

## UNIT TWO

### *Tapescript and answer key for Activity I*

#### I. Understanding the main points:

1. Turnover of the retail trades has been growing slowly in real terms in recent years despite the recession.
2. As the large multiple retailers (those with ten or more outlets) have grown in size and diversified their product range, there has been a decline in number of retail businesses and outlets.
3. The decline has been particularly evident among small independent businesses and retail co-operative societies.
4. Shops selling durable household goods have experienced the fastest growth in turnover in recent years, while those selling clothing and footwear have recorded the slowest growth.
5. The largest multiple retailers in packaged grocery market are the retail co-operatives.

### *Tapescript and answer key for Activity II*

#### *Vocabulary focus*

1. The main multiple grocery companies have been steadily increasing the size of their main supermarkets.
2. The trend to greater size has led to a growing number of superstores and hypermarkets.
3. Self-service stores offer a wider range of food and non-food merchandise.
4. They are primarily designed for shoppers with cars, and substantial free car-parking space is usually provided.
5. Britain has a variety of new purpose built shopping centres.
6. Large food retailers often sell non-food products, such as beer, wines and spirits, clothing and household appliances, as well as packaged groceries.
7. Many superstores and large supermarkets offer fresh as well as packaged food, often with special counters or areas for fresh meat, fish, vegetables and bread baked on the premises.
8. Some large retailers have in recent years begun to provide financial and estate agency services.
9. Retailers are placing greater emphasis on price competition as a means of promoting sales.
10. With the growth of payment by credit card, certain of the large retailers have issued their own credit cards for regular customers in an attempt to increase sales.

***Tapescript and answer key for Activity III***

	TRUE	FALSE
1. There are a number of discount stores operating on the principle of selling most or all of their goods at a reduced price.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Electrical goods, furniture, carpets and do-it-yourself supplies are some of the main items sold by discount stores.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. About 17 million people in Britain regularly shop by post.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. The volume of mail order sales increased rapidly in the 1970s but fell off somewhat after 1980.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. The main items sold by mail order are clothing, footwear, furniture, household textiles, radio, television and electrical goods.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Laser-scanning electronic check-outs are expected to have a major impact on retailing in the next few years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

***Tapescript and answer key for Activity IV*****LICKING THE MARKET**

Some companies find dealing with wholesalers and retailers so problematic that they dream of doing away with them altogether. One firm that has done so is Family Frost, the cutely named subsidiary of Germany's Milchhof which is expanding its fleet of yellow-and-orange striped refrigeration vans across Central Europe. It is targeting countries where infrastructure problems should make consumers keen to have Family Frost's frozen goodies delivered to their door, avoiding the problems of trudging to poorly stocked and pricey shops.

*The theory seems to be working. The company's Mercedes vans have been criss-crossing the Czech Republic, Hungary and Poland for three years, and it is now looking hard at Slovakia, plugging the last hole in its Visegrád presence. The plan is to have 150 vans operating in the country within three years.*

"There is no-one else operating ice-cream vans in Slovakia," says project manager Kristian Sandberg. "In the Czech Republic, 10m people eat 50m cubic metres of ice-cream. In Slovakia, 5m people eat just 15m cubic metres, so we're looking to expand the market, rather than seize market share from existing distributors."

*The van fleet is only one part of the German ice cream maker's distribution plans, but for now Milchhof products are not yet sold in Slovakia. If a suitable partner can be found, Family Frost will consider using a local ice-cream manufacturer, with the goods marketed under the same Family Frost name as the more expensive German confectionery. General frozen food - vegetables, fish, meat and prepared foods - will be sold alongside the ice cream.*

Local suppliers are being considered because of punitive import taxes. On top of the standard import duty of 6%, a 10% surcharge is levied for consumer goods, making food imports hopelessly uncompetitive. Talks are being held with several Slovak manufacturers, and if they can meet quality control standards, production may well switch to them. If so, this will be a hands-off operation. The fleet is to be operated by franchisees, each running 10 vans with Family Frost itself running one such fleet. The reasons for choosing franchising seem to be cost and motivation.

*As well as the vans, each franchisee will be provided with a cold storage unit. This is one area that is causing problems. Locally produced vans and storage units could not be kept cold enough to store ice cream, so the vans are from Mercedes using Italian freezer units, and the cold storage units are imported from Scandinavia. Capital costs are going to be high, and the German company accepts it might have to provide financing, perhaps through a leasing agreement, although it seems reluctant to do so.*

(abridged and adapted from **BUSINESS CENTRAL EUROPE**, MAY 1995)

### ***Answer key for the Self-evaluation Test***

1c	26c	51c	76b
2b	27a	52b	77a
3b	28d	53a	78a
4b	29c	54d	79b
5c	30c	55b	80b
6d	31b	56b	81a
7a	32c	57b	82b
8a	33c	58b	83a
9a	34c	59a	84b
10a	35b	60b	85a
11c	36c	61a	86a
12a	37c	62b	87b
13a	38b	63a	88a
14c	39b	64b	89a
15a	40c	65b	90a
16c	41b	66b	91a
17a	42b	67b	92c
18a	43b	68a	93a
19c	44c	69b	94a
20b	45b	70c	95b
21c	46b	71b	96d
22c	47b	72a	97c
23b	48b	73c	98a
24c	49d	74b	99b
25b	50d	75a	100a