

# Facoltà di Economia

## Lingua Inglese di livello A2

ANNO ACCADEMICO 2012-2013

Per gli studenti immatricolati entro A.A. 2007/2008  
ai CdL in Economia Aziendale (cl 17 ex 509) ed Amministrazione ed Economia delle Imprese (cl 17 ex 509)  
e per gli studenti immatricolati nell'A.A. 2008/2009  
al CdL in Economia Amministrazione Aziendale (L17 ex 509)

### PROGRAMMA DI LINGUA INGLESE

#### General English

- a) Phonetics, basic lexical, morphological and syntactic structures of General English.
- b) The communicative usage of language through the learning of the four main linguistic skills: 'Reading', 'Writing', 'Speaking' and 'Listening' applied to General English.

#### English for Special Purposes (ESP)

- a) The development of the application of linguistic knowledge to ESP contexts through the study of more complex lexical, morphological and syntactic structures within ESP texts and contexts.
- b) The communicative usage of language through the acquisition and consolidation of the five main linguistic skills: 'Reading', 'Writing', 'Speaking', 'Listening' and 'Processing', applied to English for Special Purposes. Specific sections will be devoted to Describing Plots and Using Economic Language.
- c) Reading Comprehension of texts belonging to the areas of Economics.

#### Examination

- a) A written test consisting in a grammar test, a Reading Comprehension activity in ESP contexts and a "Use of English" activity focused on Economic language;
- b) An oral test consisting in a general conversation and an interview based on the units of the textbook. Students will be asked to describe plots and to comment on the articles. The examination aims at proving students' communicative usage of language both in general contexts and in an economic environment.

#### Textbook

MacKenzie I., *English for Business Studies* (new edition), Cambridge, Cambridge University Press, 2002:

Unit 2 *Management* (pp 14-16);

Unit 8 *Production* (pp 53-56);

Unit 10 *Marketing* (pp 64-67);

Unit 18 *Market structure and competition* (pp 106- 108).

#### Self study reference

Duckworth M., *Business Grammar and Practice* (new edition), Oxford, Oxford University Press, 2003

Gallagher A., Galuzzi F., *Activating Grammar Multilevel*, Pearson, Longman, 2007

Murphy R., *English Grammar in Use*, Cambridge University Press, Cambridge, (intermediate), *ultima edizione*.

#### Dictionaries

Picchi F., *Il nuovo Economics and Business*, Bologna, Zanichelli, *ultima edizione*.

Cambridge Learner's Dictionary + Cd-Rom, Cambridge, Cambridge University Press, *ultima edizione*.

Il Ragazzini. Bologna: Zanichelli, *ultima edizione*;

Oxford Paravia. Il dizionario inglese-italiano, italiano-inglese. Torino: Paravia, *ultima edizione*.

## General English

### COMPETENZE LINGUISTICHE

#### 1 REPERTORIO LINGUISTICO GENERALE

A2	Dispone di un repertorio linguistico elementare che gli/le permette di cavarsela in situazioni correnti di contenuto prevedibile, anche se generalmente deve cercare le parole e semplificare il messaggio.
	È in grado di formulare brevi espressioni di uso corrente per soddisfare semplici bisogni di tipo concreto: dati personali, routine quotidiane, desideri e bisogni, richieste di informazione. E in grado di usare strutture di base ed espressioni memorizzate, gruppi di poche parole e frasi fatte per parlare di se stesso/a e di altre persone, di ciò che si fa, di luoghi e di cose che si possiedono. Dispone di un repertorio limitato di brevi espressioni memorizzate che rispondono a situazioni prevedibili “di sopravvivenza”; nelle situazioni poco usuali si verificano frequenti interruzioni e fraintendimenti.
A1	Dispone di un repertorio molto elementare formato da espressioni semplici relative a dati personali e bisogni di tipo concreto.

#### 2 AMPIEZZA DEL LESSICO

A2	Dispone di lessico sufficiente per sostenere transazioni della routine quotidiana in situazioni e su argomenti familiari. Dispone di lessico sufficiente per esprimere bisogni comunicativi di base. Dispone di lessico sufficiente per far fronte a bisogni semplici “di sopravvivenza”.
A1	Dispone di un repertorio lessicale di base fatto di singole parole ed espressioni riferibili a un certo numero di situazioni concrete.

##### 2.1 USO DEL LESSICO

A2	Dispone di un repertorio ristretto, funzionale ad esprimere bisogni concreti della vita quotidiana.
A1	Nessun descrittore.

#### 3 CORRETTEZZA GRAMMATICALE

A2	Usa correttamente alcune strutture semplici, ma continua sistematicamente a fare errori di base per esempio tende a confondere i tempi verbali e a dimenticare di segnalare gli accordi; ciononostante ciò che cerca di dire è solitamente chiaro.
A1	Ha solo una padronanza limitata di qualche semplice struttura grammaticale e di semplici modelli sintattici, in un repertorio memorizzato.

#### 4 PADRONANZA FONOLOGICA

A2	La pronuncia è generalmente abbastanza chiara da poter essere capita malgrado il forte accento straniero, ma gli interlocutori potrebbero dover richiedere qualche ripetizione.
A1	La pronuncia di un repertorio molto limitato di parole ed espressioni memorizzate può essere capita con qualche sforzo da parlanti nativi abituati ad avere a che fare con altre persone del suo gruppo linguistico.

#### 5 PADRONANZA ORTOGRAFICA

A2	È in grado di copiare brevi frasi su argomenti correnti – ad es. le indicazioni per arrivare in un posto. È in grado di scrivere parole brevi che fanno parte del suo vocabolario orale riproducendone ragionevolmente la fonetica (ma non necessariamente con ortografia del tutto corretta).
A1	È in grado di copiare parole e brevi espressioni conosciute, ad es. avvisi o istruzioni, nomi di oggetti d’uso quotidiano e di negozi e un certo numero di espressioni correnti. È in grado di dire lettera per lettera il proprio indirizzo, la nazionalità e altri dati personali.

#### **Subject areas for A2**

Ability to understand and use the vocabulary related to:

- Personal information/ feelings / personality / experience
- The family
- Friends
- Home (the house and accommodation)
- Immediate surroundings
- Animals, pets
- Possessions
- Items of clothing
- Parts of the body
- Colours
- Days of the week
- Months of the year
- Seasons
- Describing people
- Daily routine and activities
- Food & drink
- Free time (hobbies and pastimes)
- Sports
- Weekend activities
- Home life
- Places (shops, buildings, parks, etc)
- Shopping
- School, college and university
- Work & Jobs
- Own holidays and travel
- Weather
- Relations with other people
- Basic arithmetic operations

## Grammatical items A2

### Nouns, pronouns and determiners

- Pronouns (personal, reflexive and possessive)
- Pronouns (impersonal and indefinite; reflexive and emphatic)
- Possessive case ('s and s')
- Nouns (countable and uncountable; most common irregular plurals)
- Articles
- Demonstratives
- Quantifiers and expressions of quantity (some, any, much, many, both, either, neither, a few, a lot of, all, other, every, etc.)
- Interrogative pronouns
- Noun phrases (introduction)

### Verbs

- The simple present tense
- The present progressive tense (including verbs not normally used in the progressive form)
- The use of *has/have got*
- Short answers
- The use of *there is/are*
- Expressions of preference (use of the verbs *like & prefer*)
- Imperatives
- The simple past tense of regular and common irregular verbs (including the verb *to be*)
- The future (the use of *be + going to*, *shall /will* and the Present Progressive referring to the future)
- The present perfect tense
- Semi-auxiliaries and Modals
  - used to + infinitive* (past habits); *have (got) to* (obligation); *do not have to* (lack of necessity); *ought to* (obligation); *be able to* (ability); *can* (ability, requests, permission); *could* (ability, polite requests); *may* and *might* (polite requests, permission); *must* (obligation); *mustn't* (obligation); *need* (necessity); *needn't* (lack of necessity); *should* (advice); *will* (offer); *would* (polite requests)
- Infinitive of purpose
- Phrasal verbs (the most commonly used)
- Question tags

### Adjectives

- Adjectives (including comparatives and superlatives)
- Adjectives of nationality
- Numbers (cardinal and ordinal) & dates
- Interrogative adjectives
- Order of adjectives (colour, shape, size, quality, nationality, etc)
- Syntactic function of adjectives

### Adverbs

- Adverbs of frequency (& position)
- Interrogative adverbs
- Adverbs of manner (the most commonly used & position)
- Adverbs of time (the most commonly used & position)
- Adverbs of place (the most commonly used & position)
- Adverbs of degree (the most commonly used & position)

### Prepositions

- Prepositions of time & dates
- Prepositions of place
- Prepositions of position
- Prepositions of movement
- Prepositions of direction
- Prepositions of instrument (*by*, *with*)

### Conjunctions

- Coordinating conjunctions e.g. *and*, *but*, *or*
- Coordinating conjunctions e.g. *and*, *but*, *for*, *nor*, *or*, *so*, *yet*
- Common Subordinating conjunctions e.g. *as*, *because*, *in order that*, *since*, *although*, *if*, *unless*, *where*, *as soon as*, *when*
- Correlative conjunctions e.g. *both ... and*, *either ... or*, *neither ... nor*, *not ... but*, *not only ... but also*

### Clauses

- Parts of speech (subject, verb, object, complement, adverbials)
- Sentences (coordination & subordination)
- Expressions of time (the most commonly used & position relating to present, past and future)
- Conditional sentences (1<sup>st</sup> Type)

## TEXTBOOK

MacKenzie I., *English for Business Studies (second edition)*, Cambridge University Press, 2002.

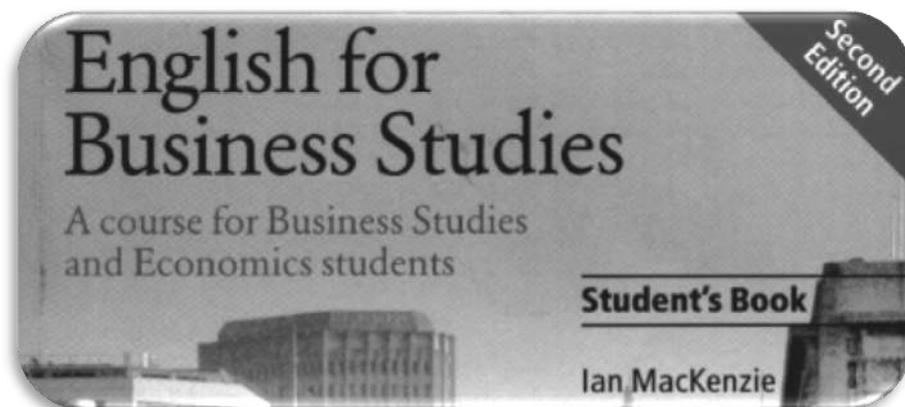
Unit da analizzare:

**Unit 2** *Management (pp 14-16);*

**Unit 10** *Marketing (pp 64-67) ;*

**Unit 8** *Production (pp 53-56);*

**Unit 18** *Market structure and competition (pp 106- 108);*



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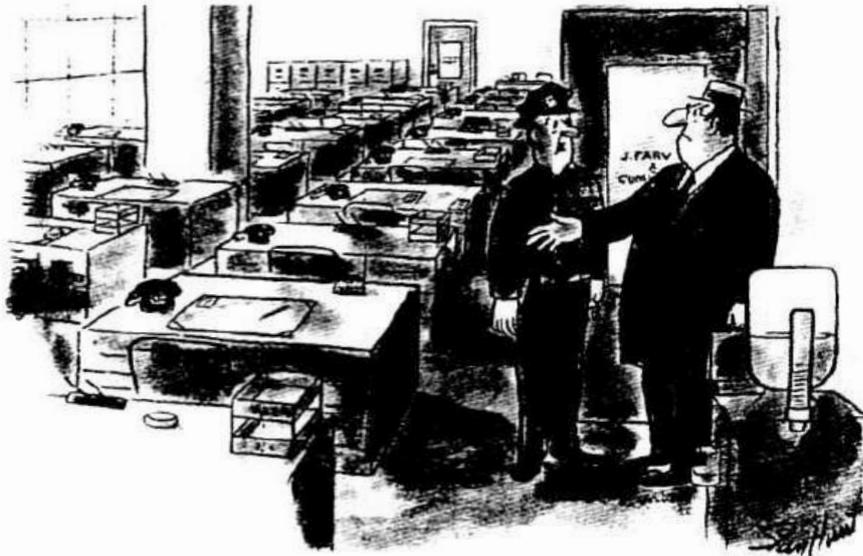
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# Unit 2 Management

## 1 Management – an art or a science?



*"Nobody came to work today, Mr Farvis, because today is a national holiday. Today is Christmas."*

### 1a Discussion

- 1 What is management? Is it an art or a science? An instinct or a set of skills and techniques that can be taught?
- 2 What do you think makes a good manager? Which *four* of the following qualities do you think are the most important?
  - A being decisive: able to make quick decisions
  - B being efficient: doing things quickly, not leaving tasks unfinished, having a tidy desk, and so on
  - C being friendly and sociable
  - D being able to communicate with people
  - E being logical, rational and analytical
  - F being able to motivate and inspire and lead people
  - G being authoritative: able to give orders
  - H being competent: knowing one's job perfectly, as well as the work of one's subordinates
  - I being persuasive: able to convince people to do things
  - J having good ideas
  - K being highly educated and knowing a lot about the world
  - L being prepared to work 50 to 60 hours a week
  - M wanting to make a lot of money

Are there any qualities that you think should be added to this list?

- 3 Which of these qualities can be acquired? Which must you be born with?

## 1b Reading

This text summarizes some of Peter Drucker's views on management. As you read about his description of the work of a manager, decide whether the five different functions he mentions require the four qualities you selected in your discussion, or others you did not choose.



► Peter Drucker

### WHAT IS MANAGEMENT?

Peter Drucker, the well-known American business professor and consultant, suggests that the work of a manager can be divided into planning (setting objectives), organizing, integrating (motivating and communicating), measuring, and developing people.

- First of all, managers (especially senior managers such as company chairmen – and women – and directors) set objectives, and decide how their organization can achieve them. This involves developing strategies, plans and precise tactics, and allocating resources of people and money.
- Secondly, managers organize. They analyse and classify the activities of the organization and the relations among them. They divide the work into manageable activities and then into individual jobs. They select people to manage these units and perform the jobs.
- Thirdly, managers practise the social skills of motivation and communication. They also have to communicate objectives to the people responsible for attaining them. They have to make the people who are responsible for performing individual jobs form teams. They make decisions about pay and promotion. As well as organizing and supervising the work of their subordinates, they have to work with people in other areas and functions.
- Fourthly, managers have to measure the performance of their staff, to see whether the objectives set for the organization as a whole and for each individual member of it are being achieved.
- Lastly, managers develop people – both their subordinates and themselves.

Obviously, objectives occasionally have to be modified or changed. It is generally the job of a company's top managers to consider the needs of the future, and to take responsibility for innovation, without which any organization can only expect a limited life. Top managers also have to manage a business's relations with customers, suppliers, distributors, bankers, investors, neighbouring communities, public authorities, and so on, as well as deal with any major crises which arise. Top managers are appointed and supervised and advised (and dismissed) by a company's board of directors.

Although the tasks of a manager can be analysed and classified in this fashion, management is not entirely scientific. It is a human skill. Business professors obviously believe that intuition and 'instinct' are not enough; there are management skills that have to be learnt. Drucker, for example, wrote nearly 30 years ago that 'Altogether this entire book is based on the proposition that the days of the "intuitive" manager are numbered,'\* meaning that they were coming to an end. But some people are clearly good at management, and others are not. Some people will be unable to put management techniques into practice. Others will have lots of technique, but few good ideas. Outstanding managers are rather rare.

\* Peter Drucker: *An Introductory View of Management*

## 1c Vocabulary

Complete the following sentences with these words.

*achieved*    *board of directors*    *communicate*    *innovations*  
*manageable*    *performance*    *resources*    *setting*    *supervise*

- 1 Managers have to decide how best to allocate the human, physical and capital ..... available to them.
- 2 Managers – logically – have to make sure that the jobs and tasks given to their subordinates are .....
- 3 There is no point in ..... objectives if you don't ..... them to your staff.
- 4 Managers have to ..... their subordinates, and to measure, and try to improve, their .....
- 5 Managers have to check whether objectives and targets are being .....
- 6 A top manager whose performance is unsatisfactory can be dismissed by the company's .....
- 7 Top managers are responsible for the ..... that will allow a company to adapt to a changing world.

## 1d Vocabulary

The text contains a number of common verb-noun partnerships (e.g. *achieve objectives*, *deal with crises*, and so on).

Match up these verbs and nouns to make common collocations.

allocate	decisions
communicate	information
develop	jobs
make	objectives
measure	people
motivate	performance
perform	resources
set	strategies
supervise	subordinates

# Unit 8 Production

At the Graduate School of Business

## 1 Production decisions

### 1a Discussion

What particular skills do you think production and operations managers require?

What do you think the objectives of a production department usually are?



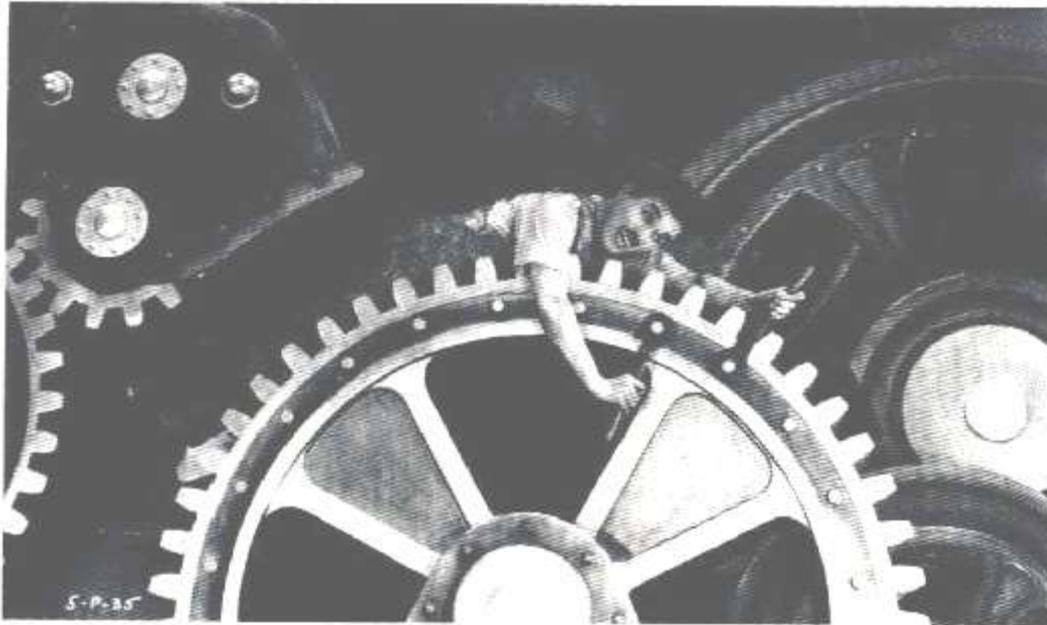
### 1b Vocabulary

These are some basic words used in relation to industrial production. Match them up with the definitions below.

*capacity*      *component*      *inventory*      *lead time*      *location*  
*outsourcing or contracting out*      *plant*      *subcontractor*

- 1 any company that provides goods or services for another one
- 2 any of the pieces or parts that make up a product, machine, etc.
- 3 buying products or processed materials from other companies rather than manufacturing them
- 4 the (maximum) rate of output that can be achieved from a production process
- 5 the buildings, machines, equipment and other facilities used in the production process
- 6 the geographical situation of a factory or other facility
- 7 the stock of any item or resource used in an organization (including raw materials, parts, supplies, work in process and finished products)
- 8 the time needed to perform an activity (i.e. to manufacture or deliver something)

## 1c Vocabulary



After it has been decided what to manufacture, operations managers have to decide *where* to manufacture the different products, *how much productive capacity* their factories and plants should have, and *how much inventory* to maintain. Read the 15 sentences below, and classify them under the following six headings. Some sentences may fall under two headings.

- A The consequences of insufficient capacity
- B The consequences of excess capacity
- C The advantages of large facilities
- D The disadvantages of large facilities
- E The advantages of having a large inventory
- F The disadvantages of having a large inventory

- 1 A long lead time may allow competitors to enter the market.
- 2 Average fixed cost per unit drops as volume increases because each succeeding unit absorbs part of the fixed costs, giving economies of scale.
- 3 Finding staff and coordinating material flow become expensive and difficult.
- 4 If lead time increases, some customers may go to other suppliers.
- 5 Lost sales and market share are usually permanent.
- 6 The working environment might worsen and industrial relations deteriorate.
- 7 There are costs of storage, handling, insurance, depreciation, the opportunity cost of capital, and so on.
- 8 You can be more flexible in product scheduling, and have longer lead times and lower cost operation through larger production runs with fewer set-ups.
- 9 There is always a risk of obsolescence, theft, breakage, and so on.
- 10 You can meet variation in product demand.
- 11 You may be under-utilizing your work force.

- 12 You have protection against variation in raw material delivery time (due to shortages, strikes, lost orders, incorrect or defective shipments, etc.).
- 13 You may be forced to produce additional less profitable products.
- 14 You can take advantage of quantity discounts in purchasing.
- 15 You may have to reduce prices to stimulate demand.

## 1d Reading

Read the text below, and insert the eight words defined in 1b in the spaces.

<i>capacity</i>	<i>component</i>	<i>inventory</i>	<i>lead times</i>
<i>location</i>	<i>outsourcing</i>	<i>plants</i>	<i>subcontractor</i>

### JUST-IN-TIME PRODUCTION

Manufacturing companies are faced with a 'make-or-buy decision' for every item or (1) ..... they use (as well as for every process and service). Do they make it themselves or do they outsource, and buy from a (2) ..... ? If a company assembles products supplied by a large number of subcontractors, they face the problem of how much (3) ..... they require.

In Just-In-Time (JIT) production – also called lean production, stockless production, and continuous flow manufacture – nothing is bought or produced until it is needed. Each section of the production process makes the necessary quantity of the necessary units at the necessary time – which is when it is required by the next stage of the manufacturing process, or by distributors or customers.

The JIT system is usually credited to Taiichi Ohno, who was vice-president for manufacturing with Toyota in Japan in the early 1950s – although he stated that he got the idea from American supermarkets! JIT is wholly contrary to the European and American logic of encouraging greater productivity, and welcoming production that exceeds the agreed schedule or quota, and stocking extras in case of future problems.

JIT minimizes the cost of holding inventories, which are regarded negatively, as avoidable costs, rather than as assets. The large Japanese manufacturing companies have long practised (4) ..... , and generally use extensive networks of small subcontractors. Of course, if a single subcontractor fails to deliver a component on time, the whole production process is sabotaged, but the Japanese industrial system relies on mutual trust and long-term relationships. Small suppliers often attempt to situate their facilities close to the (5) ..... of a larger company with which they work.

The Japanese also prefer small, specialized production (6) ..... with a limited (7) ..... , in which, wherever possible, all the machines required for a certain job are grouped together. This avoids all the waiting and moving time involved in sending half-finished items from one department to another, although it often requires flexible, multi-skilled employees.

JIT thus greatly reduces transportation and inventory costs, and should ensure that there is no waste from overproduction, or from idle workers waiting for parts. It allows increased productivity because of shortened throughput time. If factories are equipped so that set-up times are short, very small production runs are possible. Any quality problems or product defects should be noticed more quickly, production (8) ..... are reduced, and the firm can react more rapidly to demand changes.

## 1e Comprehension

According to the text, are the following sentences TRUE or FALSE? If they are false, say why.

- 1 In JIT, products are 'pulled' through the manufacturing process from the end, rather than 'pushed' through from the beginning.
- 2 JIT originated in American manufacturing.
- 3 JIT encourages production workers to exceed their production targets.
- 4 Companies using the JIT system and outsourcing many of their components are highly dependent on their subcontractors.
- 5 In a JIT system, a delivery of defective components can be replaced from the reserve inventory.
- 6 JIT depends on harmonious partnerships between a company and its suppliers.
- 7 Japanese production systems generally speed up the entire manufacturing process.
- 8 JIT leads to economies of scale.
- 9 JIT production – manufacturing only when a customer places an order – does not encourage innovation or the creation of demand.



*"We have high quality and low prices.  
Which do you want?"*

# Unit 10 Marketing

## 1 Defining marketing

### 1a Definition

Here is a definition of marketing. Complete it by inserting the following verbs in the gaps.

*design    develop    identify    influence    modify    persuade*

Marketers have to (1) ..... or anticipate a consumer need; (2) ..... a product or service that meets that need better than any competing products or services; (3) ..... target customers to try the product or service; and, in the long term, (4) ..... it to satisfy changes in consumer needs or market conditions. Marketers can (5) ..... particular features, attractive packaging, and effective advertising, that will (6) ..... consumers' wants. Marketing thus begins long before the product or service is put on the market; it combines market research, new product development, distribution, advertising, promotion, product improvement, and so on.

**Here is a second definition of marketing (as opposed to selling):**

There will always, one can assume, be a need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy.

*(Peter Drucker: Management: Tasks, Responsibilities, Practices)*

**What do you think of this definition? Can selling really become superfluous, even if the customer is ready to buy? Or is there one important aspect of business that this definition overlooks?**

**Can you think of any examples of products for which marketers anticipated a consumer need (i.e. products you had never imagined needing before they were developed)?**

## 1b Vocabulary

Match up the words or expressions on the left with the definitions on the right.

- |                         |  |
|-------------------------|--|
| 1 distribution channel  | A all the companies or individuals involved in moving a particular good or service from the producer to the consumer   |
| 2 to launch a product   | B an idea for a new product, which is tested with target consumers before the actual product is developed              |
| 3 market opportunities  | C attributes or characteristics of a product: quality, price, reliability, etc.  |
| 4 market research       | D dividing a market into distinct groups of buyers who have different requirements or buying habits                    |
| 5 market segmentation   | E places where goods are sold to the public – shops, stores, kiosks, market stalls, etc.                               |
| 6 packaging             | F possibilities of filling unsatisfied needs in sectors in which a company can profitably produce goods or services    |
| 7 points of sale        | G someone who contacts existing and potential customers, and tries to persuade them to buy goods or services           |
| 8 product concept       | H collecting, analysing and reporting data relevant to a specific marketing situation (such as a proposed new product) |
| 9 product features      | I to introduce a new product onto the market   |
| 10 sales representative | J wrappers and containers in which products are sold   |

## 1c Reading

Look quickly through the following text and decide which paragraphs are about these subjects:

- ..... – company-to-company marketing
- ..... – identifying market opportunities
- ..... – the marketing mix
- ..... – the selling and marketing concepts
- ..... – the importance of market research

### THE CENTRALITY OF MARKETING

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- 1 Most management and marketing writers now distinguish between selling and marketing. The 'selling concept' assumes that resisting consumers have to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services. Products are sold rather than bought. The 'marketing concept', on the contrary, assumes that the producer's task is to find wants and fill them. In other words, you don't sell what you make, you make what will be bought. As well as satisfying existing needs, marketers can also anticipate and create new ones. The markets for the

Walkman, video recorders, videogame consoles, CD players, personal computers, the internet, mobile phones, mountain bikes, snowboards, and genetic engineering, to choose some recent examples, were largely created rather than identified.

- 2 Marketers are consequently always looking for market opportunities - profitable possibilities of filling unsatisfied needs or creating new ones in areas in which the company is likely to enjoy a differential advantage, due to its distinctive competencies (the things it does particularly well). Market opportunities are generally isolated by market segmentation. Once a target market has been identified, a company has to decide what goods or service to offer. This means that much of the work of marketing has been done before the final product or service comes into existence. It also means that the marketing concept has to be understood throughout the company, e.g. in the production department of a manufacturing company as much as in the marketing department itself. The company must also take account of the existence of competitors, who always have to be identified, monitored and defeated in the search for loyal customers.
- 3 Rather than risk launching a product or service solely on the basis of intuition or guesswork, most companies undertake market research (GB) or marketing research (US). They collect and analyse information about the size of a potential market, about consumers' reactions to particular product or service features, and so on. Sales representatives, who also talk to customers, are another important source of information.
- 4 Once the basic offer, e.g. a product concept, has been established, the company has to think about the marketing mix, i.e. all the various elements of a marketing programme, their integration, and the amount of effort that a company can expend on them in order to influence the target market. The best-known classification of these elements is the 'Four Ps': product, place, promotion and price. Aspects to be considered in marketing products include quality, features (standard and optional), style, brand name, size, packaging, services and guarantee. Place in a marketing mix includes such factors as distribution channels, locations of points of sale, transport, inventory size, etc. Promotion groups together advertising, publicity, sales promotion, and personal selling, while price includes the basic list price, discounts, the length of the payment period, possible credit terms, and so on. It is the job of a product manager or a brand manager to look for ways to increase sales by changing the marketing mix.
- 5 It must be remembered that quite apart from consumer markets (in which people buy products for direct consumption) there exists an enormous producer or industrial or business market, consisting of all the individuals and organizations that acquire goods and services that are used in the production of other goods, or in the supply of services to others. Few consumers realize that the producer market is actually larger than the consumer market, since it contains all the raw materials, manufactured parts and components that go into consumer goods, plus

capital equipment such as buildings and machines, supplies such as energy and pens and paper, and services ranging from cleaning to management consulting, all of which have to be marketed. There is consequently more industrial than consumer marketing, even though ordinary consumers are seldom exposed to it.

## 1d Comprehension

**Which of the following three paragraphs most accurately summarizes the text in 1c, and why?**

*First summary:*

Marketing means that you don't have to worry about selling your product, because you know it satisfies a need. Companies have to identify market opportunities by market segmentation: doing market research, finding a target market, and producing the right product. Once a product concept has been established, marketers regularly have to change the marketing mix – the product's features, its distribution, the way it is promoted, and its price – in order to increase sales. Industrial goods – components and equipment for producers of other goods – have to be marketed as well as consumer goods.

*Second summary:*

The marketing concept has now completely replaced the old-fashioned selling concept. Companies have to identify and satisfy the needs of particular market segments. A product's features are often changed, as are its price, the places in which it is sold, and the way in which it is promoted. More important than the marketing of consumer goods is the marketing of industrial or producer goods.

*Third summary:*

The marketing concept is that a company's choice of what goods and services to offer should be based on the goal of satisfying consumers' needs. Many companies limit themselves to attempting to satisfy the needs of particular market segments. Their choice of action is often the result of market research. A product's features, the methods of distributing and promoting it, and its price, can all be changed during the course of its life, if necessary. Quite apart from the marketing of consumer products, with which everybody is familiar, there is a great deal of marketing of industrial goods.

# Unit 18 | Market structure and competition

## 1 Market structure



### 1a Discussion

Think of some durable consumer goods that your family possesses – perhaps a car, a television, a stereo, a camera, a personal computer, a cooker, a fridge, a hair dryer, and so on. Think of your casual clothes, especially jeans and sports shoes. Think of toys you had as a child. Think of the brands of food and drink you habitually consume, including breakfast cereals, chocolate, tea and instant coffee. Think of the products you use to wash yourself and your clothes.

In each case, do you know whether the company that makes them is one of the following?

- the *market leader* (with the biggest market share)
- the *market challenger* (the second-biggest company in the industry)
- one of many smaller *market followers*

If you buy or have bought products that are *not* produced by the market leader or a well-known market challenger, what is the reason?

- chance
- price
- because the product has a 'unique selling proposition' that appeals to you
- because you need something special, and are part of a particular niche or market segment

Give examples.

## 1b Reading

Read the following text and write short headings for each paragraph.

### MARKET LEADERS, CHALLENGERS AND FOLLOWERS

---

1 .....

In most markets there is a definite market leader: the firm with the largest market share. This is often the first company to have entered the field, or at least the first to have succeeded in it. The market leader is frequently able to lead other firms in the introduction of new products, in price changes, in the level or intensity of promotions, and so on.

2 .....

Market leaders usually want to increase their market share even further, or at least to protect their current market share. One way to do this is to try to find ways to increase the size of the entire market. Contrary to a common belief, wholly dominating a market, or having a monopoly, is seldom an advantage: competitors expand markets and find new uses and users for products, which enriches everyone in the field, but the market leader more than its competitors. A market can also be expanded by stimulating more usage: for example, many households no longer have only one radio or cassette player, but perhaps one in each room, one in the car, plus a minidisc player or a Walkman or two.

3 .....

In many markets, there is often also a distinct market challenger, with the second-largest market share. In the car hire business, the challenger actually advertises this fact: for many years Avis used the slogan 'We're number two. We try harder.' Market challengers can either attempt to attack the leader, or to increase their market share by attacking various market followers.

4 .....

The majority of companies in any industry are merely market followers which present no threat to the leader. Many market followers concentrate on market segmentation: finding a profitable niche in the market that is not satisfied by other goods or services, and that offers growth potential or gives the company a differential advantage because of its specific competencies.

5 .....

A market follower which does not establish its own niche is in a vulnerable position: if its product does not have a 'unique selling proposition' there is no reason for anyone to buy it. In fact, in most established industries, there is only room for two or three major companies: think of soft drinks, soap and washing powders, jeans, sports shoes, and so on. Although small companies are generally flexible, and can quickly respond to market conditions, their narrow range of customers causes problematic fluctuations in turnover and profit. Furthermore, they are vulnerable in a recession when, largely for psychological reasons, distributors, retailers and customers all prefer to buy from big, well-known suppliers.

## 1c Comprehension

Which of the following three paragraphs most accurately summarizes the text, and what is wrong with the others?

*First summary:*

In most markets there is a definite market leader, with the largest market share, which frequently helps other firms to introduce new products. In many cases, there is also a market challenger, which wants to replace the leader, and various market followers, which seek out particular niches that do not interest the leader. Other followers merely imitate the products of larger companies, but this is a dangerous strategy during recessions.

*Second summary:*

In most markets there is a leader that strongly influences other firms in the introduction of new products, price changes, promotions, and so on. There is frequently also a market challenger, with the second-largest market share, which can attempt to increase its market share by attacking either the leader or some market followers. Market followers often concentrate on profitable niche products that are in some way differentiated from the products of larger companies.

*Third summary:*

The first company in a particular market nearly always becomes the market leader, a position it will try to keep by regularly attacking distinct market challengers and followers. Most followers can either concentrate on small market segments or niches, or follow the safer strategy of imitating the leader's products.

## 1d Vocabulary

Find words in the text which mean the following.

- 1 a company's sales expressed as a percentage of the total market
- 2 short-term tactics designed to stimulate stronger sales of a product
- 3 the situation in which there is only one seller of a product
- 4 companies offering similar goods or services to the same set of customers
- 5 a short and easily memorized phrase used in advertising
- 6 the division of a market into submarkets according to the needs or buying habits of different groups of potential customers
- 7 a small and specific market segment
- 8 a factor which makes you superior to competitors in a certain respect
- 9 a business's total sales revenue
- 10 a period during which an economy is working below its potential

# ANSWERS

## UNIT 2 MANAGEMENT

### 1a Discussion

#### ANSWERS

- 1 The answer is probably that management is a mixture of innate qualities and learnable skills and techniques.
- 2 A personal choice of qualities: D, F, H and J. I also quite like K. If you like the sound of derisive laughter ringing round the classroom, tell any learners who choose L that they should consider becoming a teacher!
- 3 There are clearly no definitive answers as to which of these skills can be acquired.

### 1c Vocabulary

#### ANSWERS

- 1 resources
- 2 manageable
- 3 setting, communicate
- 4 supervise, performance
- 5 achieved
- 6 board of directors
- 7 innovations

## UNIT 8 PRODUCTION

### 1b Vocabulary

#### ANSWERS

- 1 subcontractor
- 2 component
- 3 outsourcing or contracting out
- 4 capacity
- 5 plant
- 6 location
- 7 inventory
- 8 lead time

### 1c Vocabulary

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

#### SUGGESTED ANSWERS

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

### 1b Reading

#### ANSWERS

Drucker's first point (setting objectives and developing strategies) presumably requires qualities J, H, E and A (not necessarily in that order). The second point (organizing) presumably also requires H, E and J. The third point (motivation and communication) embraces E, D, I and probably C. The fourth point (measuring performance) probably requires H and E. The fifth point (developing people) might require H, E, D and J. But all this is clearly open to discussion.

### 1d Vocabulary

#### ANSWERS

Common collocations include: allocate resources (or people), communicate information or decisions, develop strategies (or people or subordinates), make decisions, measure performance, motivate people, perform jobs, set objectives, and supervise subordinates.

### 1e Comprehension

#### ANSWERS

- 1 True ('Each section of the production process makes the necessary quantity of the necessary units at the necessary time – which is when it is required by the next stage of the manufacturing process, or by distributors or customers.')
- 2 False (Ohno mentioned American retailing.)
- 3 False (Quite the contrary; it encourages them to produce exactly the amount required.)
- 4 True ('...if a single subcontractor fails to deliver a component on time, the whole production process is sabotaged.')
- 5 False (There is virtually no inventory.)
- 6 True ('...the Japanese industrial system relies on mutual trust and long-term relationships.')
- 7 True ('This avoids all the waiting and moving time involved in sending half-finished items from one department to another. [...] JIT...should ensure that there is no waste...from idle workers waiting for parts.')
- 8 False ('The Japanese also prefer small, specialized production plants with a limited capacity. [...] very small production runs are possible.')
- 9 True (This is not mentioned in the text, but follows logically from the concept of JIT, as business students should be able to understand.)

UNIT 10 MARKETING

1a Definition

ANSWERS		
1 identify	2 develop	3 persuade
4 modify	5 design	6 influence

1b Vocabulary

ANSWERS				
1 A	2 I	3 F	4 H	5 D
6 J	7 E	8 B	9 C	10 G

1c Reading

ANSWERS
Paragraph 1 – the selling and marketing concepts
Paragraph 2 – identifying market opportunities
Paragraph 3 – the importance of market research
Paragraph 4 – the marketing mix
Paragraph 5 – company-to-company marketing

UNIT 18 MARKET STRUCTURE AND COMPETITION

1b Reading

POSSIBLE ANSWERS
1 Market leaders
2 Expanding markets
3 Market challengers
4 Market followers
5 Establishing a niche / Dangers faced by market followers

1d Vocabulary

ANSWERS	
1 market share	2 promotions
3 monopoly	4 competitors
5 slogan	
6 market segmentation	7 niche
8 differential advantage	9 turnover
10 recession	

1d Comprehension

**ANSWER**

The third summary is the most accurate and complete. The second summary fails to mention market research, and both the first and second contain errors. They both neglect the continued importance of selling, and the existence of competitors. They also wrongly suggest that market segmentation is the only way to find a market opportunity: some products are aimed at wholly new, unsegmented markets. The first summary wrongly states that marketers regularly *have to* change a product, its distribution, the way it is promoted, and its price. In fact they *may* change one or more of these elements as necessary. The second summary states that the marketing of industrial or producer goods is 'more important' than that of consumer goods, which is untrue.

1c Comprehension

**ANSWERS**

The *second* summary is the only accurate one.

The first sentence of the *first* summary is clearly false. The last sentence of the first paragraph of the text, 'The market leader is frequently able to lead other firms in the introduction of new products,' means that other companies are obliged to follow, not that the leader helps them. The last sentence is equally inaccurate: the fifth paragraph of the text says that a product that merely imitates and has no unique selling proposition is always a risk, not only during recessions.

The *third* summary is also inaccurate. The text says that a market leader is *often* the first company to have entered or to have succeeded in a field, not that the first company *nearly always* becomes the leader. The text states that market followers can choose to attack *either* the leader *or* various followers, and *not* that leaders regularly attack both challengers (in the plural) and followers. The last sentence is wholly false as the text does not state that imitating the leader's products is a safe strategy.

# ESEMPIO di Prova scritta

## Grammar test

### 1. Choose the correct answer. Only one is correct.

- |     |  |              |
|-----|--|--------------|
| 1.  | That bag is heavy. ____ you with it.<br>(a) I'm helping (b) I help (c) I'll help                                     | 1.<br>_____  |
| 2.  | Whose exercise book is this ? ____ !<br>(a) Mine one. (b) Mine. (c) My   | 2.<br>_____  |
| 3.  | We are vegetarians, so ____ of us eats meat.<br>(a) both (b) nor (c) neither   | 3.<br>_____  |
| 4.  | Who are ____ men standing over there? Policemen?<br>(a) that (b) these (c) those                                     | 4.<br>_____  |
| 5.  | Please translate this text ____ Italian.<br>(a) onto (b) into (c) to   | 5.<br>_____  |
| 6.  | Inflation this year is ____ than last year.<br>(a) highest (b) higher (c) more high                                  | 6.<br>_____  |
| 7.  | Our town has two cinemas, but ____ theatre.<br>(a) it doesn't got (b) it has not got (c) it has got no               | 7.<br>_____  |
| 8.  | What time ____ home?<br>(a) did they went (b) did they go (c) went they  | 8.<br>_____  |
| 9.  | You won't feel very well if you ____ too many cakes.<br>(a) will eat (b) eat (c) ate                                 | 9.<br>_____  |
| 10. | The rights of ____ get decided at Strasbourg.<br>(a) European citizen (b) an European citizen (c) a European citizen | 10.<br>_____ |
| 11. | What time _____ the banks close in Brasil?<br>a) does b) do c) is  | 11.<br>_____ |
| 12. | The hotel wasn't expensive. It _____ very much.<br>a) didn't cost b) don't cost c) doesn't cost                      | 12.<br>_____ |

### 2. Fill in the gaps with the words from the list below. Use the correct word just ONCE.

Some friends come ..... our lives for just a short time. Others come and stay forever. Think about your closest friends, ..... have you known each other? Some people say that their husband or wife or family member is their best friend. Others say ..... have known their closest friends for many years. And some great friends haven't known each other all that long, but ..... immediately that there was a connection, or bond, between them. Could it be that there is a twin spirit out there for each of us? One thing most of us agree on is that ..... friendships seem to happen ..... people have something in common. Perhaps we see a part of ourselves in ..... friends. Maybe ..... the good in them helps us to see the good in us as well.

**how long; into; knew; our; seeing; they; true; when.**

**READING COMPREHENSION**

*Read the text thoroughly and complete the exercises on your sheet.*

**The world comes to Italy**

Migrants come to Italy from all over the world, but around half the foreigners, now legally resident there, were born in Eastern Europe. There are 890,000 people from Romania alone. Integrating migrants into what, for all Italy's divisions, was previously an ethnically uniform society has not been easy, but it has gone better than expected.

As it happens, Italy cannot afford to be too selective about the colour of its future workforce. Without immigration, it is possible that its population could decline by 75,000 in 2009. With it, the population grew by a modest 295,000. Migrants are all the more needed because so few women are in the labour force. In other European countries many mothers abandon formal work for a few years after childbirth but then return. In Italy women's participation in the labour market continues to decline as the child gets older. A paper by the Bank of Italy found that those most likely to go back to work were female entrepreneurs and public-sector workers.

For all the hostility to foreign influence, Italy is creeping towards an unplanned compromise with the world in which companies' international expansion benefits those who stay at home and foreign workers fill a hole created by the shrinking of the native population. It may look chaotic but it works, and it is steadily transforming the country.

**1. What nouns or nominal phrases do the following pronouns, underlined in the text, refer to:**

- 1. its .....
- 2. it .....

**2. Look at the paragraphs and say what words have:**

**a) the same meaning as:**

**b) the opposite meaning as:**

Paragraph 3: moving slowly .....

Paragraph 1: mixed .....

Paragraph 3: reduction .....

Paragraph 2: unofficial .....

**3. Read the text in detail and mark the true statements ( T ) and the false statements ( F ):**

- 1. Around half the foreigners who are legally resident in Italy were born in Eastern Europe. 1. \_\_\_\_\_
- 2. In Italy many mothers return to work a few years after childbirth. 2. \_\_\_\_\_
- 3. As their child gets older, the participation of Italian women in the Italian labour market gets lower. 3. \_\_\_\_\_

**4. Write questions, relating to the text, to which these could be the answers:**

- 1. Migrants are needed because so few women are in the labour force.  
.....  
.....
- 2. Women who usually go back to work are female entrepreneurs and public-sector workers.  
.....  
.....
- 3. It may look chaotic but it works.  
.....  
.....

**CHIAVE**

1C 2B 3C 4C 5B 6B 7C 8B 9B 10C 11B 12B

Some friends come **into** our lives for just a short time. Others come and stay forever. Think about your closest friends, **how long** have you known each other? Some people say that their husband or wife or family member is their best friend. Others say **they** have known their closest friends for many years. And some great friends haven't known each other all that long, but **knew** right away that there was a connection, or bond, between them. Could it be that there is a twin spirit out there for each of us? One thing most of us agree on is that **true** friendships seem to happen **when** people have something in common. Perhaps we see a part of ourselves in **our** friends. Maybe **seeing** the good in them helps us to see the good in us as well.

**The world comes to Italy**

Migrants come to Italy from all over the world, but around half the foreigners, now legally resident there, were born in Eastern Europe. **True** There are 890,000 people from Romania alone. Integrating migrants into what, for all Italy's divisions, was previously an ethnically **uniform** society has not been easy, but it has gone better than expected.

As it happens, **Italy** cannot afford to be too selective about the colour of its future workforce. Without **immigration**, it is possible that **its** population could decline by 75,000 in 2009. With **it**, the population grew by a modest 295,000. **Migrants are all the more needed because so few women are in the labour force.** **In other** European countries many mothers abandon **formal** work for a few years after childbirth but then return **False**. **In** Italy women's participation in the labour market continues to decline as the child gets older. **True** A paper by the Bank of Italy found **that those most likely to go back to work were female entrepreneurs and public-sector workers.**

For all the hostility to foreign influence, Italy is **creeping** towards an unplanned compromise with the world in which companies' international expansion benefits those who stay at home and foreign workers fill a hole created by the **shrinking** of the native population. **It may look chaotic but it works**, and it is steadily transforming the country.

**1. Identify what the following pronouns, underlined in the text, stand for:**

- 3. Paragraph 2 **its** .....ITALY.....
- 4. Paragraph 2 **it** .....IMMIGRATION.....

**2. Look at the paragraphs and say what words have:**

**a) the same meaning as:**

- Paragraph 3: moving slowly .....CREEPING.....
- Paragraph 3: reduction .....SHRINKING.....

**b) the opposite meaning as:**

- Paragraph 1: mixed .....UNIFORM.....
- Paragraph 2: unofficial .....FORMAL.....

**3. Read the text in detail and mark the true statements ( T ) and the false statements ( F ):**

- 1. Around half the foreigners who are legally resident in Italy were born in Eastern Europe. 1.TRUE
- 2. In Italy many mothers return to work a few years after childbirth. 2.FALSE
- 3. As their child gets older, the participation of Italian women in the Italian labour market gets lower. 3. TRUE

1. Migrants are needed because so few women are in the labour force.

**Why are migrants needed?**

2. Women who usually go back to work are female entrepreneurs and public-sector workers.

**Who are the women who usually go back to work?**

3. It may look chaotic but it works.

**Does it work? Does it look chaotic?**