



● **branding** N-UNCOUNT

Branding refers to the image or impression that a company creates for its products, usually through advertising.

As we enter the 21st century, companies are placing greater emphasis on branding and marketing.

Williamson points to French Connection, the fashion retailer, as another example of how skilful branding can invigorate trading.

Common Collocations

a branding strategy
corporate branding

a branding exercise
global branding

● **brand (brands)** N-COUNT

own brand (own brands) N-COUNT

own label (own labels) N-COUNT

A **brand** of a product is the version of it that is made by one particular manufacturer. **Own brands** or **own labels** are products which have the trademark or label of the shop which sells them, especially a supermarket chain. They are normally cheaper than other popular brands.

I bought one of the leading brands.

This range is substantially cheaper than any of the other own brands available.

People will trade down to own labels which are cheaper.

● **generic (generics)**

□ ADJ

A **generic** drug or other product is one that does not have a trademark and that is known by a general name, rather than the manufacturer's name.

Barry Zeigler says generic products can make a big dent in name brand sales only when the generic is much less expensive.

□ N-COUNT

A **generic** is a drug or other product that does not have a trademark and that is known by a general name, rather than the manufacturer's name.

The program saved \$11 million in 1988 by substituting generics for brand-name drugs.

● **brand name (brand names)** N-UNCOUNT

The **brand name** of a product is the name the manufacturer gives it and under which it is sold.

Drugs can be sold under different brand names across the EU.

When it comes to soft drinks, Coca-Cola is the biggest selling brand name in Britain.

● **brand awareness** N-UNCOUNT

Brand awareness is how much people know about a particular brand, and the ideas they have about it.

Brand awareness provides customers with a degree of reassurance.

Norwich Union have got to buy their way into this market.

They've got to create brand awareness.

● **brand image (brand images)** N-UNCOUNT

The **brand image** of a particular brand of product is the image or impression that people have of it, usually created by advertising.

Few products have brand images anywhere near as strong as Levi's.

● **brand loyalty** N-UNCOUNT

Brand loyalty is the way some people always buy a particular brand of a product, and are not likely to start buying a different brand.

Suddenly perfume is losing its luxury cachet and becoming an everyday purchase and buyers are no longer showing brand loyalty.

Since the Netscape browser allowed Web-page designers to use features that could not be seen by any other browser, a great deal of brand loyalty was guaranteed.

● **brand recognition** N-UNCOUNT

Brand recognition is when a person knows what a product is or knows something about it as soon as they see it or hear its name.

The strategic linchpin of Sun-Rype's marketing plans is the strong brand recognition enjoyed by their products.

● **brand stretching** N-UNCOUNT

Brand stretching is when a company uses an existing brand name to sell a new product. They do this because they think that people who buy the existing products with that brand name will also buy the new ones.

...new developments such as brand stretching, in which tobacco companies use non-tobacco products such as the Marlboro Classics clothing range to promote a particular brand of cigarette.

● **diversification** N-UNCOUNT

□ **Diversification** is when a company starts to produce new and different goods or services.

He joined NWW in 1990 and was seen as the driving force behind diversification into areas such as water and sewerage projects in the Far East and Mexico.

□ **Diversification** is when people start to invest their money in more than one place or type of product. This can reduce the amount of risk involved.

PEP regulations allow you to invest in overseas funds within certain limits. With an election coming up in Britain in the next couple of years, international diversification makes sense.

...a simple illustration of how portfolio diversification works.

● **USP (USPs)** N-COUNT

The **USP** of a product or service is a particular feature of it which can be used in advertising to show how it is different from, and better than, other similar products or services. **USP** is an abbreviation for 'Unique Selling Point'.

With Volvo, safety was always the USP.

The ease of purchase was the USP and it made the products especially attractive.

➔ **product mix:** Topic 3.4; **core values:** Topic 3.4



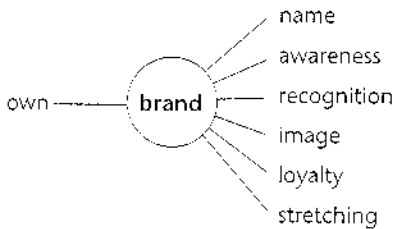
PRACTISE YOUR VOCABULARY

1 Use the terms in the box to complete the paragraph.

generic products brand awareness brand image own brand brand name USP

A brand of a product is a version of it made by one particular manufacturer. Consumers may or may not recognize a particular _____. This knowledge, or lack of it, is measured in terms of brand recognition and _____. A product sold by a retailer, under the retailer's own name rather than the manufacturer's, is an _____ product. Products that are not sold under a brand name are _____. Companies try hard to show consumers how their products are different from their competitor's products and what the _____ is. Part of the process of making a product different from other similar ones requires a company to develop a strong _____ for the products in its product mix.

2 Look at the seven word partners with the word 'brand', then match each one to one of the comments below.



en
ners'

e,

a 'When ice-cream bars were first launched I could pick out the Jupiter ice-cream bar straight away because the packaging was so familiar.'

b 'I always buy Worthit shampoo because it's just as good as a branded product, but much cheaper.'

c 'I always buy their jeans. I would never buy any other brand.'

d 'Cool-Cola is the most famous one I can think of.'

e 'I love the adverts. I think they've made the drink seem really appealing.'

f 'I don't know anything about the different mobile phones on the market, I'm afraid.'

g 'I think companies that use a famous name on lots of products just make the brand seem cheap.'

3 Are these statements true or false?

- a Own label products sell at higher prices than branded products.
- b The purpose of developing a brand image is to enable consumers to identify with a product.
- c Memorable brand names are often long and complicated.
- d The diversification of a brand name can be a failure if it weakens the brand's core values.

True	False
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

or it.



- **price** (prices) N-VAR
list price (list prices) N-COUNT

The **price** of something is the amount of money that you have to pay in order to buy it. The **list price** of something is its official price, before any discounts are included.

...a sharp increase in the price of petrol.
They expected house prices to rise.
They haven't come down in price.
I ended up saving 50% on the holiday list price.

Common Collocations

a market price a purchase price cut price
a price tag a price rise

- **cost** (costs, costing, cost)

① N-COUNT

The **cost** of something is the amount of money that is needed in order to buy, do, or make it.

The cost of a loaf of bread has increased five-fold.
Badges are also available at a cost of £2.50.

② VERB

If something **costs** a particular amount of money, you can buy, do, or make it for that amount.

This course is limited to 12 people and costs £50.
It's going to cost me over \$100,000 to buy new trucks.

Common Collocations

low-cost cost-cutting cost-effective cost savings

- **pricing strategy** (pricing strategies) N-COUNT

A company's **pricing strategy** is the system of prices it sets for the goods it produces or the service it provides.

This leads us to the conclusion that The Economist has different pricing strategies in different markets.

- **market price** (market prices) N-COUNT
market value (market values) N-COUNT

If you talk about the **market price** or **market value** of something, you mean that its price or value depends on how many of the items are available and how many people want to buy them.

...the market price of cocoa.
He must sell the house for the current market value.

- **price-sensitive** ADJ

If the market for a product or service is **price-sensitive**, it is affected by changes in price.

...Matrix Essentials hair salon products, aimed at younger price-sensitive consumers.
The visitor attraction market is already crowded and is price sensitive.

- **competition-based pricing** N-UNCOUNT
cost-based pricing N-UNCOUNT
market-orientated pricing N-UNCOUNT
penetration pricing N-UNCOUNT

Competition-based pricing is the policy of setting a price for goods or services based on the price charged by other companies for similar goods or services. **Cost-based pricing** is the policy of setting a price for goods or services based on how much it costs to produce, distribute and market them. **Market-orientated pricing** is the policy of setting a price for goods or services based on an analysis of the market and consumer requirements. **Penetration pricing** is the policy of setting a relatively low price for goods or services in order to encourage sales.

Competition-based pricing is easily implemented on the internet.
A cost-based pricing strategy had caused this company to lose orders it should have won.
We will also maintain a market-orientated pricing strategy and a firm grip on our cost base.
A policy broadly akin to penetration pricing was adopted to achieve maximum penetration in this sector.

- **discount** (discounts, discounting, discounted)

① N-COUNT

A **discount** is a reduction in the usual price of something.

They are often available at a discount.
All full-time staff get a 20 per cent discount on goods up to £1,000 each year.

② VERB

If a shop or company **discounts** an amount or percentage from something that they are selling, they take that amount or percentage off the usual price.

This has forced airlines to discount fares heavily in order to spur demand.
Tour prices are being discounted as much as 33%.

- **discounting** N-UNCOUNT

Discounting is the practice of offering a reduction in the usual price of something.

...heavy discounting of football shirts.
...a vicious period of discounting led by Esso's 2p per litre voucher promotion.

- **rival:** Topic 3.3; **marketing mix:** Topic 3.5



PRACTISE YOUR VOCABULARY

1 Use the terms in the box to complete the paragraph.

cost pricing strategies market price price-sensitive (2) discounting list price

Price is part of the marketing mix, and all businesses must decide how to price their products or services. This can be quite difficult, as consumers are heavily influenced by the _____ of something. A product may have a published _____ but this price may rarely be charged because of _____ by sellers. When a price has been 'decided' by the market, it is known as the _____. The market for a particular product can be easily affected by changes in price, in which case it is _____, _____, and consumers, too, if they are very aware of prices are also _____. If the company is able to set its own price there are several _____ or policies that it can choose.

2 Match a pricing strategy on the left with a reason ^{on} the right.

a Company A is using penetration pricing	i because they think a careful analysis of the market will help them set the best price.
b Company B is using competition-based pricing	ii to get its products into a new market.
c Company C uses cost-based pricing	iii because adding a percentage profit margin to the production costs is a quick and easy way of setting a price.
d Company D uses market-orientated pricing	iv so consumers won't think their products are more expensive than those of their competitors.

3 Read the information about the four companies and select the pricing strategy they are most likely to use when setting the price of their product.

cost-based pricing penetration pricing competition-based pricing market-orientated pricing

- a Qualfast are a new company and are very concerned to establish a large customer base. They hope to get their products into the market rapidly so that consumers will become familiar with their name.
- b Hall & Co. spend a lot of money each year analysing the market and carrying out market research to make sure they know what their customers want.
- c Anderton Ltd. are one of many companies offering a similar service. They are concerned not to set their prices any higher than those of their main rivals.
- d Carlo Inc. is a small company with small profit margins. They are very aware of how much they spend on production, distribution and marketing.