Business English II – Reading paper (45 minutes, 4 pages)

Please observe the time allowed and do not use anything but pen and paper.

Send your scanned paper to jimenezantonio@gmail.com to have it graded.

This paper weighs 20% towards your final mark.

1. Read the text below.

CUSTOMER LOYALTY PROGRAMMES

Customer loyalty programmes are part of the sales strategy for many businesses today but they are not new. One of the earliest forms of loyalty programmes were trading stamps, small stamps that customers received when they made a purchase. After accumulating a certain number, they exchanged the stamps for products. By the 1960s, a large number of competing schemes had sprung up. Several supermarkets such as Tesco signed up to them at first, but with rising inflation, most decided to abandon the schemes and focus on price reduction.

Other forms of loyalty programme, however, are experiencing rapid growth and they seem to have distinct effects on customer behaviour. Firstly, they are not treated as the equivalent of real currency. This can be seen in the case of airmiles (points corresponding to the distance flown on a particular airline). One might assume that if customers were offered cheaper flights in general or the equivalent of the points in real currency, they would take it, but apparently not. Instead, most people accumulate the points in order to use them for a special trip. It also seems customers are more likely to complete the points on a loyalty scheme if they are offered 'artificial advancement'. In this technique, instead of having to make ten purchases, for example, customers are told they must make twelve but are given the first two free. Reframing the task as something already started rather than something to begin at a future time encourages customers to continue rather than simply putting the scheme aside and forgetting it. For similar reasons, purchases are usually made at ever decreasing intervals because, as people approach the required number, motivation increases. Recently, schemes have also tapped into people's natural inclination to compare themselves with others, with the use of status cards, with names like gold card or platinum card. Customers will spend more if they know that they are ranked above another group such as silver card holders.

Yet despite all this, the effect of such schemes on sales remains questionable. A study by J Ivanic found that members of loyalty programmes spent more, but concluded that this was probably because big spenders are more likely to participate. The schemes may therefore be targeting those customers who do not need added incentives. Focusing on customer satisfaction rather than additional rewards may be a more solid way to build customer loyalty.

Choose the right answer (A, B, or C) for each of these questions.

An early form of customer loyalty programme, trading stamps could be exchanged for

A goods. B cash. C vouchers.

The trading stamps programme declined because

A stores decided to replace them with a price cutting strategy.
B there were too many companies competing for a limited market.
C their role was taken over by loyalty card schemes.

The research into customers' attitude towards airmiles shows

A people would rather have cheaper flights than airmiles.
B people prefer to use airmiles in combination with real currency.
C people like to collect airmiles for specific purposes.

Customers are more likely to achieve the required number of purchases on a loyalty programme when

A the purchases need to be made within a time frame.
B they are sent reminders of the scheme by the company.
C they feel the purchasing task is already underway.

When participating in a loyalty programme, customers are likely to

A increase the number of purchases towards the end of the task.
B make more purchases at the beginning of the task.
C make purchases at regular intervals until the task is complete.

In a system of status cards, customers will usually spend more if

A they know there is a class of customer beneath them.
B they know there is a class of customer above them.
C they know there are at least three classes of customer.

Ivanic believes loyalty card programmes may be misguided because

A they have no significant effect on the number of purchases a customer makes.
B they target customers who already make the most purchases.
C they encourage businesses to neglect other sources of customer satisfaction.

2.- Read the following text.

Report writing: a growing demand

Writing reports is an essential business skill, one which is often thought to be quite distinct from those required for letter writing and speech making, for instance, yet in each case success comes from taking a common basic approach. Nowadays, the availability of computers makes it tempting to devote much of the planning stage of writing a report to experimenting with graphics and layout – which may well benefit the reader – but we risk focusing on presentation at the expense of substance. After all, the absence of visible corrections may not mean an absence of errors.

Skill at report writing is needed for anything from a short magazine article to a lengthy submission to a public enquiry. In business, it is not only required for more and more jobs; it can also make a difference to your chances of promotion. When you speak, people know that you don't have the time to organise your ideas, or choose the right words. But when you write, they assume you've got the time, and expect better organisation, more careful expression. And – worryingly, perhaps, for many – they may read your words several times.

The increasing importance of reports reflects changes in the workplace. Gone are the days when businesses or departments were small enough for decisions to be taken after a discussion between the manager and a specialist on the shop floor. Companies and organisations have expanded and are now increasingly dependent on documentation. This provides a record of decisions taken, and evidence that the issues have been analysed. Effective reports can enable management to retain the confidence of shareholders, directors and bankers.

Some reports, like the minutes of a meeting, record the main points of discussions, any decisions made and advice given. They also have one eye on the future. Lawyers and other professionals file reports as a record of their contact with clients. These are then available for future reference and for consultation by colleagues if necessary. A report filed at the time is considered an accurate account of events should the facts be challenged subsequently. It provides evidence that you took appropriate steps, which may be valuable if things go wrong later.

It is always important to be clear about who your readers are. The report may be written for a particular senior executive, but, unless it is confidential, a number of other people are likely to see it. Make sure your report is relevant to their needs too. If you are set a deadline, you will give a poor impression if you miss it. Busy managers can only cope with all the documents they receive by being selective, perhaps turning just to the introduction and summary. If they are really harassed, your report may not even leave the pending tray!

To be successful, a report must be read without undue delay, understood without undue effort, accepted and, where appropriate, acted upon. But reading a report can be a daunting experience, in which case the recipient will resist the idea of spending time wading through it. This natural resistance is known as the 'cognitive cost'. A technical, closely typed report, written in a ponderous style, without illustrations, will have a high cognitive cost. It is clearly going to be hard work absorbing the contents.

For each item below, choose the correct answer and mark one letter (A, B or C).

What point does the writer make in the first paragraph?

- A The degree of accuracy in reports is higher now than in the past.
- B Report writing and other forms of communication need similar skills.
- C Readers are likely to respond favourably to attractively presented reports.
- D The use of a computer can simplify the planning stage of a report.

What point is made in the second paragraph?

- A Many people are more afraid of writing reports than they need to be.
- B It may be difficult to decide on the appropriate length for a report.
- C Report writing skills are influenced by the ability to speak effectively.
- D People's careers may be affected by the way they write reports.

According to the third paragraph, reports are growing in importance because

- A company size works against traditional forms of communication.
- B shareholders demand to be kept fully informed of company activities,
- C a greater degree of specialisation at work is becoming the norm.
- D more people are being given responsibility for making decisions.

In the fourth paragraph the writer suggests that reports may be helpful if

- A a client is dissatisfied with your advice.
- B they are structured like the minutes of meetings.
- C there is a disagreement about what happened.
- D they outline a range of possible future outcomes.

The fifth paragraph warns that the intended reader

- A may not agree with you about who should read your report.
- B may not think that your report is of any value.
- C may not accept a report that is submitted late.
- D may not read through your report in full.

In the last paragraph, what is meant by ‘cognitive cost’?

- A the amount of time that the writer spends writing a report
- B the reader’s unwillingness to make an effort to understand a report
- C the amount of time that the reader spends reading any report
- D the writer’s difficulty in presenting reports in an easily-understood style