

5 Selling more

5.2 Vocabulary The marketing mix

Discussion

1 Explain what you think is meant by these quotations. Do you agree with them?

'Marketing is what you do when your product is no good' – Edwin Land, Inventor of Polaroid photography

'Business has only two functions – marketing and innovation' – Milan Kundera, Czech writer

'No great marketing decisions have ever been made on quantitative data' – John Sculley, former President of PepsiCo and CEO of Apple

2 Read the short text below and find the answers to these questions.

- | | |
|-------------------------|--------------------------|
| 1 What are the four Ps? | 3 What is mix coherency? |
| 2 What are the four Cs? | 4 What are mix dynamics? |

The marketing mix

The most common variables used in constructing a marketing mix are Price, Promotion, Product, and Placement. These are sometimes referred to as the four Ps. Each of these ideas can also be seen from a consumer's perspective. So, Product converts into Customer Solution, Price into Cost, Place into Convenience, and Promotion into Communication. These are the four Cs.

The concept of mix coherency refers to how well the components of the mix are blended together. For example, a strategy of selling expensive luxury products in discount stores has poor mix coherency between Product and Placement. Mix dynamics refers to how the mix is adapted to a changing business environment, to changes in the organization's resources, and to changes in the product life cycle.

Discussion

3 Decide how successful the mix coherency and mix dynamics are in these examples. Use the four Ps or the four Cs to explain your answers.

- 1 An up market women's hairdressing franchise is opening salons in underground railway stations.
- 2 Accessories and spare parts for a popular portable cassette player are now only available by mail-order or Internet.
- 3 A distributor of T-shirts decorated with ecological symbols and slogans is advertising in women's fashion magazines.
- 4 An executive training company is promoting courses in business letter-writing on TV.
- 5 A video games company distributes discount coupons at football matches.

Listening

4 The marketing techniques below are part of the Promotion strand of the marketing mix. Match the marketing techniques 1–6 with their descriptions a–f.

- | | |
|------------------------|---|
| 1 undercover marketing | a) using electronic media like email or SMS to promote products |
| 2 e-marketing | b) promoting products to target customers, for example, through addressed mail |
| 3 direct marketing | c) persuading people to buy a product or service by announcing it on TV, radio, or in other media |
| 4 product placement | d) marketing that spreads from consumer to consumer, often online |
| 5 viral marketing | e) marketing in which customers do not realize they are being marketed to |
| 6 advertising | f) putting products or references to products in media like films or video games |

5 2:02 Listen to six examples of marketing techniques. Match them with the categories 1–6 in 4.

Internet research

Search for the keywords "Maslow's marketing filter". Apply this technique to the ideas you developed in 8.

6 Complete the marketing collocations in sentences 1–10 with words from the box.

bring declining enter flood leader niche research segmentation share study

- The same product may interest teenagers in Europe and professionals in Africa: determining market _____ is about adapting the marketing mix to these different customer sub-groups.
- Most companies are reluctant to invest in promoting a product if it faces a _____ market.
- A custom-made product can be profitable if the company identifies and develops a small market segment or _____ market effectively.
- Companies often try to capture market _____ by cutting prices or offering special deals.
- Market _____ is needed in order to estimate the cost of doing business in a particular area.
- The purpose of conducting a market _____ is to obtain information about customers' needs and how well they are met.
- The company with the biggest sales in the sector is known as the market _____.
- Manufacturers sometimes _____ the market with cheap products to 'buy' new customers.
- Every great idea needs a manufacturer who is willing to invest in order to _____ it to market.
- The quickest way for large retail chains to grow is to _____ new foreign markets.

Discussion

7 The following sales promotion techniques are often used to stimulate sales. Give examples of these techniques that you know. Use the list of products to help you.

- BOGOF: buy one get one free
- loss leaders: products sold at a low price to encourage sales of another product
- tying: making sales of one product depend on the customer buying another
- cashback: money returned after the customer has paid for something
- bundling: selling several products together as one combined product

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8 Discuss solutions to these case studies. Explain how you would improve the marketing mix, what techniques you would use, and what sales promotion techniques would help.



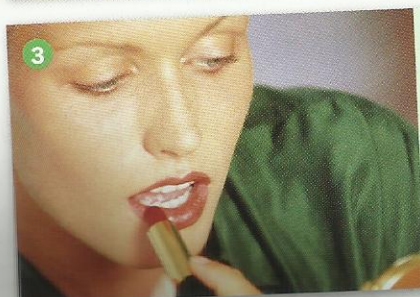
1 Old Orchard

Old Orchard is a high quality apple juice made using organic fruit and traditional methods. It is sold at a premium price in restaurants and tea shops. Market share and profit margins are declining. How can Old Orchard update its image and diversify into new markets?



2 Crunchy Morning

Crunchy Morning make an exciting new range of breakfast cereals with unusual flavours, eg mint, grapefruit, strawberry and marmalade. How can Crunchy Morning capture market share on a saturated market?



3 That Touch Cosmetics

That Touch Cosmetics are well-known in Western Europe for their sensibly-priced skin care and beauty products for women. New management have ambitious objectives for growth. How can That Touch grow in what seems to be a mature market?

5.4 Speaking Dealing with objections

Discussion

1 Decide to what extent you agree with each statement. Choose from *I agree* / *It depends* / *I disagree*. Then compare your answers with a partner.

- 1 The customer is always right.
- 2 Selling a product, a service, or an idea all require the same skills.
- 3 You can't predict all possible objections before a negotiation.
- 4 An objection is a customer's invitation to be persuaded.
- 5 Customers will pay more to buy from people they like.
- 6 Never criticize the competition.
- 7 You can't get an agreement until all objections have been answered.



Listening

2 2:06-2:08 Listen to three conversations between sales representatives and their customers. Decide which salesperson makes each of the following mistakes.

- a) criticizing the competition
- b) giving in to pressure
- c) overreacting and threatening the customers.

3 2:09-2:11 Read the descriptions of three common sales techniques. Listen to three improved versions of the exchanges in 2. Decide which of the techniques below each salesperson is using.

- 1 Use the 'feel, felt, found' formula.
Tell the customer you know how they *feel*, but give an example of other customers who *felt* the same way but *found* they were wrong.
- 2 Redirect the objection to obtain more information.
Use the objections as an opportunity to find out what the customer's position really is.
- 3 Welcome objections and try to establish agreement.
Listen to the customer's objections and use persuasive questions to show understanding.

4 Listen again and complete the phrases the salespeople use.

Use the 'feel, felt, found' formula

I understand _____. Like you, several customers _____ that this was more than they wanted to spend. However, they _____ they were saving money.

Redirect the objection to obtain more information

So tell me, is the membership fee _____ you're not ready to sign up now?
So, if I could postpone your first payment to next year, _____ to sign up today?

Welcome objections and try to establish agreement

I know exactly _____. It's a big decision to make, _____?
I _____. We all want to get a product we can actually use, _____?

5 Each salesperson ends with a question to confirm the customer's position. Listen and make a note of the question each salesperson uses.

Salesperson 1 _____ Salesperson 2 _____ Salesperson 3 _____

5

Selling more



5.6 Case study Backchat Communications

Discussion

1 The first hand-held mobile phone was marketed in 1983. It weighed half a kilogram and cost \$3500. How have they changed since then? How will they continue to evolve?

Reading for implication

2 Read the introduction to the case, and answer questions 1–4 below.

'Min Su, have you any idea where Jung Jun is?' asked Thomas Ibanez, Seoul Deliveries' office manager.

'No, I'm sorry, I don't know,' replied Min Su, looking up from a bank of computer screens. 'He should have been back from a delivery an hour ago, but there's no sign of him.'

'Damn.' The Frenchman was frustrated. Running an efficient courier and delivery service was never easy in a city of ten million people and three million vehicles, but became especially difficult when drivers went missing. The old saying that 'time is money' was never truer than in the courier business.

'I suppose you've tried calling his mobile?'

asked Ibanez.

'Yes, Mr Ibanez,' said Min Su, 'but he's on voice mail. Or more likely it's the battery. The drivers' mobiles are so old, the batteries are flat by the middle of the afternoon.'

'Alright, thanks, Min Su,' said Ibanez. 'Let me know as soon as you find out where he is. Oh, and listen, could you get in touch with Backchat Communications, and ask them to send us a proposal to renew our mobile phone fleet? They had an ad in the subway for phones with a geopositioning system – if we had those, we wouldn't have this problem. We desperately need to upgrade our technology.'

- 1 Why is Thomas concerned about Jung Ju?
- 2 Why do you think the saying 'time is money' is important in the courier business?
- 3 Jung Ju's mobile is on voice mail. How does Min Su explain this? What other explanations can you think of?
- 4 Thomas thinks geopositioning (GPS) may help. Why is this useful for a courier firm?

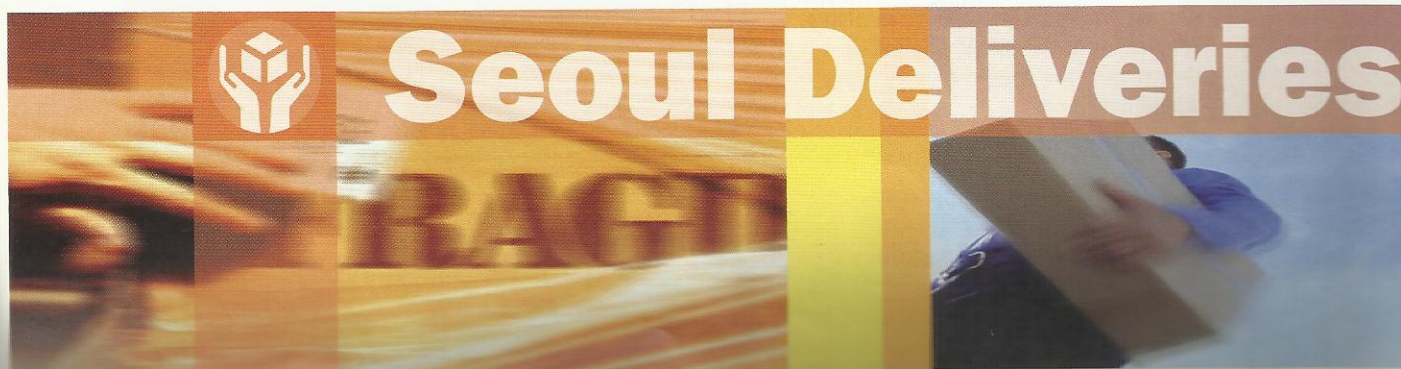
3 Read the advertisement, then answer the questions.

Backchat Communications – most popular mobile phone deals Monthly price plans and line rental


Basic	Smart	Hi-tech
400 minutes/month	800 minutes/month	1200 minutes/month
20,000 won/month*	40,000 won/month*	60,000 won/month*
Handset features: voice and text, built-in camera	Additional features: mp3 player, video games, Bluetooth	Additional features: email, PDA, FM radio, TV, geo-positioning system

* 12 months minimum Discounts negotiable for 18 and 24-month contracts.

- 1 Why are the Smart and Hi-tech plans more expensive than the Basic plan?
- 2 Why are Backchat prepared to negotiate discounts for longer contracts?
- 3 Which phone deal seems best for Seoul Deliveries' a) drivers? b) admin staff? c) managers?



Listening

4  **2:12** Listen to a conversation at Backchat between the Sales Manager, Harry Lim, and his assistant. Complete the notes.

Customer:	Seoul Deliveries
Contact name:	(1) _____
Position:	(2) _____
Approx. number of units required:	(3) _____
User profiles and needs:	Admin staff - would like (4) _____ Managers - need (5) _____ Drivers - management want to motivate drivers with something (6) _____
Possible objections:	Drivers may object to (7) _____ (remind them about (8) _____) Managers may object to drivers (9) _____ and (10) _____



Internet research

Search for the keywords "future of mobile phones" to find out more about what we can expect in the future. Hold a class vote to decide on the most useful and the most useless applications.

Preparation

5 Divide into two groups, sellers with Backchat and buyers with Seoul Deliveries. Your goal is to negotiate the best possible deal. Discuss your strategy and what your main negotiating aims will be.

Negotiation

6 Work in small groups of two to four, with at least one buyer and one seller. Negotiate a deal. Write what you agree on the order form below.

Order form

Plan	Number of contracts	Period of contracts	Discount
Basic (20,000 won/month)
Plus (40,000 won/month)
Hi-tech (60,000 won/month)
Extras:	number (paid)	number (free)	
Spare battery	
Bluetooth headset	
Game and TV pack	

7 When you have finished your negotiation, calculate your score. Sellers go to page 113. Buyers go to page 115. Compare your score with other buyers/sellers to see who negotiated the best deal.

