

Worksheet A

A. Pre-reading: Vocabulary

Don't give stronger students the correct answers until they have read the text and have had a chance to add to or change their original answers.

Key: 1. occupation; 2. trends; 3. financial status; 4. gender; 5. refine; 6. target; 7. credit rating; 8. disposable income; 9. account for; 10. emigration; 11. exclusive; 12. switch

B. Pre-reading

Tell students to discuss the pre-reading task in pairs or small groups and ask them to note down their ideas. Get them to compare their answers against the information in the text with the whole class once they have read the text.

C. Comprehension check

Get students to note down the words and expressions they used to decide on their answers.

Key:

1. T. As well as "considering where customers live", we also have to consider "how their local culture influences them".
2. F. The text says that "the 50-plus age group increasingly has a high level of disposable income". This means that they are free to spend more money, but not that they **need** to.
3. F. This only applies to "exclusive" (e.g. Black or Platinum) credit cards.
4. T. Amazon keeps a record of individual customer purchases. "This knowledge allows Amazon to create a list of recommendations each time a customer logs on to its website."
5. F. The text says "they **may** decide to spend several months a year travelling". This means 'it's possible that they will ...', and not that 'they usually do it'.

D. Discussion

You might want to set this as homework and ask students to prepare a presentation for the following class. Or you could set this as a written essay question.

Worksheet B

A. Pre-listening

This activity helps students practise listening for gist and note-taking from an aural presentation. Review

students' answers once they have listened to the conversation.

B. Comprehension check

This activity helps students practise listening for detail. It also gives them a model of how to take notes from an aural presentation.

With stronger students, see if they are able to fill in some of the gaps from memory **before** they listen again.

Key: 1. buy; 2. plan; 3. efficiently; 4. effectively; 5. measure; 6. competitors; 7. Model T Ford; 8. more sugar used; 9. different taste; 10. purchasing power; 11. habits; 12. suppliers; 13. profitable; 14. expensive; 15. travel company; 16. magazine publisher; 17. diversify

C. Vocabulary: Verbs

All the expressions in this activity are useful for marketing, so encourage students to note them down in their personal vocabulary notebooks. Point out the importance of noting combinations of verbs and complements, rather than trying to learn each in isolation.

Key: 1. divide; 2. make sure; 3. match; 4. wants; 5. work out; 6. helps; 7. plan; 8. use; 9. measuring; 10. doing

D. Discussion

If students are unable to think of examples of things they have personally bought, let them give more general examples.

E. Project

Students could either do this project individually, or in groups. They ought to be able to come up with their own ideas for products, but you might want to set this task at the end of the previous lesson to give them time to think.

A Pre-reading: Vocabulary

The words and expressions below are all used in the text. Match them to the correct explanation (1-12).

gender	trends	emigration	disposable income
financial status	credit rating	occupation	exclusive
target	switch	refine	account for

- The job someone does is their _____.
- _____ are ways in which something changes or develops over time.
- Your _____ is how much money you have and earn, and how much you are able to borrow as a result.
- Your _____ is whether you are male or female.
- When you _____ a process, you make it more precise and detailed.
- When you _____ a product at a person or group, you aim it at them.
- Your _____ describes how much you are able to borrow, based on how you have managed your borrowing in the past.
- Your _____ is the money you have available to spend on things once you have paid your essential bills.
- To _____ something can mean *to explain something*.
- _____ is when people permanently leave their own country to live in another one.
- When a product is _____, it's only aimed at a small number of customers.
- When you stop buying one brand and start buying a different one, you _____ brands.

B Pre-reading

'Segmenting a market' means dividing up customers into groups? Why might this be useful? What groups could you have? Discuss, then compare your suggestions with the information in the text below.

Market segmentation

We normally use five categories to describe how markets are segmented: geographic, demographic, socio-economic, behavioural and lifestyle. Although these are described separately below, they often affect each other.

1. Segmenting by geographic location

We can segment a potential market by considering where customers live and how their local culture influences them. Think about where you live. What products or services would best suit the people living in your area based upon geography and culture? Consider, for instance, the marketing of food products into the Middle East. There are a range of issues to consider, ranging from religious beliefs (what ingredients are acceptable and what are not) to regional tastes and weather conditions.

2. Segmenting by demographics

Marketers can analyze and segment the market according to personal characteristics such as gender, age, race and religion, and trends in population movements (such as emigration). These are important characteristics in studying how markets change. For instance, several countries in Europe have ageing populations, where there are more people over 50 than under 18, and the 50-plus group increasingly has a high level of disposable income.

3. Segmenting by socio-economic status

This is an analysis of financial status, credit ratings, disposable income, house ownership, family size and occupation. Understanding what someone's financial status



Worksheet A: Level 1 (Intermediate)

is enables companies to assign that person to a group, and then to select the right product or service to match the profile of the group. For instance, a credit card company offering an exclusive Platinum or Black card normally targets a group with income and savings above a certain level, with some collateral, e.g. property owners (as a way of reducing risk for the company) and who regularly spend using their card.

4. Segmenting by behaviour

This focuses on how people's purchasing habits are driven by their individual behaviour. For instance, is the customer loyal to one particular brand? Does he or she buy one type of product or service? Does he or she switch brands, and if so, how often?

A company such as Amazon.com segments its customers according to whether they buy only books or CDs, or a combination of both. It can refine the segmenting by considering, for instance, the types of books purchased: perhaps historical romances, contemporary crime thrillers or books on marketing. This knowledge allows Amazon to

create a list of recommendations each time a customer logs on to its website.

5. Segmenting by lifestyle

This is the process of segmenting a market by attempting to understand the way in which individuals (or groups) choose to live their lives. The factors that determine an individual's lifestyle are often immensely complicated. An individual's lifestyle will often change, sometimes in relation to socio-economic status and demographic conditions. For example, 50+ individuals may have worked hard for most of their lives and if they reach early retirement, their lifestyle may change: for instance, they may decide to spend several months a year travelling. Thus, marketers have to account for the fact that people's lifestyles may go through various changes throughout their lives.

Adapted from *Foundations of Marketing* by Jonathan Groucutt, pp. 60-1 © Palgrave Macmillan 2005

C Comprehension check

Do these statements match the information in the text? Mark each statement true (T) or false (F).

1. Segmenting by geographic location involves more than just finding out where customers live.
2. In several European countries, people over 50 years old increasingly need to spend more of their income.
3. Credit card companies prefer customers who have a big income and who have saved lots of money.
4. Amazon.com uses customers' previous purchases to suggest what books they might want to buy next.
5. People over 50 years old who have worked hard and who retire early usually go travelling for several months a year.

D Discussion

Look at the following excerpt from the text.

Think about where you live. What products or services would best suit the people living in your area based upon geography and culture?

Discuss this question in relation to your own country or region.

Worksheet B: Level 1 (Intermediate)

A Pre-listening

You are going to listen to a conversation about market segmentation between Tim, a business studies student who is working as an intern in the marketing department of a large chocolate manufacturing company, and Carla, the marketing manager.

As you listen, make notes in the box below on Carla's explanation of the differences between the mass market, a segment and a niche.

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B Comprehension check

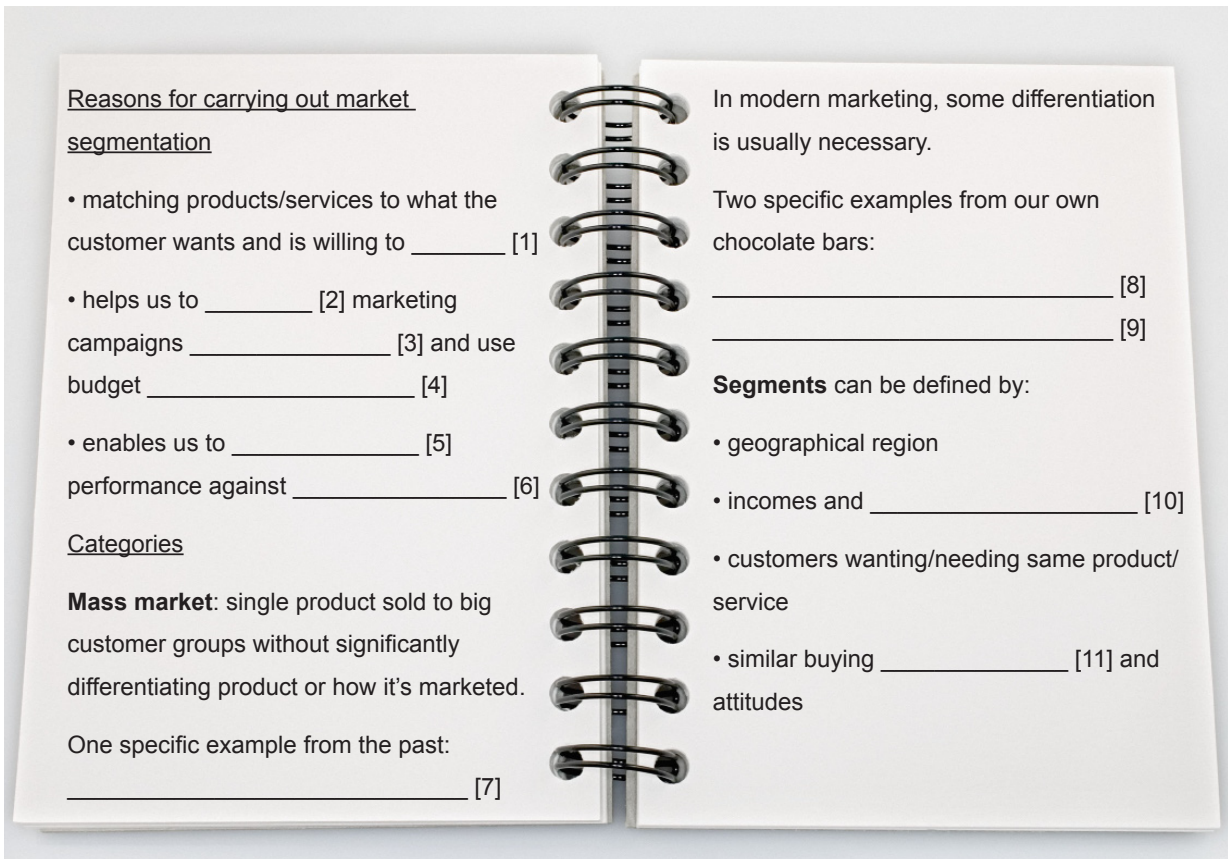
Listen to the dialogue again and complete Tim's notes below using the words in the box.

more sugar used expensive measure travel company buy

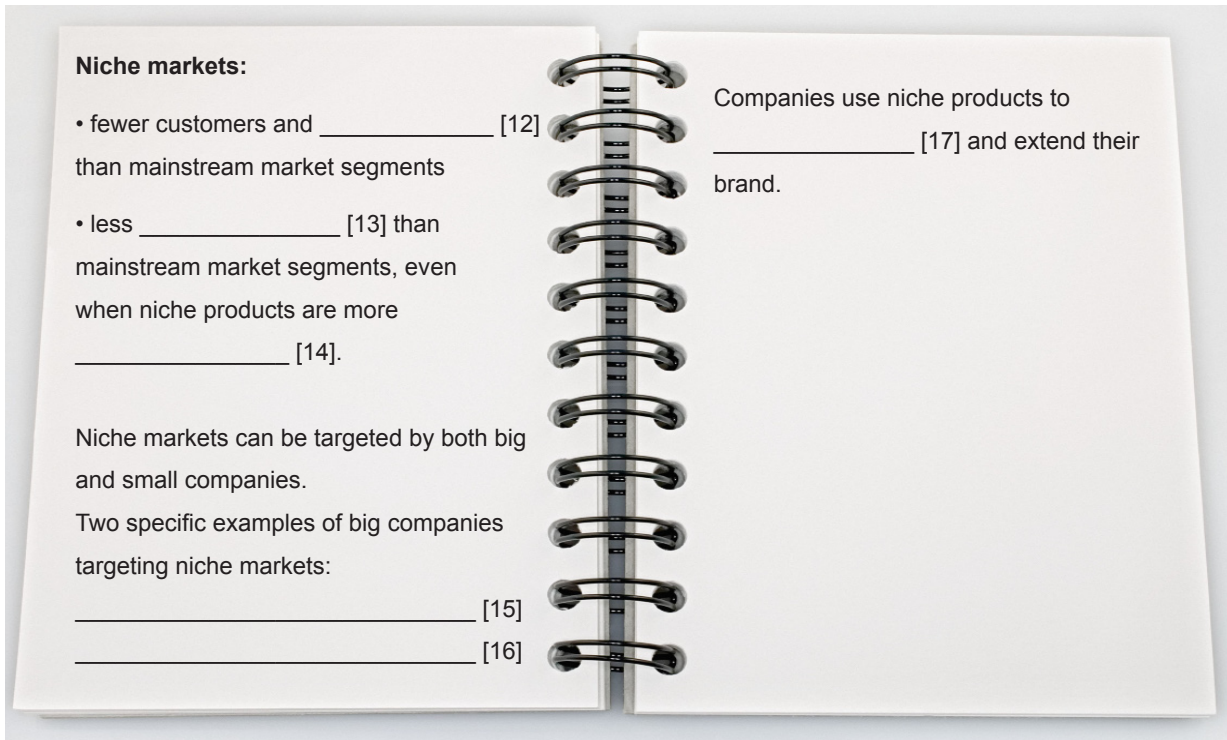
purchasing power efficiently profitable effectively

suppliers Model T Ford diversify different taste

magazine publisher habits competitors plan



Worksheet B: Level 1 (Intermediate)



C Vocabulary: Verbs

Fill the gaps in the dialogue with the verbs from the box. Try doing this before you listen again. Then listen and/or look at the transcript to check your answers.

- | | | | | |
|----------|-----------|--------|-----------|-------|
| work out | match | divide | doing | plan |
| wants | make sure | use | measuring | helps |

Carla: If we _____ [1] our customers into defined groups, we can _____ [2] that the different products we make _____ [3] what each group of our customers _____ [4] and is prepared to buy. And if we _____ [5] who the different groups of people buying our products are, this also _____ [6] us in other ways.

Tim: For example?

Carla: Well, if we know who our customers are, we can _____ [7] our marketing campaigns efficiently and _____ [8] our marketing budget effectively. And knowing which groups of people are buying our products gives us a good way of _____ [9] how well we are _____ [10] in comparison with our competitors.

D Discussion

Can you think of examples of any niche products that you have bought or used? Then compare the products as a class. Which is the most expensive? The most unusual? The cleverest?

E Project

Think of a new product or service you would like to launch. Then follow some of the stages described in the dialogue.

1. Describe some of the segments of the market for your product. What groups of customers are likely to buy it?
2. Discuss some specific ideas for marketing to each of the segments you have identified.
3. Analyze your research and present your findings.



Listening transcript: Level 1 (Intermediate)

Tim, a business studies student, who is working as an intern in the marketing department of a large chocolate manufacturing company, is talking to Carla, the marketing manager, about segmenting the market.

Carla: Were you able to follow that meeting, Tim?

Tim: Yes, I was, Carla. I think I understand the basic point of market segmentation now. You need to know as much as possible about the different groups of customers for your products so that you can make sure the products you manufacture, or the services you provide, are right for the customer.

Carla: Yes, that's correct. If we divide our customers into defined groups, we can make sure that the different products we make match what each group of our customers wants and is prepared to buy. And if we work out who the different groups of people buying our products are, this also helps us in other ways.

Tim: For example?

Carla: Well, if we know who our customers are, we can plan our marketing campaigns efficiently and use our marketing budget effectively. And knowing which groups of people are buying our products gives us a good way of measuring how well we are doing in comparison with our competitors.

Tim: Yes, I'm with you so far. But I'm still a bit confused about some of the terminology. In the meeting, people were talking about mass markets, segments and niches, but I didn't really understand the difference between them.

Carla: Yes, it's a lot to take in. OK, well let's start with the mass market. This is when a company markets a single product to a big group of customers without any significant differences in the product itself or the way it's marketed. The most famous example is the Model T Ford car, which was manufactured so that every car was identical and which was then sold to the whole population of the USA. Of course, this was at the beginning of the 20th century. These days, things are different. Even if we can sell the same product round the world, we still need to make small changes for some markets, either to the product itself or the way it is packaged and branded. That applies to our chocolate bars. In some parts of the world we use more sugar in the recipe, or a different kind of chocolate taste. So normally we need to think about segments rather than a single mass market. Does that make sense?

Tim: Yes, absolutely. So, in other words, you're saying that a segment is a specific group of customers within the mass market?

Carla: Yes, that's right.

Tim: And how do you decide what makes a group of customers a segment?

Carla: Well, normally, the customers that form part of a segment have things that make them similar.

Tim: What sort of things do you have in mind?

Carla: Well, there are lots of things that customers within a segment could have in common. Sometimes it's very easy to define – for instance, they could live in the same geographical region; or they could have similar incomes and purchasing power. But sometimes it's more general. Customers could form a segment simply because they want or need the same kind of product or service. Or they could have similar habits and attitudes when they buy things.

Tim: I see. And a niche is something different from a segment. Is that right?

Carla: Yes, it is. A niche is much smaller than a segment. Usually it's a much more narrowly defined group of customers, which means there is usually a much smaller group of suppliers. For instance, the market for luxury sports cars like Lamborghini or an Aston Martin is a niche market because very few people have the purchasing power to buy one. Because the number of potential customers for niche products and services is much smaller, it means that they are usually less profitable than mainstream ones aimed at the mass market or products that target larger segments. This is true, even when the product itself is quite expensive, like my example of the luxury sports car.

Listening transcript: Level 1 (Intermediate)

Tim: So if niche products are less profitable than mainstream ones, does that mean that only small companies operate in niche markets?

Carla: No, not necessarily. Of course niche markets provide a good opportunity for smaller companies, but there are lots of examples of very big companies operating within niche or specialist markets. Think of a travel company which sells highly specialist holidays, like trekking in the Himalayas or sledging in the Arctic, as well as their normal package holidays where people spend two weeks on the beach. Or how about a magazine publisher that produces magazines for all sorts of specialist hobbies, like bird-watching or knitting, as well as their mainstream magazines that sell in huge numbers. In both cases, the companies are using niche products to diversify and to extend their brand.