

Worksheet A: Level 1 (Intermediate)

**A** Vocabulary

Fill the gaps in the sentences using the correct words and phrases from the box below.

word of mouth      efficiently      potential      return      bankruptcy  
anticipate      effectively      warehouse      incur      stockpiled

1. A \_\_\_\_\_ customer is someone who doesn't yet buy from you but might do in the future.
2. To \_\_\_\_\_ a situation is when you know that something is going to happen and act before it does.
3. \_\_\_\_\_ is when people talk about something (e.g. a new product) among themselves, so that it becomes known.
4. When a large quantity of products are stored ready for use, they are \_\_\_\_\_.
5. A \_\_\_\_\_ is a place where goods are stored.
6. When your actions mean you have to pay for something (usually unnecessarily), you \_\_\_\_\_ costs.
7. When you do something \_\_\_\_\_, you do it in a way that does not waste time, effort or money.
8. When you do something \_\_\_\_\_, you do it in a way that produces the effect you intended.
9. A \_\_\_\_\_ on investment is the profit you make when you invest in something.
10. \_\_\_\_\_ is when a company or person can't pay what they owe.

**B** Pre-reading

Think of some reasons why a company might decide to do marketing research and make some notes. Then compare your ideas with the ones in the text.

**Reasons for doing marketing research**

**Understanding the market**

In an extremely competitive environment, organizations need to clearly understand how the market they operate in works. This understanding needs to include:

- ◇ current customers
- ◇ current competitors
- ◇ potential customers
- ◇ potential competitors
- ◇ the impact of outside influences (e.g. the economy, politics, population growth or decline, etc.)

It is only through understanding, or at least attempting to understand, such different groups that an organization can both anticipate and react to changing situations.

**Forecasting**

Marketing research is a way of creating information in a way that helps us to forecast – to predict what is going to happen to our business in the future. For example, there is little value in a company producing millions of a particular toy if the market research suggests it will only sell a few thousand. Of course, the situation may change, especially if the product becomes well known through word of mouth and it becomes a major success within the marketplace.

However, if the initial marketing research shows that there is not a lot of interest in the product, it would be unwise for the company to produce large volumes. The product will simply be stockpiled in a warehouse, losing value while incurring warehousing costs.

**Improving return on investment**

Companies should continually seek to improve their profitability. In other words, they need to use their resources both efficiently and effectively. Of course, that does not mean operating at 'survival level', with (for example) the smallest possible number of employees. That would be very risky. However, companies should consider ways of improving return on investment. This is particularly the case where a lot of money has been invested in research and development to create the product (or service) in the first instance.

**Exploiting new market opportunities**

Marketing research is not only about current problems. As we have already noted, it can be used for forecasting market demand. Moreover, it can be used to discover possible gaps within the market for new products and services.

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**Reducing the level of risk**

The development and subsequent introduction of new products and services can cause significant financial and business risks for companies. Many companies introduce new products and then find that they are not successful in the marketplace – spending a lot of money on marketing does not solve their problem. In some cases the company

faces bankruptcy as a result. Marketing research might provide information on whether the product either has a market at all, or whether it needs minor adjustments to meet market needs.

Adapted from *Foundations of Marketing* by Jonathan Groucutt, pp. 67-68 © Palgrave Macmillan 2005

**C Comprehension**

Read the text again and decide whether these statements are true (T) or false (F).

1. If companies do their initial forecasting and market research properly, they will always know whether a new product is going to be successful.
2. Companies shouldn't produce large quantities of a new product if initial research does not show a lot of interest in it.
3. Companies should not reduce their costs to a point where it risks damaging the company.
4. The more a company has invested in research and development for a new product, the more careful it needs to be about checking the return on its investment.
5. If a product is not popular when it first appears, it's always a good idea to spend more on marketing

**D Vocabulary development**

Match the verbs on the left (1-8) with the words and phrases on the right (a-h) to make a phrase used in the text. Try doing this first without looking at the text, and then go back to the text to check your answers.

- |                 |                                |
|-----------------|--------------------------------|
| 1. to operate   | a. resources                   |
| 2. to react     | b. in a market                 |
| 3. to use       | c. new products                |
| 4. to invest    | d. to a situation              |
| 5. to forecast  | e. demand                      |
| 6. to discover  | f. a lot of money on marketing |
| 7. to introduce | g. in research and development |
| 8. to spend     | h. gaps in a market            |

**E Discussion**

Your teacher has asked you to choose a new subject to be taught in your school/college. How would you research this? Make a list of all the things you would need to find out and how you would get the information you need.

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**Worksheet B: Level 1 (Intermediate)**

**A Pre-listening**

You are going to listen to a conversation about market research 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 on Carla's description of the techniques companies use to do market research (e.g. customer questionnaires).

**B Comprehension 1**

Listen to the dialogue and decide whether these statements are true (T) or false (F).

1. Tim has had experience of designing research questionnaires.
2. The process of marketing research begins with designing a questionnaire.
3. Carla says that companies aren't always able to do market research.
4. Carla's company did some early research on their non-melting chocolate bars in order to beat their competitors.
5. Carla's company sometimes uses outside market research companies.
6. Carla says that questionnaires sent on the internet are more reliable and accurate than those carried out on the phone or by post.
7. Carla's company carries out direct research in supermarkets.
8. In Carla's company, the research report is only used by the marketing department.

**C Comprehension 2**

Here are the different stages of the marketing research process described by Carla. There is one stage in the list that she does not mention. Which one? Listen again and check your answer.

1. Decide whether market research is possible and necessary.
2. Decide what we need to find out about and why.
3. Write a research brief.
4. Decide which research techniques to use.
5. Try out the questionnaire on colleagues.
6. Carry out the research.
7. Collect and analyze the data.
8. Write and circulate a research report.

Worksheet B: Level 1 (Intermediate)

**D Professional vocabulary**

Here are some marketing expressions used in the conversation, together with some definitions and explanations. Write down the words you know. Then listen again and check your answers.

1. a questionnaire designed to find out how happy a customer is with a product or service:  
a c \_\_\_\_\_ s \_\_\_\_\_ questionnaire
2. something that you can use to carry out research:  
a r \_\_\_\_\_ t \_\_\_\_\_
3. to introduce a new group of products to the market:  
to l \_\_\_\_\_ a product r \_\_\_\_\_
4. specific parts of a market (e.g. different categories of customer):  
market s \_\_\_\_\_
5. A f \_\_\_\_\_ group is a group of customers (or p \_\_\_\_\_ customers) who discuss a product in a conversation led by a m \_\_\_\_\_.
6. a detailed conversation with a customer:  
an i \_\_\_\_\_ i \_\_\_\_\_
7. 'After we've c \_\_\_\_\_ the research, we c \_\_\_\_\_ all the data and then we a \_\_\_\_\_ it.'

**E Discussion**

Have you ever filled in a customer questionnaire or been interviewed by a market researcher? Have you ever carried out any market research yourself? Describe your experiences.

**F Project**

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

1. Decide what information you need to find out from market research and why.
2. Decide which research techniques are best for your kind of product or service.
3. Write your questionnaire or interview script.
4. Carry out your research with other members of your class.
5. 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 market research.**

**Carla:** So, Tim. I think we said we'd talk about market research today. Do you have any personal experience of market research?

**Tim:** Well, I sometimes get asked to fill in a questionnaire when I visit a website. And I got sent a customer satisfaction questionnaire by email when I bought a new computer.

**Carla:** Yes, questionnaires are a very useful research tool, but there are lots of others. We'll look at questionnaires later. But first, let's go back a few stages. The best way to think about market research is to see it as a process with different stages, a bit like manufacturing a bar of chocolate. The questionnaire comes quite late in the process, but before that we have to go through a number of different stages. What do you think the first stage is?

**Tim:** Well, I suppose it's ... sorry, I'm not sure.

**Carla:** Well, if you think about it, all research takes time and costs money. So before we begin, the first thing we need to do is to decide whether we really need to do the research, or whether we actually *can* do it.

**Tim:** Sorry, I'm not sure I understand. Surely you always have to research a new product.

**Carla:** Not necessarily. Sometimes there just isn't time to do research. Do you remember last summer started very early and it was really hot? We had to launch our new product range of non-melting chocolate bars straight away. We couldn't afford to wait to research the product, or our competitors would have had the whole market to themselves.

**Tim:** Yes, I see.

**Carla:** Also, sometimes the information we need might already be available. For instance, in our field, there is a lot of published market research on chocolate purchasing, analyzing different countries and market sectors. We can simply buy these reports from market research companies. And even when we need to do some new research that isn't available yet, sometimes it's better if we pay a market research company to do the research for us. For some kinds of research this is much easier and cheaper than trying to do it ourselves.

**Tim:** OK, I understand now. And assuming you do want to do some research, then you decide what you need to find out from the research?

**Carla:** Yes, that's right. There's no point asking customers about things we aren't interested in, so we need to decide exactly what we need to find out and why we need to find it out. And once we've done that, we write a research brief, which we present to the market research team. This contains the background (why we're doing the research), what we're testing or asking about, and how we will use the information to help out marketing. What do you think comes next?

**Tim:** You decide how to do the research – what research techniques to use?

**Carla:** Yes, that's right. There are all sorts of different techniques. You mentioned emailed questionnaires and web questionnaires earlier, Tim. These are becoming much more common than personal interview questionnaires, telephone questionnaires and postal questionnaires sent through the mail. Apart from questionnaires, we can also set up focus groups of customers (or potential customers) for our products. This is usually a group of six to eight people with someone from our department who leads the conversation: we usually call this person a 'moderator'. Or we sometimes do an in-depth interview with just one customer. Or we can actually go to supermarkets and observe customers' behaviour. How long do they spend in the confectionery department? Which brands of chocolate do they look at, and which do they ignore? That sort of thing.

**Listening transcript: Level 1 (Intermediate)**

**Tim:** So if I see someone hanging round the confectionery aisle in my supermarket making notes, it might be someone from this marketing department.

**Carla:** Maybe! Anyway, all of those techniques – questionnaires, interviews and focus groups – are what we call primary research: the research we do ourselves within the department. But there is also secondary research. For example, we can also get lots of other information from inside the company: previous research reports, sales figures, feedback from sales reps, and so on. And there is also the external information from market research companies that I mentioned earlier.

**Tim:** So once you've decided on what techniques to use, you do the research.

**Carla:** Correct. And after we've completed the research, we collect all the data and then we analyze it. Then, finally, we put all this information together into a research report. We use this research report within the marketing department, and we also circulate it to other people in the company.