

# Corporate Social Responsibility

## A new concept of “market”

Maybe Ben & Jerry's and The Body Shop set themselves up for a fall by appearing to have a monopoly on making an honest buck. But their struggles are a lesson on how little we know about the minefield of “ethical” marketing. The Body Shop, along with the American ice cream maker Ben and Jerry's, was hailed as a new breed of green, or environmentally conscious, business.

### Ben and Jerry's

A. Ben & Jerry's offers a very sweet benefits package to employees. First, every one of the 700+ Ben & Jerry's workers is entitled to three free pints of ice cream, sorbet or frozen yoghurt per day worked. (Some workers use allotments of their free treats to barter for other goods and services in town such as haircuts). Beyond the freebies, personnel receive a 50% discount on the company's frozen goodies, a 40% discount on merchandise and further 30% break on no- Ben & Jerry's foods at company outlets.

B. Workers are further entitled to paid family leave and may take advantage of the Employee Stock Purchase Program to purchase company stock (after six months with the organization) at a 15% discount. Beginning in 1998, 316 stock options are awarded to each worker (excluding directors and officers) and stock is also assigned to each employee's 410K plan at the end of the calendar year. These contributions are intended to achieve the company's goal of linked prosperity, i.e. to assure that future prosperity is widely shared by all employees.

### The Body Shop

C. History of The Body Shop Anita Roddick started The Body Shop with a mere £4,000 and a dream. With over 1,900

stores in 50 countries. The Body Shop was founded in 1976 in Brighton, England. From her original shop, which offered a line of 25 different lotions, creams, and oils, Roddick became the first successful marketer of body care products that combined natural ingredients with ecologically-benign manufacturing processes. Her company's refusal to test products on animals, along with an insistence on nonexploitative labor practices among suppliers around the world, appealed especially to upscale, mainly middle-class women, who were and have continued to be the company's primary market. As sales boomed, even the conservative financial markets approved of The Body Shop's impressive profit picture, and a public stock offering in 1984 was successful. An expansion campaign followed. In 1988 the company entered the U.S. market by opening a store in New York City, and by 1977 the company boasted 1,500 stores, including franchises, in 47 countries. Anti-marketing seemed to be smart marketing, at least as far as The Body Shop was concerned.

D. Part of the secret of The Body Shop's early success was that it had created a market niche for itself. The company was not directly competing against the traditional cosmetics companies, which marketed their products as fashion accessories designed to cover up flaws and make women look more like the fashion models who appeared in their lavish ads. Instead, The Body Shop offered a line of products that promised benefits other than appearance – healthier skin, for instance – rather than simply a better-looking complexion. The company is known for pioneering the natural-ingredient cosmetic market and establishing social responsibility as an integral part of company operations. The Body Shop is known for its ethical stances, such as its monetary donations to be communities in which it operates, and its business partnerships with developing countries. In 1988 Roddick opened her first store in the United States, and by that time – through various social initiatives such as the “Stop the Burn” campaign to save the Brazilian rainforest (the source of many of the company's natural ingredients), and strong support of employee volunteerism – The Body Shop name had become synonymous with social activism and global preservation worldwide. The company had also become immensely profitable.

E. By the mid-1990s, however, The Body Shop faced growing competition, forcing it to begin its first major advertising

initiative, the most prominent part of which was the “Ruby” campaign. The campaign was personified by Ruby, a doll with Rubenesque proportions who was perched on an antique couch and who looked quite pleased with herself and her plump frame. Randy Williamson, a spokesperson for The Body Shop, said, “Ruby is the fruit of our long-established practice of challenging the way the cosmetic industry talks to women. The Ruby campaign is designed to promote the idea that The Body Shop creates products designed to enhance features, moisturize, cleanse, and polish, not to correct ‘flaws.’ The Body Shop philosophy is that there is real beauty in everyone. We are not claiming that our products perform miracles.”

**F. The Competition** the Body Shop lost market share in the late 1990s to product-savvy competitors that offered similar cosmetics at lower prices. The main competitors are H2O, Sephora, Bath and Body Works, and Origins. Research Results Research showed that women appreciate *The Body Shop* for their ethical standards. They are pleased by companies with green actions, not promises. The research proved that The Body Shop has been put on the back burner in many people’s minds: overcrowded by newer, fresher Brands. Companies like the Body Shop continually hype their products through advertising and marketing, often creating a demand for something where a real need for it does not exist. The message pushed is that the route to happiness is through buying more and more of their products. Under such consumerism, the increasing domination of multinationals and their standardised products is leading to global cultural conformity. Other downfall factors also include misleading the public, low pay and against unions, exploiting indigenous people; Also the mass production, packaging and transportation of huge quantities of goods are using up the world’s resources faster than they can be renewed and filling the land, sea and air with dangerous pollution and waste.

**G. The Problem** The Body Shop has used safe and timid advertising over the last decade, decreasing market share and brand value. With the rise of new, more natural and environmentally friendly competitors, The Body Shop can no longer stand behind being the greenest or most natural. **The Solution** The Body Shop is the originator of ethical beauty with our actions speaking louder than our words. This is the new direction of The Body Shop. We will be a part of

different acts of kindness in big cities. We will eliminate unwanted graffiti, purify city air, and give the customer an opportunity to be a part of something good.

### Questions 1-4

The Reading Passage has seven paragraphs A-H.

Which paragraph contains the following information?

Write the correct letter A-G, in boxes 1-4 your answer sheet.

1. An action is taken to Establishing social responsibility in the conservation project
2. A description of the conventional way the ads applied to talk to its customers
3. A history of a humble origin and expansion
4. Management practices are intended to line up the company's goal with participants' prosperity

### Questions 5-7

Choose THREE correct letters, A-F.

Write your answers in boxes 5-7 on your answer sheet.

What is true about Ben & Jerry's company management

- A There was little difference between the highest salary and the lowest
- B They were advertising their product with powerful internal marketing.
- C They offer the employee complimentary product
- D Employee was encouraged to give services back to the community
- E the products are designed for workers to barter for other goods and services
- F offered a package of benefits for disabled employees

### Questions 8-10

Choose **THREE** correct letters, A-F.

Write your answers in boxes 8-10 on your answer sheet.

What are the factors once contributed to the success of the **BODY SHOP**?

- A pioneering the natural-ingredient cosmetics market
- B appealed to primary market mainly of the rich women
- C focused on their lavish ads campaign
- D The company avoided producing traditional cosmetics products
- E its moral concept that refuses to use animals-tested ingredients
- F its monetary donations to the communities and in developing countries

### Questions 11-13

Choose **THREE** correct letter, A-F.

Write your answers in boxes 11-13 on your answer sheet.

What are the factors leading to the later failure for **BODY SHOP** company?

- A its philosophy that there is real beauty in everyone is faulty
- B fail to fulfil promises while acted like misleading the public,
- C faced growing competition
- D its creating demand for something that the customers do not actually need
- E its newer, fresher Brands are not successful in the Market
- F fail to offer cosmetics at lower prices than competitors

# Griffith and American films

*Movies are key cultural artefacts that offer a window into American cultural and social history. A mixture of art, business, and popular entertainment, the popular entertainment, the movies provide a host of insights into Americans' shifting ideas, fantasies, and preoccupations*

A. Many films of the early silent era dealt with gender relations. Before 1905, as Kathy Peiss has argued, movie screens were filled with salacious sexual imagery and risqué humor, drawn from burlesque halls and vaudeville theaters. Early films offered many glimpses of women disrobing or of passionate kisses. As the movies' female audience grew, sexual titillation and voyeurism persisted. But an ever-increasing number of the film dealt with the changing work and sexual roles of women in a more sophisticated manner. While D.W. Griffith's films presented an idealized picture of the frail Victorian child-woman and showed an almost obsessive preoccupation with female honor and chastity, other silent movies presented quite different images of femininity. These ranged from the exotic, sexually aggressive vamp to the athletic, energetic "serial queen"; the street smart urban working gal, who repels the sexual advances of her lascivious boss; and cigarette-smoking, alcohol drinking chorus girls or burlesque queens.

B. In early 1910, director D.W. Griffith was sent by the Biograph Company to the west coast with his acting troupe, consisting of actors Blanche Sweet, Lillian Gish, Mary Pickford, Lionel Barrymore, and others. While there, the company decided to explore new territories, traveling several miles north to Hollywood, a little village that was friendly and enjoyed the movie company filming there. By focusing the camera on particular actors and actresses, Griffith inadvertently encouraged the development of the star system. As early as 1910, newspapers were deluged with requests for actors' names. But most studios refused to divulge their identities, fearing the salary demands of popular performers. As one industry observer put it, "In the 'star' your producer gets not only a 'production' value .... but a

‘trademark’ value, and an ‘insurance’ value which are ... very potent in guaranteeing the sale of this product.” As the star system emerged, salaries soared. In the course of just two years, the salary of actress Mary Pickford rose from less than \$400 a week in 1914 to \$10,000 a week in 1916. This action made Griffith believe the big potential in the movie industry. Thus many competitors completely copy the same system as Griffith used, for the considerable profits. Additionally, they also study the theory and methods which Griffith suggested.

C. From the moment America entered the war, Hollywood feared that the industry would be subject to heavy-handed government censorship. But the government itself wanted no repeat of World War I, when the Committee on Public Information had whipped up anti-German hysteria and oversold the war as “a Crusade not merely to re-win the tomb of Christ, but to bring back to earth the rule of right, the peace, goodwill to men and gentleness he taught.”

D. The formation of the movie trust ushered in a period of rationalization within the film industry. Camera and projecting equipment were standardized; film rental fees were fixed; theaters were upgraded; which improved the quality of movies by removing damaged prints from circulation. This was also a period of intense artistic and technical innovation, as pioneering directors like David Wark Griffith and others created a new language of film and revolutionized screen narrative.

E. With just six months of film experience, Griffith, a former stage actor, was hired as a director by the Biograph Company and promised \$50 a week and one-twentieth of a cent for every foot of film sold to a rental exchange. Each week, Griffith turned out two or three one-reelers. While earlier directors had used such cinematic devices as close-ups, slow motion, fade-ins and fade-outs, lighting effects, and editing before, Griffith’s great contribution to the movie industry was to show how these techniques could be used to create a wholly new style of storytelling, distinct from the theater. Griffith’s approach to movie storytelling has been aptly called “photographic realism.” This is not to say that he merely wished to record a story accurately; rather he sought to convey the illusion of realism. He demanded that his performers act less in a more lifelike manner, avoiding the broad, exaggerated gestures and pantomiming of emotions

that characterized the nineteenth-century stage. He wanted his performers to take on a role rather than directly addressing the camera.

Above all, he used close-ups, lighting, editing, and other cinematic techniques convey suspense and other emotions and to focus the audience's attention on individual performers.

F. During the 1920s and 1930s, a small group of film companies consolidated their control. Known as the "Big Five" – Paramount, Warner Brothers, RKO, 20th Century-Fox, and Lowe's (MGM) and the "Little Three" – Universal, Columbia, and United Artists, they formed fully integrated companies. The old film company's opposition was shocked by new tycoons. The confusion of tongues in the foreign version of American films deepened when American directors themselves embarked on the shooting of the new version. They did not usually speak Spanish (or the given target language) and, at that time, there were only a few translators at the studio's disposal. For this reason, it was more general to contract Spanish directors, actors, and screenwriters to produce American films in Spanish for Latin American audiences and for the public in the Iberian Peninsula. Hollywood had depended on overseas markets for as much as 40 percent of its revenue. But in an effort to nurture their own film industries and prevent an excessive outflow of dollars, Britain, France, and Italy imposed stiff import tariffs and restrictive quotas on imported American movies.

G. A basic problem facing today's Hollywood is the rapidly rising cost of making and marketing a movie: an average of \$40 million today. The immense cost of producing movies has led the studios to seek guaranteed hits: blockbuster loaded with high-tech special effects, sequels, and remakes of earlier movies, foreign films, and even old TV shows. Hollywood has also sought to cope with rising costs by focusing ever more intently on its core audiences. Since the mid-1980s, the movie-going audience has continued to decrease in size. Ticket sales fell from 1.2 billion in 1983 to 950 million in 1992, with the biggest drop occurring among adults. And since over half of Hollywood's profits are earned overseas, the target market has to be changed due to the increasing costs and salary of making a film. The industry has



concentrated much of its energy on crude action films easily understood by an international audience, featuring stars like Arnold Schwarzenegger and Sylvester Stallone.

### Questions 14-19

The Reading Passage 2 has six paragraphs A-F

Choose the correct heading for each paragraph from the list of headings below.

Write the correct number, i-vii, in boxes 14-19 on your answer sheet.

### List of Headings

- i Detailed description for a film system
- ii Griffith's contribution to American films
- iii The gender in the development of American film
- iv Change the view of the American movie
- v People's reaction to making movies in the war period
- vi The increasing market of the film in society
- vii Griffith improved gender recognition in society

- 14. Paragraph A
- 15. Paragraph B
- 16. Paragraph C
- 17. Paragraph D
- 18. Paragraph E
- 19. Paragraph F

### Questions 20-23

Use the information in the passage to match the companies with opinions or deeds below.

Write the appropriate letters A, B, C or D in boxes 20-23 on your answer sheet.

- A old company's opposition
- B huge drop happens among adults
- C the pressure to change its market
- D completely copy his system

- 20. Griffith's successful in the 1910s, led his rivals
- 21. The growing costs and salary in Hollywood which shows it has
- 22. The increasing new movie industries have a big impact on
- 23. In 1992, ticket sales declined dramatically, due to

### Questions 24-26

Choose the correct letter, A, B, C or D.

Write your answer in boxes 24-26 on your answer sheet.

- 24. Why Griffith believe the potential in making movies?
  - A The gender development in American films
  - B He used the star system successfully
  - C He prefers advanced movie techniques
  - D He earns lots of money

- 25. What is other competitors' reaction to Griffith?**
- A Adopt Griffith's theory and methods in making films**
  - B Complete copy his theory and methods**
  - C Try to catch up with their innovations**
  - D Find a new system against Griffith**

- 26. What is the great change in films industries during the 1920s and 1930s?**
- A Try to seek the high-tech special efforts**
  - B Dismiss the needs of overseas audiences**
  - C Changed its goal market**
  - D Improved the foreign version of American movies**

# Environmentally-friendly Vehicle

**A. In the early 1990s, the California Air Resources Board (CARB), the government of California's "clean air agency", began a push for more fuel-efficient, lower-emissions vehicles, with the ultimate goal being a move to zero-emissions vehicles such as electric vehicles. In response, automakers developed electric models, including the Chrysler TEVan, Ford Ranger EV pickup truck, GM EV1 and S10 EV pickup, Honda EV Plus hatchback, Nissan lithium-battery Altra EV minivan and Toyota RAV4 EV. Ford Fusion is manufactured at Ford's Hermosillo Stamping & Assembly plant, located in Sonora Mexico. I thought going green was supposed to provide the U.S. with more jobs.**

**B. The automakers were accused of pandering to the wishes of CARB in order to continue to be allowed to sell cars in the lucrative Californian market, while failing to adequately promote their electric vehicles in order to create the impression that the consumers were not interested in the cars, all the while joining oil industry lobbyists in vigorously protesting CARB's mandate. GM's program came under particular scrutiny; in an unusual move, consumers were not allowed to purchase EV1s, but were instead asked to sign closed-end leases, meaning that the cars had to be returned to GM at the end of the lease period, with no option to purchase, despite lesser interest in continuing to own the cars. Chrysler, Toyota, and a group of GM dealers sued CARB in Federal court, leading to the eventual neutering of CARB's ZEV Mandate.**

**C. After public protests by EV drivers' groups upset by the repossession of their cars, Toyota offered the last 328 RAV4-EVs for sale to the general public during six months, up until November 22, 2002. Almost all other production electric cars were withdrawn from the market and were in some cases seen to have been destroyed by their manufacturers. Toyota continues to support the several hundred Toyota RAV4-EV in the hands of the general public and in fleet usage. GM famously de-activated the few EV1s that were donated to engineering schools and museums.**

**D. Throughout the 1990s, the appeal of fuel-efficient or environmentally friendly cars declined among Americans, who instead favored sport utility vehicles, which were affordable to operate despite their poor fuel efficiency thanks to lower gasoline prices. American automakers chose to focus their product lines around the truck-based vehicles, which enjoyed larger profit margins than the smaller cars which were preferred in places like Europe or Japan. In 1999, the Honda Insight hybrid car became the first hybrid to be sold in North America since the little-known Woods hybrid of 1917.**

**E. In 1995, Toyota debuted a hybrid concept car at the Tokyo Motor Show, with testing following a year later. The first Prius, model NHW10, went on sale on December 10, 1997. It was available only in Japan, though it has been imported privately to at least the United Kingdom, Australia, and New Zealand. The first-generation Prius, at its launch, became the world's first mass-produced gasoline-electric hybrid car. The NHW10 Prius styling originated from California designers, who were selected over competing designs from other Toyota design studios.**

**F. In the United States, the NHW11 was the first Prius to be sold. The Prius was marketed between the smaller Corolla and the larger Camry. The published retail price of the car was US\$19,995. The NHW11 Prius became more powerful partly to satisfy the higher speeds and longer distances that Americans drive. Air conditioning and electric power steering were standard equipment. The vehicle was the second mass-produced hybrid on the American market, after the two-seat Honda Insight. While the larger Prius could seat five, its battery pack restricted cargo space.**

**G. Hybrids, which featured a combined gasoline and electric powertrain, were seen as a balance, offering an environmentally friendly image and improved fuel economy, without being hindered by the low range of electric vehicles, albeit at an increased price over comparable gasoline cars. Sales were poor, the lack of interest attributed to the car's small size and the lack of necessity for a fuel-efficient car at the time. The 2000s energy crisis brought renewed interest in hybrid and electric cars. In America, sales of the Toyota Prius jumped, and a variety of automakers followed suit, releasing hybrid models of their own. Several began to produce new electric car prototypes, as consumers called for cars that would free them from the fluctuations of oil prices.**

H. In 2000, Hybrid Technologies, later renamed Li-ion Motors, started manufacturing electric cars in Mooresville, North Carolina. There has been increasing controversy with Li-ion Motors though due to the ongoing 'Lemon issues' regarding their product. And their attempt to cover it up. California electric-car maker Tesla Motors began development in 2004 on the Tesla Roadster, which was first delivered to customers in 2008. The Roadster remained the only highway-capable EV in serial production and available for sale until 2010. Senior leaders at several large automakers, including Nissan and General Motors, have stated that the Roadster was a catalyst which demonstrated that there is pent-up consumer demand for more efficient vehicles. GM Vice Chairman Bob Lutz said in 2007 that the Tesla Roadster inspired him to push GM to develop the Chevrolet Volt, a plug-in hybrid sedan prototype that aims to reverse years of dwindling market share and massive financial losses for America's largest automaker. In an August 2009 edition of The New Yorker, Lutz was quoted as saying, "All the geniuses here at General Motors kept saying lithium-ion technology is 10 years away, and Toyota agreed with us – and boom, along comes Tesla. So I said, 'How come some tiny little California startup, run by guys who know nothing about the car business, can do this, and we can't?' That was the crowbar that helped break up the log jam."

### Questions 27-30

Choose the correct letter, A, B, C or D.

27. What does the author think of the factory in Sonora in Mexico where the Ford Fusion is manufactured?

- A the factory should be helpful in the US oil business
- B Employment of US will be created as consumers change their awareness
- C More competitive cars will be introduced into the market
- D this issue is hard to give a prediction

28. In the 1990s, what dropped in America for environmentally friendly vehicles?

- A production
- B Attractiveness
- C Announcement
- D Expectation

29. What did GM notably send to engineering schools and museums?

- A EV 1
- B CARB
- C RAV4
- D MINI E

30. Nissan and GM high-level leaders declared the real reason for the popularity of Roaster is its

- A legendary concert
- B huge population in the market
- C bursting demand
- D artistic design

### Questions 31-35

Do the following statements agree with the information given in Reading Passage 3?

In boxes 31-35 on your answer sheet, write

- |           |  |
|-----------|--|
| YES       | If the statement is true                       |
| NO        | If the statement is false                      |
| NOT GIVEN | If the information is not given in the passage |

31. Some automakers mislead and suppressed the real demand for electric cars of keeping profit in a certain market by luring the want of CARB.
32. Toyota started to sell 328 RAV4-EVs for taking up the market share
33. In some countries, American auto-makers would like to grab the opportunity to earn money in the vehicle of bigger litre engine cars rather than smaller ones
34. Hybrids cars are superior vehicles that combine the impression of an environmental friend electric power engine and a lower price in the unit sale.
35. An inspiration to make an effort to produce hybrid cars is to cope with economic difficulties result from a declining market for General Motors.

#### Questions 36-40

Complete the summary using the list of words, A-L below.

Write the correct letter, A-L in boxes 36-40 on your answer sheet.

A 36..... was firstly introduced by Car maker Toyota in 1995. Then it started for sale in 1997 with a new first-generation model. Not only in Japan but included other countries such as 37..... And Oceania in which *the Prius* was imported to. The first-generation Prius was the first car in mass production which is powered by 38..... The model NHW10 was designed by a winning Californian designer. The innovated NHW 11 Prius has considerably higher running velocity and 39 ..... than American counterparts. Still, the load capacity of current Prius version was limited in its 40.....

|                        |                  |               |               |
|------------------------|------------------|---------------|---------------|
| A electric car         | B United Kingdom | C Market      | D concept car |
| E longer distances     | F Emissions      | G battery     | H Consumers   |
| I gasoline-electricity | J inspiration    | K cargo space | L orientation |