20 Markets and competitors

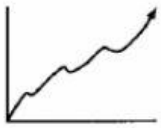
A Companies and markets

You can talk about the people or organizations who buy particular goods or services as the **market** for them, as in the 'car market', 'the market for financial services', etc. Buyers and sellers of particular goods or services in a place, or those that might buy them, form a **market.**

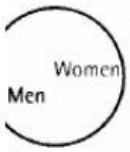
If a company:

enters **penetrates**		it starts selling there for the first time.
abandons **gets out of** **leaves**		it stops selling there.
dominates	**a market**	it is the most important company selling there.
corners **monopolizes**		it is the only company selling there.
drives another company out of		it makes the other company leave the market, perhaps because it can no longer compete.

B More word combinations with 'market'



Market growth



rket segments

rket share



(Tesco is the market leader)

- Safeway
- Sainsbury's
- Waitrose
- Asda
- other

'Market' is often used in these combinations:

market	**growth**	In the late 1990s, Internet use was doubling every 100 days. **Market growth** was incredible.
	segment	Women are a particularly interesting target for the Volvo V70. They are an important **market segment** for Volvo.
	segmentation	The Softco software company divides the software market into large companies, small companies, home office users, and leisure users. This is its **market segmentation.**
	share	Among UK supermarkets, Tesco sells more than any of the other chains. It has the highest **market share.**
	leader	Tesco is the **market leader** among UK supermarkets as it sells more than any of the other chains.

C Competitors and competition

Companies or products in the same market are **competitors** or **rivals**. Competitors **compete** with each other to sell more, be more successful, etc.

The most important companies in a particular market are often referred to as **key players.**

Competition describes the activity of trying to sell more and be more successful. When competition is strong, you can say that it is **intense, stiff, fierce** or **tough.** If not, it may be described as **low-key.**

The competition refers to all the products, businesses, etc. competing in a particular situation, seen as a group.

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20.1 Use the correct form of the words in brackets to complete the sentences.

1 European films do not export well: European movies barely ..... (abandon/corner/penetrate) the US market.

2 In the 1970s, Kodak ..... (corner/enter/leave) the instant photography market, until then ..... (abandon/dominate/penetrate) by Polaroid.

3 The Hunt brothers tried to fix silver prices and to ..... (corner/enter/leave) the silver market, ... (enter/drive out/monopolize) all competitors.

4 In the 1940s, MGM ..... (abandon/get out of/monopolize) the market on film musicals. But by the late 1950s, Warner Bros had also started buying film rights to musicals.

20.2 Replace the underlined expressions with expressions from B opposite. You may need to add a verb in the correct form.

I'm Kalil and I'm marketing manager for CrazyCola in a country called Newmarket. In this market, we (1) sell more than any other cola. In fact, we (2) have 55 per cent of the market. (3) Sales are increasing at seven to eight per cent per year. There are two main (4) groups of users: those who drink it in cafés, bars and restaurants, and those who buy it to drink at home. Of course, many users belong to both groups, but this is our (5) way of dividing our consumers.

20.3 Read this description of a language training market. Answer the questions.

In Paris, 500 organizations offer language training to companies. However, 90 per cent of sales are made by the top five language training organizations. The market is not growing in size overall. Organization A has 35 per cent of the market, and faces stiff competition from B, which has about 25 per cent of the market, and from C, D and E, who each have 10 per cent, but who are trying to grow by charging less for their courses.

1 How many competitors are there in this market?
2 Is competition in the market strong?
3 Who is the market leader?
4 Who are the two key players?
5 Who mainly makes up the competition, from the market leader's point of view?
6 If one competitor increases its market share, can the others keep their market share at the same level?

Over to you

Answer the questions in 20.3 about a market that you know, for example the market that your company, or a company you would like to work for, is in.

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21 Marketing and market orientation

A Marketing

Marketing is the process of planning, designing, pricing, promoting and distributing ideas, goods and services, in order to satisfy **customer needs**, so as to make a profit.

Companies point out how the special characteristics or **features** of their products and services possess particular **benefits** that satisfy the needs of the people who buy them.

Non-profit organizations have other, social, goals, such as persuading people not to smoke, or to give money to people in poor countries, but these organizations also use the techniques of marketing.

In some places, even organizations such as government departments are starting to talk about, or at least think about their activities in terms of the **marketing concept**.

B The four Ps

The four Ps are

product: deciding what to sell

price: deciding what prices to charge

place: deciding how it will be distributed and where people will buy it

promotion: deciding how the product will be supported with advertising, special activities, etc.

A fifth P which is sometimes added is **packaging**: all the materials used to protect and present a product before it is sold.



Promotion

The four Ps are a useful summary of the **marketing mix**, the activities that you have to combine successfully in order to sell. The next four units look at these activities in detail.

To market a product is to make a plan based on this combination and put it into action. A **marketer** or **marketeer** is someone who works in this area.

(**Marketer** can also be used to describe an organization that sells particular goods or services.)

C Market orientation

Marketers often talk about **market orientation**: the fact that everything they do is designed to meet the needs of the market. They may describe themselves as **market-driven**, **market-led** or **market-oriented**.

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21.1 Look at A and B opposite. Read the article and answer the questions.

Most people and many managers do not understand the role of marketing in modern business.

Marketing is two things. First, it is a strategy and set of techniques to sell an organization's products or services. This involves choosing target customers and designing a persuasive marketing mix to get them to buy. The mix may include a range of brands, tempting prices, convenient sales outlets and a battery of advertising and promotions. This concept of marketing as selling and persuasion is by far the most popular idea among both managers and the public.

The second, and by far more important concept of marketing, focuses on improving the reality of what is on offer. It is based on understanding customers' needs and developing new solutions which are better than those currently available. Doing this is not a marketing department problem, but one which involves the whole organization. For example, for Rover to beat Mercedes for the consumer's choice involves engineering new models, developing lean manufacturing processes, and restructuring its dealer network.

Creating company-wide focus on the customer requires the continual acquisition of new skills and technology. Marketing is rarely effective as a business function. As the chief executive of Hewlett Packard put it: 'Marketing is too important to leave to the marketing department.' Such companies understand that everybody's task is marketing. This concept of marketing offering real customer value is what business is all about.

1 Which of the four Ps are mentioned here?
2 Does the author think the four Ps are a complete definition of marketing?
3 Does the author think that marketing is only for marketers?

21.2 Match the sentence beginnings (1–5) with the correct endings (a–e). The sentences all contain expressions from C opposite.

1 Farms are now more market-oriented
2 Since the 1980s, Britain has had a much more market-led
3 Many market-led growth businesses,
4 Lack of investment and market orientation
5 American TV is a market-driven industry,

a such as Microsoft and Sony, are in several markets at once.
b and the audience decides the direction it takes.
c led to falling sales and profits.
d and less dependent on government money.
e approach to economics.

Over to you

Can a poor product be made successful by clever marketing techniques? Can you think of any examples?

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