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| **SALES IN RECESSIONS**  <http://www.linguarama.com/ps/retailing-themed-english/is-the-customer-always-right.htm>  Business reading | |
| Sales figures are often used as evidence of the general health of the economy. In a recession, any rise in high street sales is quoted by government ministers as evidence of the increase in consumer confidence that is the first step on the road back to economic growth.  In free market terms, sale figures reflect the state of local market forces at any one place and at any one time. They show the amount of a product that the public wants to buy at the current price.  To a large extent, this is true. At times of falling sales, high street shops are forced to reduce prices - with out-of-season sales, special offers and even "closing down" sales. Newspapers are full of advertisements for special offers on consumer durables, cars, for example, or computers and video recorders.  The reason for these goods being the ones that are most frequently discounted in times of recession is that they are the most expensive in terms of their opportunity cost - their relative value to buyers compared to the value of alternative goods and services on which they may want to spend that same amount of money. If you have £X, you can buy a CD player or go on a short holiday, but you cannot do both.  Even more important, perhaps, is the consumer's fear of his or her personal future. In recessions come job losses, with job losses comes an increased reluctance to spend; it is expensive luxuries such as videos that are the first items to be cut from household budgets. People feel the need to save against the possible future loss of income. In recessions, a greater proportion of the public's income is saved than in times of economic growth.  The effect of all this on manufacturers can easily be seen. Falling sales lead to production cut-backs. This results in the under-capacity of plant and machinery. Since fixed overheads remain basically the same, other ways of cutting back on costs and thus of reducing prices have to be found. Almost always, this is achieved through cutting back on jobs.  But therein lies the problem. Although, for a manufacturer, cutting back on the workforce is a relatively simple short-term solution, it is not necessarily the best long-term strategy. In certain key industries, skilled labour is hard to find - and keep. the job market can fluctuate as erratically as the consumer market. There are fashionable jobs and unfashionable jobs. There are glamorous jobs and jobs that nobody wants to do. These trends are reflected in the kind of further training chosen by school leavers and in the kinds of further education courses on offer.  Manufacturers, therefore, tend to wait longer before laying off any staff than they would do if they were obeying market forces. To keep these workers fully occupied, companies may have to depress prices artificially to a point lower than that demanded by prevailing market forces, merely in order to maintain production levels.  It is almost certainly true, therefore, that there are forces at work at the time that an economy is entering a recession that distort the real value of sales figures. It may also be true that, on the way out of a recession, or in a boom period, the competition for scarce labour has the same distorting effect.  **Reading for meaning**  When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | good condition overall | | b. | in general | | c. | the general name for refrigerators, televisions, etc. | | d. | go up and down in an irregular way | | e. | getting rid of workers/making workers redundant | | f. | change the true meaning or reality (of, for example, figures) | |  |  |   Bottom of Form | |
| |  | | --- | | **Figure work** | | *****Talking about figures can be difficult in a foreign language.***** *****These exercises will help you to understand and give information about numbers and amounts.*****Exercise 1 ***Look at these figures, amounts and dates and decide how you would say them:***  Top of Form   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | a. | 75,345 |  | j. | 2:3 |  | | b. | 15,368,000 |  | k. | 1.5.93 |  | | c. | 29% |  | l. | 6 2/3 |  | | d. | 3/4 |  | m. | 24,392,000 |  | | e. | 23.12.92 |  | n. | 6,125 |  | | f. | 5/8 |  | o. | 2.30 |  | | g. | 8,650,000 |  | p. | £56 |  | | h. | 432 |  | q. | 1 1/2 |  | | i. | 1/3 |  | r. | £85,000 |  |   Bottom of Form Exercise 2 ***Look at the profit and loss account below and find the words that match these descriptions:***  Top of Form   |  |  |  |  | | --- | --- | --- | --- | | a. | Profit before tax |  |  | | b. | The cost of delivering the product |  |  | | c. | The money kept by the company |  |  | | d. | The money paid out to shareholders |  |  | | e. | Income from investments |  |  |   Bottom of Form | | |

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| |  |  | | --- | --- | | PROFIT AND LOSS ACCOUNT | | |  | 1992 | |  | £ million | | INCOME |  | | Sales | 800 | | Interest income | 50 | |  | ------ | | Total | 850 | |  | ------ | | COST OF SALES |  | | Materials | 250 | | Direct labour | 370 | | GROSS PROFIT | 230 | | EXPENSES |  | | Indirect labour | 90 | | Financial charges | 20 | | Selling and distribution costs | 15 | | Overheads | 25 | | Depreciation | 10 | |  | ------ | | NET PROFIT | 170 | |  | ------ | | DIVIDEND | 150 | | RETAINED PROFIT | 20 | |

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| **What are employers looking for?** | |
| Most employers say that they wish to employ the right person for the right job. A recent report by Britain's independent Institute of Manpower Studies, however, disagrees with this. The report states that most employers wish to avoid employing the wrong person. Rather than looking for the **right** person, they are looking for applicants to turn down.  The report also suggests that in Britain and in many other parts of the world, the selection methods used to identify the right person for the job certainly do not match up to those used to evaluate a piece of new equipment. Recruiters used three main selection methods: interviewing, checking curriculum vitae or application forms against predecided criteria, and examining references. Most of the recruiters consulted in this survey stated that these selection methods were used more for "weeding out" unsuitable candidates rather than for finding suitable ones.  Interviews were considered to be more reliable than either curriculum checks or references from past employers. Research, however, proves otherwise. Interviewers' decisions are often strongly influenced by their previous assessment of the written application. Also, different recruiters interpret facts differently. One may consider candidates who have frequently changed jobs as people with broad and useful experience. Another will view such candidates as unreliable and unlikely to stay for long in the new job.  Some employers place great importance on academic qualifications whereas the link between this and success in management is not necessarily strong. Some recruiters use handwriting as a criterion. The report states that there is little evidence to support the validity of the latter for assessing working ability. References, also, are sometime unreliable as they are rarely critical, whereas checks on credit and security records and applicants' political leanings are often the opposite.  The report is more favourable towards trainability tests and those which test personality and personal and mental skills. The report concludes by suggesting that interviewing could become more reliable if the questions were more structured and focused on the needs of the employing organisation.  **Reading for meaning**  When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | reject | | b. | a written account of a person's education and work experience | | c. | standards or principles upon which judgements are based | | d. | eliminating people or things or unacceptable quality | | e. | place a particular meaning on something | | f. | slight tendency to favour one thing rather than the other | |  |  |   Bottom of Form | |
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| **Hidden Rules** | |
| *Is the sun red or yellow? Should you crack a joke in a business presentation? Are such questions important?*  *Is it only language you need to learn?*  International business people often invest time and money in improving their knowledge of foreign languages in order to be able to communicate with colleagues from around the world. Language, of course, is vital, but it is only half the problem.  There are hidden rules for playing the game of doing business with people of other cultures. It is all to easy to "put your foot in it" by making mistakes which can upset your foreign counterparts.  An American, greeting a mid-European businessman by saying "Hi Dieter, great to meet you!" may not be favourably  regarded in a country where more formal modes of address are usual.  In the West, business cards are given a cursory glance and pocketed. In Japan, they are highly regarded, looked at closely  and left on the table during a business meeting.  In Britain, most business presentations would include a joke. In many other countries, this would be unheard of.  Will you cause offence if you refuse to eat something generally regarded as inedible in your country? Your counterpart may be watching your reaction when he offers you this local delicacy.  Small talk and relationship building are considered highly important in some parts of the world; talking about the weather, the wine and the local area come before business. In other places, people get down to business immediately.  It is important to know the way things are usually dealt with in your host country. Problems arise because we see things differently. It helps to be aware of how other nationalities perceive certain things.  The Japanese see the sun as red. It is an important national symbol which appears on their flag. When Japanese children paint pictures, they paint a red sun. European and American children paint the sun yellow. When children travel and see the sun painted in a different colour, they are surprised and find it very strange.  Adults find these differences harder to accept. Both sides may feel uneasy because they are unsure of the rules of the game in the opposite culture.  It is, however, very dangerous to have stereotyped views of what the other culture is like. Such views are often narrow and can cause criticism and intolerance. "A little knowledge is a dangerous thing" and can encourage you to make predictions about what will happen in your business transactions. If your ideas are too narrow, you may be surprised at all the people you meet who do not fit into your pattern and who behave differently from the way you predicted they would.  Our ideas then, have to be flexible and constructed from thorough research and observation. We should also recognise that it is not only people's national background that influences their behaviour and personality, but also their particular regional background, their personal background and their company culture.  **Reading for meaning**  When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | say or do something wrong or inappropriate, usually as a result of thoughtlessness, and so cause an awkward situation | | b. | quick and not thorough | | c. | something to eat which is considered rare or expensive | | d. | having a fixed, and often incorrect, idea of what someone or something is like | | e. | inability to accept ways of thinking and behaving which are different from one's own | |  |  |   Bottom of Form | |
| |  |  |  | | --- | --- | --- | | **Money matters** | | | | **Hard Times**  *Large industrialised counties are now in a recession. What are the prospects for economic recovery?*  The three most important industrial economies in the world are, at the moment, facing enormous problems.  Germany is struggling with the cost of reunification and is in recession. Japan is also experiencing recession and  the United States has a large budget deficit.  Forecasters and analysts face questions about the prospects of an economic recovery. Here are some of their findings:  The election of a new president of the United States gave hope to the rest of the world. If the US recovered, the rest  of the world would face a more promising future. However, analysts now accept that the US will only recover very slowly.  Consumer and investor confidence is still lacking. Large deficits and declining short-term interest rates mean that the  re is little scope for economic stimulus.  The Japanese economy, after years of trade and budget surpluses, is in deep recession and the growth rate has slowed  down considerably. German economists have lowered their forecasts for economic growth this year. The lowering of  German interest rates may bring some relief to other members of the European Exchange Rate Mechanism (ERM).  However, Germany's importance as Europe's largest export market may decline.  Most forecasters are predicting world growth of only one percent in 1993. Others predict that it will only be after  the completion of the GATT (General Agreement on Tariffs and Trade) negotiations that the world economy will improve.  In some parts of the world, there are more positive signs, particularly in some Latin American countries and in South-East Asia. Another encouraging point is that analysts do not expect an upsurge in inflation in 1993.  Analysts says that, as long as the rate of interest stays above the rate of growth in national income, then the ratio  of debt to income will get worse. Falling interest rates help towards overcoming this problem. They believe it may take  several years before there is real recovery. However, advances in technology and the collapse of communism offer hope  for the world economy.  **Reading for meaning**  When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | fighting | | b. | The amount by which something is less than what is needed | | c. | a return to a strong condition | | d. | something that provokes activity | | e. | predictions of what may be expected to happen in the future | | f. | sudden rise |   Bottom of Form | | | |  |  |  | | |
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| |  |  |  | | --- | --- | --- | | **The new shape of shopping** | | | | *Marketing is facing new challenges in the retail area.*  Shopping in the UK had its golden age in the 1980's. There was buoyant consumer confidence, new technological products, such as CD's, stimulated demand, and edge-of-town developments boomed. However, the new retail environment is much more complex, competitive and uncertain. New strategies will be vital for survival. Changing demographics The "grey market" will double by 2020. The over-60's will be richer and have more leisure. However, it is not easy to predict their shopping habits. Just what product mix will match them? How far will the over-60's take on board new technologies and attitudes.  There has been much talk of the emergent "green consumer". Yet it is the falling demographic sectors who shop most greenly - the young. Micro-marketing Reflecting the uncertain and fragmented nature of the future retail landscape, marketing has had to become increasingly complex and "micro". Time and effort is going into targeting niche markets. Markets are being analysed not only in terms of class or area but according to minute differentiations in tastes, lifestyles and attitudes. Saturation The markets opened up by out-of-centre supermarkets are becoming saturated. One response has been a move downmarket into deep discount supermarkets. Some experts predict a growth of teleshopping helped by the spread in cable networks. One spin-off of teleshopping, incidentally, will be a rise in specifically targeted advertising via such networks. Instead of broadcasting adverts to the old "admass", the new buzz word is "narrowcasting". Internationalization Retailing will become more international. In the UK the pioneers in deep discounting were continentals such as Aldi and Netto. Recently, the Japanese have been buying big stores such as Simpson and Aquascutum. Many British now cross the channel to shop in France - the cross-channel spree has become a national institution.  In general, however, the British consumer may stay different from his neighbours on the continent. A recent survey of food retailers, for example, showed that while "lifestyle" and "environment" were important factors for continental consumers, "cheapness" and "safety" remained the Anglo-Saxon priorities.  Reading for meaning  When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | flourishing | | b. | accept | | c. | very small | | d. | purchasing goods shown on television for immediate sale | | e. | highly fashionable and immediate slogan | | f. | lavish shopping trip | |  |  |   Bottom of Form | | | |  |  |  | |
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| **What's in a logo?** | | |
| *What attracts customers? Obviously the quality of a product does, but visual images contribute a great deal. It is not only the image provided by the packaging that counts but the whole corporate identity of the company.*  There are now many products and services on the market which are similar in content though produced by different companies. It is vital, therefore, for a company to distinguish itself from its competitors by having a strong company image which is immediately recognisable.  Logos are part of this image. They are symbols which often include a name or initials to identify a company. The logo establishes a visual identity for the company, just as different groups of young people express their identity through hairstyles and clothes. All groups from all cultures and throughout the ages have used colours and symbols to show their identity.  In different cultures, different colours carry different meanings. Some colours may be connected with coldness in one culture and with warmth in another; some colours represent life in one culture but death in another. International companies have, therefore, to make sure sure that their logos will not be misunderstood or misinterpreted in different countries.  The logos of large international companies are instantly recognisable throughout the world. One of the most famous logos is that of Coca Cola. The design of the words "Coca Cola" has not changed since 1886, although the surrounding design has been changed from time to time.  Many companies have, over the years, renewed their logos to fit in with contemporary design and to present more powerful images. Company logos can be emotive and can inspire loyalty by influencing the subconscious. Some logos incorporate an idea of the product; the steering wheel in the Mercedes logo, for example, and the aeroplane tail of Alitalia.  Logos are used on letterheads, packaging and brochures as well as on the product itself. They may also appear in newspapers or on television as part of an advertising campaign.  Companies need to have a strong corporate identity. The logo helps to promote this image and to fix it in the minds of the consumers. Logos, therefore, need to be original and to have impact and style.     |  | | --- | | **Business talk** | | A vital factor in a company's success is good communication among its employees. According to the book *In Search of Excellence* (Peters and Waterman) excellent companies have a vast network of informal, open communication. Their staff keep in contact with one another on an informal and formal basis. Management encourages easy and frequent communication.  How do you rate communication within your own company? Are you happy with it or do you think it could be improved? Perhaps some of the following factors affecting in-company communication are familiar to you? Failing to get the message Many managers believe they give clear instructions to their employees. In fact, research has shown that employees very often do not realise they have been told to do something. When managers give instructions they should endeavour to ensure that these have been understood and interpreted correctly. Breakdown in communication People can have difficulty communicating with other employees of higher job status. This "social distance" may affect how openly employees speak about their work. People of the same rank may talk frankly to one another about how things are going. However, they may be less honest with someone higher up in the hierarchy - for fear of prejudicing their position in the company. For this reason employees often "filter" information. They alter the facts to tell the boss what s/he wants to hear. One way of reducing social distance is to cut down the ways in which employees can indicate higher status. In Japanese companies, for example, it is usual for all staff to wear the same uniform. Many companies have a common dining area for all staff. The physical element Physical surroundings and distance can affect how well people communicate. The farther away one person is from another, the less often they communicate. Some research has shown that when the distance is more than 10 metres, the probability of communicating at least once a week is only 8%. This compares with 25% for people less than 5 metres apart! The physical layout of an office should therefore be carefully planned. Open-plan offices, for example, are designed to encourage quick and easy communication. Some companies prefer to install escalators, rather than lifts, to increase the chances of employees meeting face-to-face. Selective perception People perceive things in different ways. The world of a sender of a message is not the same as that of the receiver. Because their knowledge and experience is different, the sender and receiver are always on slightly different wavelengths. So the message may get distorted. How can good communication be fostered? The most important thing for all managers to remember is that communication is a two-way process. They should encourage their employees to ask questions and to react to what the managers are saying. Feedback is vital. The most useful question a manager can ask is "Did you understand that?" Reading for meaning When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | very large | | b. | try | | c. | likelihood | | d. | changed (in a negative way) | | e. | encouraged to develop | |  |  |   Bottom of Form | | **Sexism in language** | | *Sexism is a political issue today. It affects the language we choose to use. Many people speaking or writing English today wish to avoid using language which supports unfair or untrue attitudes to a particular sex, usually women.*  When Neil Armstrong stepped onto the moon he uttered a memorable sentence: "That's one small step for a man, one giant leap for mankind." If he had landed on the moon in the mid-'90s no doubt he would have said a much more politically correct sentence: "That's one small step for a person, one giant leap for humankind." Less poetic but certainly more literally representative of the whole of the human race!  Certain language can help to reinforce the idea of male superiority and female inferiority. What is now termed "sexist" language often suggests an inherent male dominance and superiority in many fields of life. Male pronouns, **he**, **his** and **him** are used automatically even though the sex of the person is not known. "A student may wish to ask *his* tutor about *his* course". Or we say, "Who's *manning* the office today?"  At work there is a tendency to associate certain jobs with men or women. For example, "A director must be committed to the well-being of *his* company." but "A nurse is expected to show *her* devotion by working long hours." In addition, job names often include reference to the sex of the person: "We're employing some new *workmen* on the project." "I'm talking to a group of business*men* next Friday." "The chair*man* cannot vote." "He is a *male* nurse" "I have a *woman* doctor." The use of such words tends to reinforce the idea that it is not normal for women to be in professional, highly-paid, technical and manual jobs. Also, that it is not natural for a man to work in such a caring (and generally poorly-paid) role as that of a nurse.  So how can this bias in the language be reduced? Look at the box below for some suggestions:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | |  | | --- | | 1. Avoid unnecessary male pronouns by using plural pronouns "they", "them", etc. " Someone has left **their** briefcase behind." "If anyone phones, tell **them** I am in a meeting." | | 2. Replace male pronouns with combinations such as "she or he", "him or her", "her or his".\* " A fashion model is usually obsessive about **her or his** diet."  "The journalist must be accurate when **she or he** reports interviews." (\* these combinations can sound rather awkward. They should not be repeated often in a piece of writing or conversation. The written form **s/he**, **he/she**, **her/him** is acceptable.) | | 3. Use other words when referring to both men and women. " **People** are ..." "**Human beings** must protect ..." "Who's **staffing** the office?" | | 4. Use expressions or pronouns that do not support sexist assumptions about jobs. " Teachers must not be late for **their** classes." "A chairperson should be fair to all **her** or **his** colleagues." | | 5. Use job names that apply equally to men and women. " The **chairperson** handed out notes of the last meeting." "Mary is a very experienced **camera operator**." "James is a **nurse** and Barbara is a **doctor**." "We offer language courses for **business people**." | |   Over the last few years, changes in the role of women - and men - in society have made much sexist language out -of-date. Native speakers of English are slowly adjusting to the pressures for a more neutral language. Fortunately, this change is being accompanied by a measure of humour, which, fortunately, is common to both sexes! Reading for meaning When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | said | | b. | large jump | | c. | completely truthful | | d. | essential / natural | | e. | trend | | f. | kind and helpful | | g. | an often unfair or irrational tendency in favour of something | | h. | clumsy | | i. | impartial | |  |  |   Bottom of Form | | **Is the customer always right?** | | *With many European economies showing slow growth, the retail sector is coming under increasing pressure to improve its service and cater more for consumer demands.*  Is the customer always right? The answer, it seems, depends on which country you are in. Shopping is very much a part of a country's culture, and attitudes to shopping and consumers vary from country to country just as much as climate or taste in food. From the air-conditioned order of American malls to the anarchy of African bazaars, the way we shop shows the way we see ourselves and our relationships with other people.  Recent economic hardship has given the consumer increased power in Europe as retailers fight to win their share of reduced disposable income. This has meant falling prices, plenty of special offers and a re-examination of what customer service really means. People often point to America as an example of sophisticated customer service. In restaurants in the south of the USA, for example, waiters compliment you on your clothes, ask about your day, compliment you on the wisdom of your order and then return every ten minutes to refill your glass and make sure that everything is to your satisfaction.  Anyone who has waited 30 minutes to be served in a restaurant might well dream of such attention, but do Europeans really want US style service? As a friend of mine once told me, "By the end of the evening I had spent as much time talking to the waiter as to my wife." It is a question of expectations. Different nationalities expect different types of service.  A Chinese-American friend loves telling people about how her Chinese mother shops for clothes: "First of all she waits until they are on sale, then she haggles until she gets an even better price and then she finds some small fault with the product and demands a further reduction. She never buys anything at the regular price." Could you imagine trying such tactics in a department store in your country?  Attitudes to service are, of course, affected by employers' attitudes to their workers. As American sales and service personnel are heavily reliant on commission and tips, they have more incentive to provide more service. But is this fair? Do we think it is fair to ask shop assistants to work late evenings, Sundays and 12 hour shifts? Does it fit in with our picture of society? It might not be a case of "Is the customer always right?" but a case of "How much service is it fair to expect?" Reading for meaning When you read an article, you can often guess the words you do not know from the context.  ***Find words or expressions in the above article which have the following meanings:***  Top of Form   |  |  | | --- | --- | | a. | the ways we think about life | | b. | complete lack of order | | c. | financial difficulty | | d. | the money left over after all bills have been paid | | e. | to argue about price in order to reduce it | | f. | dependent | | g. | encouragement | |  |  |   Bottom of Form | | | |
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