

## GT Reading Mock Test 9:

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### Part 2: Question 15-27

You should spend about **20** minutes on Questions **15-27**.

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GT Reading Sample: [Advice to entrepreneurs on starting a small business](#) & [Managing the inventory: advice for business managers](#)

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Read the text below and answer Questions **15-21**.

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### Advice to entrepreneurs on starting a small business

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#### Step 1:

Determine your marketing strategy. When the same aspect of the product appeals to a broad market base an undifferentiated marketing strategy works. Conversely, when advertising to different markets a differentiated strategy highlights different aspects of the product. A concentrated strategy, meanwhile, should be used when just one particular segment of the market is targeted, rather than a range of different segments.

#### Step 2:

Try out different ways of promoting your product. For example, test a variety of advertising campaigns within the same market base. Make sure each campaign

emphasizes your product's distinct selling point, and appeals to the emotions of each group you market your product to. Or consider testing the same campaign across more than one market base — you may find that one of them likes your product for a reason you hadn't thought of. Or try placing your product in different types of stores, frequented by different consumer groups. Then evaluate the success of each campaign, and act on customer feedback gained from salespeople or follow-up surveys.

### **Step 3:**

Seed the market, which means giving potential customers product samples, showing them why they need (or want) it. Strive to get your product into the hands of industry leaders, or companies that may need to purchase more than one item. Ask experts to test your product and provide testimonials.

### **Step 4:**

Make your testimonials public by quoting them on your website and in your brochures, particularly the ones provided by experts and industry leaders. This will build credibility. Distribute press releases to the media to announce your product's appearance, or any surprising and positive findings of the experts who have examined it.

### **Step 5:**

Begin your chosen advertising campaign, targeting the markets you deemed as most receptive to your product. Hold a product release or grand opening event to generate

local interest and publicity. Place ads in the publications your target market reads, on local radio and TV stations, and in newspapers.

### Step 6:

Evaluate your product's success on an ongoing basis. Note any longer-term changes in the market base, or in customer expectations of the product, and then reposition it as needed. For example, Proctor & Gamble repositioned its diapers by emphasising their range of sizes. They began marketing them under the name of Pampers Phases, which were geared toward babies and toddlers of different ages.

## Questions 15–21

Complete the table below.

Choose **NO MORE THAN TWO WORDS** from the text for each answer.

Write your answers to boxes **15-21** on your answer sheet.

### Starting a small business

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**Marketing****Decide on a strategy:**

undifferentiated – the same strategy for the whole market.

differentiated – different strategies for different market segments.

**15** ..... – a strategy for only one market segment.

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**Promotion****Try different approaches, e.g.:**

Try out different ad campaigns for the product (stress the **16** .....).

Try out one campaign on different markets.

Put the product in a variety of **17** .....

Evaluate each campaign and respond to **18** ..... collected from customers.

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<b>Seeding the market</b>	Distribute <b>19</b> ..... to significant individuals or organisations
<b>Publicity</b>	Publicise <b>20</b> .....  Write notices for the media.
	Start the ad campaign.
<b>Advertising</b>	Hold a special event to launch the product.
	Be aware of possible market changes over time.
<b>Evaluation</b>	If necessary, <b>21</b> ..... the product.

*Read the text below and answer questions 22–27.*

# Managing the inventory: advice for business managers

## The importance of the inventory

Inventory or stock refers to the goods and materials that a business holds for the ultimate purpose of resale. Inventory is among the more significant sources of revenue for a company. After all, inventory equals profit, so keeping an accurate account of product in stock and inventory to be ordered can have a dramatic financial impact on your business. In fact, bad inventory can affect more than just the bottom line, it can have a damaging effect on your organization in the following ways:

### **Poor Customer Service:**

Lack of inventory control can result in a delay when shipping products to customers. Moreover, it can create a scenario in which you don't have the proper parts available for a product because you failed to check your inventory. This results in overall poor service to the clients you serve, and customer dissatisfaction.

### **Loss of Cost Effectiveness:**

Bad inventory can be quite costly to your organization. If you have too much inventory, it will be prone to damage or destruction over time due to reasons beyond your control. If you have no system for accurately monitoring inventory, you also may end up with shrinkage (inventory lost to theft). Finally, if you are spending more on additional inventory that you don't need – because you don't know what you have – you are wasting money.

## Poor Planning:

Businesses track inventory so that they are able to fulfil customer orders at all times. However, it is also good business practice to plan ahead, and when you start with a bad cache of inventory, then you can't properly plan. Moreover, if you have an unexpectedly large order – which is great for business, financially speaking – your bad inventory may again cost you money if you can't fulfil it.

## Solutions:

To mitigate the negative effect of bad inventory on your business, you can integrate a few solutions into your workflow. For example, you can invest in an automated inventory management system, software which can track your inventory and show you where you've gone wrong. If you prefer one-on-one advice and fast answers, you may engage an inventory consultant to periodically review your stock, show you where you can make improvements in storage, and advise you on the process by which inventory moves in and out of your business.

## Questions 22–27

Complete the sentences below.

Choose **ONE WORD ONLY** from the text for each answer.

Write your answers in boxes **22–27** on your answer sheet.

22. A company's inventory represents profit, as the stored items are intended for.....

23. One of the consequences of failing to manage inventory is a ..... in making deliveries.

24. Large quantities of stock may eventually suffer ..... and even ruin.

25. Unchecked inventory can become depleted due to .....

26. The benefits of an unpredicted ..... may be lost if there is insufficient stock.

27. Ways of avoiding bad inventory include purchasing special software and hiring a .....  
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15. concentrated (strategy) 16. selling point 17. stores 18. feedback 19. (product) samples 20. testimonials 21. reposition 22. resale 23. delay 24. damage 25. theft 26. order 27. consultant