exercise would be for the learners to combine the sentences into a four-paragraph text, adding phrases such as 'During the introduction stage', and perhaps combining sentences with connectors, e.g. 'During the maturity stage, sales volume peaks but the product's features may have to be changed because ...'

Discussion: Pricing

NOTES AND ANSWERS

- 1 As mentioned in the vocabulary exercise and the exercise on product life cycles, companies with a new high-tech or high-quality product can use a price-skimming strategy to make maximum revenue before competing products appear on the market. Any company with anything approaching a monopoly can also charge high prices (look, for example, at many established European airlines). As mentioned in the previous exercises, companies with new products can also charge a low price (a market penetration strategy) in order to get a large market share before competitors appear on the market.
- 2 Books, for academic work or for leisure reading, may well fall into this category: they are often also available in libraries, so it is not essential to buy them. There are many other products that people buy more of if or when the price is reduced – CDs, computer games, clothes, etc.
- 3 Food of some kind is usually necessary, whatever its price. There are also high-quality goods for which producers can charge very high prices, as there are a sufficient number of consumers who think possessing the product gives them high status. This is called premium pricing or prestige pricing.
- 4 I'm convinced that I instantly round prices up in my head. But I'm also convinced I'm never persuaded against my better judgement by advertising, so I'm probably wrong on both counts.
- 5 It's usually established market leaders with large amounts of cash that win price wars, and competitors with smaller market shares that lose them. A personal recollection: in the summer of 1980, all the major US airlines cut their domestic ticket prices. You could fly coast-to-coast (e.g. New York to Los Angeles, or Boston to San Francisco) for a mere \$120. So I gratefully did. Within two years, two of the airlines had gone bankrupt, and the remaining companies raised their prices dramatically, so the customers' gain was short-lived. Price wars are not to be confused with loss-leader pricing – deliberately selling some items at a price that doesn't make a profit. Supermarkets generally have a few of these, which attract customers who also buy other items with higher profit margins.

Discussion: Distribution channels

SUGGESTED ANSWERS

Producer – wholesaler – retailer – consumer is the traditional channel for many, if not most, consumer goods. This means that neither the producer nor the retailer needs a large warehouse. For exported goods, many companies work with agents. Producers often use their own sales staff for technical products sold to other companies (B2B): the sales reps are able to demonstrate and explain the products. Many publishers now sell books online, cutting out the retailer, and museum shops and football clubs send out a lot of mail-order merchandising catalogues. Customers can usually order goods by telephone as well as by mail or online. Telephone sales are also common for banking and insurance products (or what used to be called services).

Writing

MODEL ANSWER

Publishers often sell books to wholesalers who stock them in warehouses, and deliver small quantities to retailers (booksellers). Increasingly, however, people are ordering books online, which are delivered by mail.

Producers of machines and technical equipment often have their own sales representatives, who visit potential customers. If they are selling machines abroad, companies sometimes work with local agents in each market.

Reading: Marketing is everything

These are short extracts from an often-cited ten-page article by Regis McKenna in the *Harvard Business Review*, January–February 1991. It begins with the classic example of the sales-driven company and the mass-produced product, the Model T Ford, and Henry Ford's famous line from his autobiography (*My Life and Work*, 1922).

As an example of the 'tell us what color you want' school of marketing McKenna gives the National Industrial Bicycle Company of Kokuba, Japan, which at the time offered made-to-order bicycles with no fewer than 11,231,862 variations!

McKenna's account of integrating the customer into the design of the product has perhaps been superseded by the 'wikinomics' principle discussed in **Unit 3**, which sometimes invites the whole world to integrate the company.

SUGGESTED ANSWERS

- 1 They tried to change customers' minds and make them like the products they produced.
- 2 Because there was more competition, and because technology developed and allowed companies to change products to match what customers asked for
- 3 Market-driven companies work with customers to understand their strategies, and adapt their products to fit them, and in this way try to create a new market.
- 4 The old approach is all about testing and marketing a company's idea, rather than responding to a demand that comes from customers.
- 5 Because the main demand on companies first changed from controlling costs to competing with other companies with similar products, and then to serving customers
- 6 Fooling the customer and falsifying the company's image
- 7 Market-driven companies integrate the customer into the design of the product.
- 8 If you focus on your R&D you forget about the customer, the market and the competition.
- 9 Trying to increase your market share is like fighting over crumbs rather than trying to own the whole pie (or the whole market).
- 10 The real job or goal of marketing is to produce what customers need so well that you control (or own, or lead) the entire market for your products.

Note

There is a Calvin and Hobbes cartoon, reproduced in Chapter 1 of Steven Pinker's *The Stuff of Thought* (London: Penguin, 2008), in which Calvin takes a physics exam. Faced with the instruction 'Explain Newton's first Law of Motion in your own words', he writes 'Yakka foob mog. Grug pubbawup zink wattoo gazork. Chumble spuzz.' This is *not* what 'in your own words' means in question 10!

Listening 1: Promoting a juice bar

▶ 1.25

AUDIO SCRIPT

MELISSA GLASS After the launching of Zeste in Lausanne, in the beginning, as I said, it was quite difficult, we looked at different ways of attracting customers, we looked into different forms of marketing. The first, the first tactic on Lausanne was just sampling, we did sampling on the street, we, I sent out one of my staff members with little sample goblets, and people, little cups, and people then got to try our product, and I knew that if they tried our product they'd be happy – our product sells itself as far as taste. That was quite successful, but at the time we launched in October, so we were going into winter, again as I said before, the foot traffic was less, so then we decided what we were going to do was some sort of advertising campaign, something visual to get, to touch the people that, that hopefully they would come. This unfortunately was a very expensive experience. We went through a design agency, we designed posters to go into the buses, because the bus actually passed directly in front of our store. We saw the people in the bus, they didn't know who we were, what we did, and we, I felt we needed to touch these people. So we did a two-week campaign, which was rather expensive, to pay the time in the bus, also the production of the design of the, the flyer, and also the printing of the flyers. We went with the concept of having a fit woman with boxing gloves, with the theme of 'Get a, get a kick out of your vitamins and come to Zeste.' Unfortunately, what we realized wasn't on the pamphlet was enough information about the product, because the Swiss didn't know at that stage what a smoothie was. For them, this word didn't exist, so it wasn't a very effective campaign.

Note

The photo shows advertising pamphlets on a Swiss bus. Pamphlets, flyers or leaflets are placed in a narrow box. The pamphlet in the photo is *not* for Zeste Juice Bars, but a campaign for sponsoring young Swiss sports prodigies. (Notice the language used in the title.)

ANSWERS

- 1 Sampling – giving away free samples of the products in the street
- 2 Because they are very confident about their product (which ‘sells itself as far as taste’ is concerned), so given a free sample, people would ‘be happy’, and perhaps become customers
- 3 The concept was emphasizing health and fitness and vitamins, but they found that the message was too indirect, without enough information about what smoothies are, which customers at the time didn’t know.

Listening 2: The most effective form of promotion ▶ 1.26

AUDIO SCRIPT

MELISSA GLASS The most effective thing we’ve found is publicity in the papers, and in general free publicity, so my partner spends a lot of time contacting the journals, papers like the, the free ones in the morning, and trying to get free articles when we have a new product or something hip, or something changes. They’re often keen to have new things, or new bits of information. That then hits the target straight away that day and people tend to take ... the effect is immediate. Those articles don’t have an effect a week later in general, but it has the effect that day or the next day and the idea is behind this for us is that we then convince that person by the product and the taste of the product, and that they will come back because of that.

ANSWERS

- 1 Free publicity – articles in newspapers
- 2 It has an immediate effect, but if new customers are convinced by the product, they will return, which can produce a permanent increase in sales.
- 3 Probably because articles based on press releases look like objective news, so people trust and believe them more than paid advertising

Case study: Promoting a new product

If the learners have recently thought about a product or service in **Unit 11**, they may want to use the same product or service here. Of course, their research results may *not* have been encouraging, in which case they should abandon their idea. But human nature being what it is, or business learners being what they are (optimistic, and not wanting to have spent time for nothing), few people want to interpret market research data negatively and give up on a product concept. This gives rise to an additional question: How many new products fail? Different marketing books give different figures, but it is usually said that over 80% of new products never become commercial successes. The figure must be even higher for new product concepts, as some are abandoned during the market research or test marketing phases, and never achieve a full commercial launch.

The learners have (presumably) yet to do **Unit 13** on advertising, but they will have some notions about this. A taxi company and pizza-delivery business would probably require a lot of advertising. Publicity is described in the second listening activity, and sampling in the first. Other sales promotions could include temporary price reductions or temporary free admission for the fitness centre and perhaps the language school.

Once the learners have established their promotion strategy they can present it to the class, and explain why they chose it, and see whether the class agrees that it is a good strategy.

Depending on time, learners can be asked to provide a more or less detailed promotional strategy. After presenting it to the class, they could also set it out in a memo or an email as a **Writing** activity.

See also the role plays ‘Changing names’ and ‘New products’ in *Business Roles* by John Crowther-Alwyn (Cambridge University Press).

13 Advertising

All language learners have some experience of advertising, as consumers or potential consumers, and should have something to say about this subject. This unit contains a text on advertising and viral marketing, discussion activities about different advertising and sales promotions techniques, a listening exercise based on authentic radio commercials, and an activity involving the preparation of a radio commercial.

Lead-in

There are few 'right answers' here, but here are some remarks.

Advertising professionals are confident that *everyone* is susceptible to advertising, including those who think they are far too rational and worldly-wise to be influenced by it.

It is often claimed that people living in and moving about cities, reading newspapers and using electronic media are potentially exposed to 3,000 advertising messages a day (e.g. in the article extracted in Unit 12, 'Marketing is everything' by Regis McKenna).

Advertising people talk about frequency or 'OTS' (opportunities to see) and the threshold effect – the point at which advertising becomes effective – but there is no reliable answer as to how many times a consumer needs to see a message: it depends on the product, the customer's interest, and the effectiveness of the advertising.

A famous (or perhaps infamous) article in the *Harvard Business Review* ('Businessmen Look Hard at Advertising', by Stephen A. Greyser and Bonnie B. Reece, May–June 1971), reported on a survey of top or senior managers subscribing to the journal. 85% of the respondents believed that advertising often persuades people to buy things they don't *need*, and 51% that it often persuades people to buy things they don't *want*. Your learners may well deny that this has happened to them.

Reading: Advertising and viral marketing

ANSWERS

- 1 B How companies advertise
- 2 A Advertising spending and sales
- 3 D Potential drawbacks of advertising
- 4 C Word-of-mouth advertising and viral marketing

Comprehension

ANSWERS

- 1 To inform (consumers about products and services), and to persuade (them to buy them)
- 2 To create advertisements and develop a media plan
- 3 Spending a fixed percentage of current sales revenue, spending as much as competitors, and increasing current spending in order to increase sales
- 4 It is expensive, it doesn't always reach the target customers, and it isn't always welcome as it interrupts people when they are trying to do something else.
- 5 Blogs, online forums, commenting on blogs and social networking sites, podcasts, viral videos

Vocabulary

ANSWERS

- 1 advertising agencies 2 advertising campaign
3 brief 4 target customers 5 (advertising) budget
6 media plan 7 comparative-parity method
8 (free) sample 9 word-of-mouth advertising
10 viral marketing

Vocabulary note

In Britain, *media* is plural, so, for example, television is *a medium*. In the US, *media* is often also used as a singular.

Writing

MODEL ANSWER

Traditional advertising is expensive and doesn't always reach the target audience. If it does reach the intended customers, it might be interrupting them while they're trying to do something else, and so annoy them.

Viral marketing allows companies to inform and persuade consumers, quickly and at very little cost. If people share videos, etc., with their friends, the company reaches lots of potential consumers at no extra cost, like with word-of-mouth advertising.

The **cartoon** is from 2002. At the time of writing, no army has yet sold advertising space on its tanks!

Discussion: Advertising and promotions

This activity has the potential to lead to animated discussion. People tend to assume that everyone else shares their reactions to advertising. For example:

- It is generally argued that cinema advertising, in a dark room with a captive audience, is the most effective.
- Commercials heard on car radios in traffic jams are also hard to ignore.
- When ads interrupt a TV programme you can get up and do something, or change channels – or just sit there and watch them!
- I believe that I don't even notice most ads in newspapers and magazines, but the advertising profession would disagree.
- I find it hard not to notice large advertising posters in the street, but some people genuinely appear not to see them.
- I tend to notice advertising on buses and trains.
- Similarly, I find it hard not to see neon signs, but this doesn't mean they make me buy the brands advertised.
- I have a sign on my mailbox asking people not to put junk mail in it, and I throw away any that does get put in.
- I don't think I've ever bought anything because a flyer was pressed in my hand in the street, but somebody must do: can the entire flyer industry be wrong?
- I never cut out coupons.
- I sometimes impulse-buy things from point-of-sale displays next to checkout counters.
- I'm happy to take free samples and promotional items, but I don't remember ever buying anything as a consequence.
- I will never, ever buy anything that anyone phones me about at home.
- I instantly delete advertising messages that appear on my mobile.
- I don't think I even notice banner ads on web pages. I have a function that blocks pop-ups, and I never read spam.

Irritating ads are unlikely to make you rush out to buy something, but they can plant a brand name in your brain ('Have you seen that infuriating ad for ...?'). Ads you find clever or amusing will also stick in your mind, though sometimes you only remember the cleverness or the joke but not the brand name. There is no secret recipe as to what makes an ad both interesting and effective. Some advertising clearly works, but I suspect that hundreds of billions of dollars spent on advertising around the world *are* being wasted.

Listening: Radio commercials

► 1.27, 28 29

The learners may be able to answer the first question after one listening. They may need to listen once or twice more to answer the second question, and/or to check their answers in pairs.

AUDIO SCRIPT

- Espresso.
Espress – oh.
Bliss in a cup. Steamed milk on top.
You warm my tongue and my soul.
Mocha. Latte.
Whipped cream and one extra shot.
Wake up my senses, for less expenses.
High-taste escape, from the rat race.
Hand made in front of my eyes.
Cappuccino. Americano.
Fast, fresh and steamy; man that was easy.
Hey Jane, take me to that groovy place called
Sheetz.
Life is a trip, every day.

- 2 Typingmaster Pro asks the question, What if you talked like you typed? What if every time you open-ned your mooth words tumbled out like a le brunch of brokened crockery? How much timme would you wurst back spacking and sprel checking? Would anybody hire youpe? Probably nit. And life would be increbibly frustrating, no doubt. Maybe you should tink five colon backspace comma aboot Typingmaster Pro Typing Tutor for PC and lean how to touch type qickly and measily. Typingmaster Pro hash personalized exercises to target the keys where ou ned more parctice, constantitly monitoring your porgress and adjusting your trainnig. Just lik a good tutor shide, should. So, if you would lik to learn to type as effortgelelessly as you talk, visit us at Typingmaster.com detay option hat symbol seven question mark semi-colon. Typingmaster Pro Typing tutor for PC. Let the typing flop backspace flos backspace flow.

3

Man: I get up, I take a bath, I get dressed, I eat breakfast.

I get up, I take a bath, I get dressed,
Woman: I give him breakfast.

Man: I get up, I take a bath,

Woman: I get him dressed, I give him breakfast.

Man: I get up,

Woman: I give him a bath, I get him dressed, I give him breakfast.
I get him up, I give him a bath, I get him dressed, I give him breakfast.

Narrator: Your life changes quickly. Muscular Dystrophy Association.

ANSWERS AND NOTES

- 1 The first ad is for 'new coffee house drinks' at Sheetz, which is a chain of several hundred gas stations with convenience stores and coffee shops in six American states. It uses music – a jazz trio with muted trumpet, bass and drums – and a jazz singer, though he's more talking (not even rapping) than singing. The music has the feel of a small jazz club, with the audience regularly

applauding and cheering. There are several rhymes and near-rhymes: cup / top, senses / expenses, escape / race, steamy / easy. The ad mentions various different coffees – Espresso, Mocha, Latte, Cappuccino and Americano, and ingredients – steamed milk, whipped cream. Like many ads, it uses hyperbole or exaggeration: the coffee is 'bliss in a cup' that will 'warm [your] soul' and 'wake up [your] senses'. This is typical advertising escapism, but the ad says this explicitly: 'High-taste escape, from the rat race' (though it actually sounds more like 'test' than 'taste'). The ad deliberately uses outdated 1960s hippie slang – 'groovy' and 'life is a trip', though 'trips' were generally associated with illicit drugs rather than coffee. The ad also stresses that the coffees are cheap: 'for less expenses'.

- 2 The second ad is for Typingmaster Pro, a tutoring program for learning how to touch type. It uses humour: 'What if you talked like you typed?', meaning typed badly, with lots of mistakes. The narrator reads a script full of recognizable words with typing errors, and corrections ('colon, backspace, comma').

Here is a corrected version of the audio script:

Typingmaster Pro asks the question, What if you talked like you typed? What if every time you opened your mouth words tumbled out like a bunch of broken crockery? How much time would you waste back spacing and spellchecking? Would anybody hire you? Probably not. And life would be incredibly frustrating, no doubt. Maybe you should think (five colon backspace comma) about Typingmaster Pro Typing Tutor for PC and learn how to touch type quickly and easily. Typingmaster Pro has personalized exercises to target the keys where you need more practice, constantly monitoring your progress and adjusting your training. Just like a good tutor should. So, if you would like to learn to type as effortlessly as you talk, visit us at Typingmaster.com today. Typingmaster Pro Typing Tutor for PC. Let the typing flow.

- 3 The third ad is for the American Muscular Dystrophy Association (the MDA). Muscular dystrophy is the collective name for a group of

genetic, hereditary diseases that cause progressive weakness and degeneration of the muscles which control movement. The MDA is a voluntary health agency that offers support to people with muscular dystrophy, and sponsors research programmes. The ad aims to raise awareness about muscular dystrophy, and indirectly to raise donations. The ad shows this degeneration by having the man with the disease progressively being able to do less and less, until the woman says she has to do everything for him. It is short and simple, and cleverly uses repetition but with small changes: from 'I get up, I take a bath, I get dressed, I eat breakfast' to 'I get him up, I give him a bath, I get him dressed, I give him breakfast.'

These three ads either won, or were shortlisted for, awards given by the American advertising industry.

Here are some **additional questions**, in case time and class interest allow further discussion.

- How many times do you have to see a commercial before it begins to annoy you?

(This is a follow-up to the third question in the **Lead-in**. People have different thresholds of annoyance for repeated commercials.)

- Do you think companies with established brands and products still need to advertise?

(Many tests have shown that companies need to advertise almost continuously in markets in which their competitors are advertising, or they will lose sales. Customer loyalty cannot be taken for granted. In the *Harvard Business Review* survey mentioned above, 72% of respondents agreed that a large reduction in advertising would decrease sales.)

- Do you think that advertising in general presents a true picture of products or services?
- Do you think advertising has a bad influence on children?

(In the *Harvard Business Review* survey, 60% of respondents agreed that advertising does not present a true picture of products, although in many countries, consumer protection legislation has been strengthened since then; and 57% said that it has a bad influence on children.)

- If the best form of advertising is word-of-mouth advertising, you get a lot of free advertising if your brand name becomes a proper noun. For example, lots of English speakers say *Kleenex* instead of tissue, *xerox* instead of photocopy, *hoover* instead of vacuum cleaner, etc. *Hoover* is also used as a verb ('I have to hoover my room').
 - Are there any products like this in your country?
 - This means that a company has achieved excellent brand recognition, but can you think of any *disadvantages* of this for the company?

Other examples of brand names used like this include *sellotape* in Britain and *Scotch tape* in America for sticky tape or adhesive tape, *aspirin* for painkillers, *Band-Aid* instead of adhesive bandage or plaster in America, *Wite-out* in America and *Tipp-Ex* in Britain for correction fluid, and *tupperware* for plastic storage

Role play: Scripting a radio commercial

This activity could be brainstormed in class, and you might want to accept or reject the learners' suggestions for products or services to advertise before they go any further. The rest of the task – including finding any music or sound effects the learners need – could be done out of class; the learners might need a week or two.

Actually recording the commercial could be done in or out of class, depending on the hardware available, and the learners' level of motivation.

The class (or even other classes) could then be invited to judge which is the best commercial (and, of course, to justify their choice).

Discussion: Successful advertising

Again, learners interested in advertising may have a lot to say, while others may claim not to remember any ads at all. There are no right answers.

An additional question with a mixed or well travelled class would be to ask if advertising tends to be different in different countries.

containers for food. People use *to photoshop* as a verb for any computerized editing of photos. Some British people still talk about *biros* for ball-point pens, even if the brand no longer exists. They also mispronounce it: Biró was the name of the Hungarian inventor, and the original English slogan, which rhymed, was 'Every hero has a biro'!

Disadvantages of this for a company include the fact that if a brand name becomes a common noun and a generic trademark, the company is unable to legally protect its trademark, and loses its intellectual property rights. Customers who buy inferior products from competitors may still think of them as belonging to the producer of the original brand name.

See also the role play 'Sponsorship' in *Business Roles* by John Crowther-Alwyn, and the simulation 'Advertising Albion' in *Decisionmaker* by David Evans (Cambridge University Press).