

'In marketing, there are those who satisfy needs and those who create wants.'
Juan Carlos Castillo, American academic

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STARTING UP

A What brands do you know that are marketed internationally? Think of one brand in each of these categories which is marketed internationally.

cars clothing cosmetics electrical equipment soft drinks

B Answer these questions for each brand you listed in Exercise A.

- 1 What is its country of origin?
- 2 What is its brand image?
- 3 What is the target market/segment?
- 4 What sort of advertising campaigns does the brand use? (Are they standardised or adapted to local markets?)
- 5 What is the current slogan?

C What are the most famous international brands in your country? What sort of image do they have a) at home, and b) abroad?

VOCABULARY

Marketing word partnerships

A Complete each group of word partnerships (1–5) with the correct word from the box.

brand customer market marketing product

- | | | | |
|---|---|---|--|
| 1 | mix
strategy
plan | 4 | profile
retention
base |
| 2 | adaptation
penetration
segmentation | 5 | positioning
identity
extension |
| 3 | placement
portfolio
feature | | |

B Choose the correct word partnership from each group in Exercise A to complete these definitions.

- When entering a new market, a SWOT analysis (strengths/weaknesses/opportunities/threats) is conducted on a product, service or company before deciding on a
- It may also be necessary to carry out a STEP analysis (sociological/technological/economic/political) of a new geographical market in order to decide if changes are to be made for
- The USP (unique selling point) is the which makes it different from its competitors.
- Part of building up a is analysing the buying habits of consumers.
- is how a product is placed (up-market, mid-market, budget) in relation to rival products.

C Look at these groups of words and phrases. Find the odd one out in each group.

- | | | | |
|---------------------------|------------------------|------------------------|-----------------------|
| 1 a) growing market | b) developing market | c) expanding market | d) declining market |
| 2 a) questionnaire | b) focus group | c) promotion | d) survey |
| 3 a) market sector | b) market research | c) market segment | d) market niche |
| 4 a) international market | b) overseas market | c) domestic market | d) worldwide market |
| 5 a) launch a product | b) introduce a product | c) bring out a product | d) withdraw a product |
| 6 a) special offer | b) free sample | c) discount | d) slogan |
| 7 a) retailer | b) distributor | c) wholesaler | d) exporter |

D Discuss these questions.

- What are some of the problems companies may face when they try to internationalise a brand? (For example, brand names)
- What are some of the advantages/drawbacks of standardised global advertising?
- Why do some brands/products fail in other countries? Can you give any examples?
- Give an example of an expanding market in your country.
- Give some examples of products or services which are targeted at niche markets.
- What's the difference between a retailer and a wholesaler?

See the DVD-ROM
for the i-Glossary.



READING

A Answer these questions.

Italian luxury

- 1 What do the following have in common: Gucci, Chanel, Calvin Klein, Louis Vuitton, Christian Dior, Versace, Giorgio Armani, Ralph Lauren, Prada, Yves Saint Laurent?
- 2 Which countries tend to make the world's most desirable luxury brands?
- 3 What would you buy if money was no object?

B Read the article below quickly and complete this information.

Tod's group HQ – where? 1
Key products 2
Chairman 3
Competitors that Chairman admires 4
New markets 5
Objective in next five years 6

FT

Diego Della Valle: Italian atmosphere is central to Tod's global expansion

by Vincent Boland

It is not too difficult, in the high-ceilinged elegance of Palazzo Della Valle on the Corso Venezia in Milan, to be seduced by the charms of a certain kind of Italian lifestyle. Here is the headquarters of Tod's Group, which has become a powerhouse in the marketing of that vision to the world's wealthy and discerning.

The atmosphere is deliberate: where some Italian fashion houses have expanded ever further into the realms of celebrity and glamour, Tod's is anchored as firmly as it can be to its family roots and its traditional, hand-made, century-old heritage.

Its signature products – shoes and bags – are made of leather, a raw material that has remained almost unchanged since it was first discovered. A new advertising campaign will take the company back to basics, with a focus on Italian families and their lifestyles – actual Italian families, however rich and privileged – rather than on celebrities.

'The Italian lifestyle is in our DNA, and in our group, we believe in our DNA,' says Diego Della Valle, the Chairman and Chief Executive of Tod's Group.

This image is especially important in new markets, such as China and India, he says. In common with other luxury-goods makers, he is intent on capturing consumers in those markets

who aspire to the same sense of the Italian lifestyle as do customers in more mature markets. 'A luxury-goods company has to have control of its image,' he says. 'For Tod's, the thing is to communicate this tradition, the generations of work that have gone into our products. For us, it's an absolute priority.'

To achieve it, one must put quality before quantity, and one must maintain the group's traditions even as it globalises, which it has been doing fairly relentlessly in the past decade.

The challenge is to marry tradition with modernity in a way that not all Italian luxury-goods and fashion producers have managed. Tod's has done it, Mr Della Valle says, by maintaining one key vision: 'We're a luxury-goods company, not a fashion company.'

This distinction between fashion and luxury is central to Mr Della Valle's global ambitions. The two have different products and ought to have different strategies, he says. The competitors he admires most, he says, are Louis Vuitton, Hermès and Chanel.

Mr Della Valle says that the goal in the next five years is 'to complete the globalisation' of Tod's, for which he has been laying the groundwork. 'I'd like Tod's to be much bigger than it is now, without diluting the brand,' he says.



He expects China and India to account for as much as 25 per cent of revenues by then, because the growth potential is much higher than in more traditional markets. 'There is a much bigger appetite for luxury goods in those markets than in mature markets, and day by day more people are coming into this market.'

But as for China as a competing producer, Mr Della Valle is sceptical about its ability to produce luxury goods. 'It lacks the structure of small companies, the tradition, the concept of excellence' that Italian luxury-goods producers have inherited and which they must maintain as a competitive advantage, he says. 'Made in Italy' doesn't necessarily mean expensive goods, he says. 'It means excellent goods.'

C Read the article again and correct this summary.

Tod's Group wishes to convey the charms of the Italian lifestyle to the world's rich. To do this, it focuses on celebrity and glamour, and its new advertising campaign will feature Italian celebrities. The Chairman says he wants to expand into India and China to capture consumers there who appreciate the Italian lifestyle. To enter such big markets, Tod's will need to think about quantity as well as quality.

Tod's is primarily a fashion company and needs to be much bigger. China and India have more possibility for growth than Tod's traditional markets. The Chairman is worried because China will be able to produce luxury goods more cheaply. In future, Tod's will look to lower production costs by manufacturing in low-cost countries.

D Match words from each column to make word partnerships. Then check your answers in the article.

- | | |
|---------------|--------------|
| 1 competitive | a) markets |
| 2 traditional | b) markets |
| 3 raw | c) advantage |
| 4 mature | d) materials |
| 5 global | e) ambition |

E Discuss these questions.

- 1 What products do you know that rely on their heritage and cultural background?
- 2 In a recession, do you think companies such as Tod's should manufacture in low-cost countries rather than at home? What are the advantages and disadvantages of this?
- 3 Would you ever buy a fake luxury product?
- 4 Do you agree that designer luxury goods are always higher quality than non-designer goods?

LISTENING

How to market internationally



Svend Hollensen



Darrell Kofkin

A CD1.9 Listen to Svend Hollensen, Professor of International Marketing at the University of South Denmark, and answer these questions.

- 1 Which two marketing strategies does he mention?
- 2 What does he say about a) the OneCafé company, and b) Lux?

B CD1.10 Darrell Kofkin is Chief Executive of the Global Marketing Network, a training organisation which offers qualifications in international marketing. Listen to the interview and complete the gaps in these two extracts.

... a new curriculum that enables¹ worldwide to have the latest², the latest³ and⁴, to enable them to become⁵ marketers.

So our students are asked to write a⁶, develop a⁷, develop a⁸, write a⁹, present an¹⁰ – just as they would do in the workplace. Because we know in talking to employers¹¹ that they want marketing professionals that have the¹² and skills required of today's demanding¹³ environment.



LANGUAGE REVIEW

Noun compounds and noun phrases

- A compound noun is two nouns together. Noun compounds are common in business because they are shorter and more convenient than noun phrases. For example:
a market survey rather than *a survey into the market*
a product design brief rather than *a brief for the design of a product*
- Longer noun phrases are also common. They may consist of adverbs, adjectives and compound noun. This pattern is typical:

adverb	adjective/-ing participle	noun	head noun
highly	confidential	sales	report
	excellent	sponsorship	deal
	expanding	customer	base

➔ Grammar reference page 146

A Find noun phrases in the article on page 16 which have similar meanings to these phrases.

- 1 a programme of activities over a period of time with the aim of persuading the public to buy a product (paragraph 3)
- 2 the person who has the highest position in a company (paragraph 4)
- 3 the makers of clothes, shoes, etc. in new and changing styles (paragraph 7)
- 4 an organisation that makes expensive things bought for comfort and pleasure, not for basic needs (paragraph 7)
- 5 possibility for future development and expansion (paragraph 10)

B Cross out the word in each group which does not make a compound noun with the word in bold.

- 1 **marketing** campaign / budget / leader / strategy
- 2 **market** leader / survey / check / sector
- 3 **product** market / range / features / launch
- 4 **advertising** campaign / exchange / agency / slogan
- 5 **brand** awareness / loyalty / image / contract
- 6 **sales** figures / conditions / forecast / targets
- 7 **price** promotion / rise / product / range

C Write the words in each of these noun phrases in the correct order.

- 1 advertising impressive campaign really
- 2 customer department new relations
- 3 competitive mobile highly market phone
- 4 successful product incredibly launch
- 5 customer base loyal
- 6 thorough extremely report sales
- 7 brilliant absolutely campaign global
- 8 competitive increasingly marketing environment

D  CD1.11 Listen and check your answers.