

Unit 2

BUSINESS WORLD

In this unit you will

- ▶ learn and practice vocabulary for entrepreneurship, foreign trade, import and export, branding and marketing
- ▶ do an interesting group project on marketing, and deliver a group presentation



Part 1: Entrepreneurship



"A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But, today. The true entrepreneur is a doer, not a dreamer." Nolan Bushnell, founder of Atari

1b Check the meaning

Use your glossary to check the meanings of the following words.

chain financial difficulty analysis
 market research demand invest
 set up innovative key to success

Mehmet Eziç

Mehmet Eziç, owner and Director of Eziç chain of restaurants, started working when he was a student. His family had financial difficulties and he had to work to make his pocket money. His early experiences made him the successful businessman he is now.



In 1988 he worked at the Comar Research Company where he became strong in analysis and market research. He learned to see what was missing, and he did new things. In 1990, he invested 5,000 TL, the only money he had, to set up his small roasted chicken shop in Kyrenia. At that time, there was no such business in Kyrenia, but the demand was there.

Mr. Eziç prepared all the menus for his restaurant. He is not a chef but he is innovative and is a real entrepreneur. He formed his menus by traveling, researching and trying different tastes. He wanted to create something different.

Mr. Eziç thinks that the key to success is hard work, taking risks and being different. Today he owns 6 restaurants in three cities. In 2008 he was selected as the Entrepreneur of the Year.

1a Class Discussion

1. Which successful entrepreneurs do you know?
2. What does it take to be an entrepreneur?
3. What ideas do you have which you can put into action (do)?

1c Fill in the gaps

Fill the gaps in the following sentences with the words.

1. Apple is very They always come up with new products.
2. He had because he lost his job.
3. Companies do to find out information about the customers and the market.
4. You don't have to work for someone; you can your own business.
5. An accountant must have strong skills.
6. The product did not sell well because there was no for it.
7. Lemar is a supermarket
8. You can your money in a house or a business.



1d Answer the questions

Answer the following questions as you read the text.

1. When did Mehmet Eziç start working?
2. What was Mehmet Eziç's start-up idea?
3. Why did he go into this business?
4. Who created his restaurant menus?
5. What do the following two pictures tell you?
6. Why do you think Mr. Eziç has become so successful?



1e Class Discussion

1. Do you know the Dragon's Den (Ejderha'nın Magarası) TV programme?
2. Who do you think are the above people?



1f Find the phrases

Read the text and find the phrases (deyisler) which mean the following:

- | | | |
|-----------------|------------------------|------------------------|
| ürün için pazar | bir hisse karşılığında | teklifte bulunmak |
| 'Ben varım' | 'Ben yokum' | bir işe yatırım yapmak |
| | | müşteriye fayda |

Dragons' Den is originally a Japanese TV series which was sold around the world including Türkiye. There are 5 Dragons (rich investors) in the programme. Entrepreneurs apply to come to the programme. If they are selected, they come to the studio to talk about their business ideas and ask for investment from the dragons in return for a share. If a dragon likes the idea he/she says 'I'm in' and then make an offer. If they don't, they say 'I'm out'.

The dragons ask some questions to the entrepreneurs before they decide. For example: Is there a market for your product? What is the benefit to the customer? Why would they buy your product? Why should a businessman invest in your business?

1g What do you think?

1. Why do you think they named the programme Dragon's Den?
2. The following products actually entered Dragon's Den. Which ones do you think got investment?



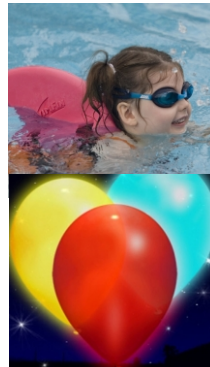
A) Coffee bag

Coffee in bags. Put in a cup and add hot water.



C) Magic Whiteboard

These come in rolls. Cut out pieces, stick it anywhere you want, use it, clean it and reuse it.



B) Swimfin

a swimming aid for those who are learning to swim. Suitable both for children and adults.

D) Illloom balloons

illuminated balloons

1h Are you in or are you out?

Your teacher will assign you to groups to role play the entrepreneur for the above ideas, and the dragons.

Part 2: Foreign Trade

2a Class Discussion

First in pairs and then as whole class, brainstorm for words and concepts around Foreign Trade.

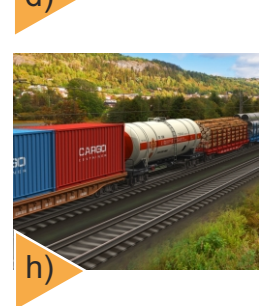
2b Match

1. Match the pictures with these phrases:

by sea with credit card by road in cash
with PayPal by air by wiretransfer by rail

2. Categorize the phrases and pictures as Transport Modes or Payment Methods.

3. Which payment methods can you use for online payment?



2c Class Discussion

1. What is an international payment method?
2. Which of these international payment methods do you know?
3. Do you know which method is used more in international trade?

Key International Payment Methods

Bank transfer / Wire / TT
Credit card / Debit card / Card payment
Escrow
Paypal
Western Union



2d

Below is some advice for suppliers (tedarikçi) and buyers (alıcı) in foreign trade. Find the words which mean:

döviz kuru esnek birden çok nakit akışı

Receiving International Payments

Suppliers

Be flexible
Allow multiple payment methods
Consider cashflow

Buyers

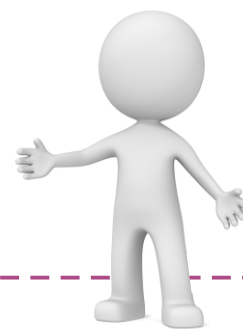
Consider exchange rates



2e Write

Work with your partner and write an explanation for each advice.

1. Why should suppliers be flexible?
2. Why should suppliers allow multiple payment methods?
3. Why should suppliers consider cashflow?
4. Why should buyers consider exchange rates?



2f Class Discussion

What are the following five screen clippings about? What do they show?

<p>VISA Card Payment Easy way of doing business Buyers: Commission-based surcharges Suppliers: Be mindful of illegitimate cards</p> <table border="1"> <thead> <tr> <th></th> <th>Speed</th> <th>Security</th> </tr> </thead> <tbody> <tr> <td>Buyer</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Supplier</td> <td>✓</td> <td>✗</td> </tr> </tbody> </table> <p>uk.Alibaba.com</p>		Speed	Security	Buyer	✓	✓	Supplier	✓	✗	<p>PayPal Buyers: Great protection Suppliers: Time consuming to move funds from Paypal to bank account</p> <table border="1"> <thead> <tr> <th></th> <th>Speed</th> <th>Security</th> </tr> </thead> <tbody> <tr> <td>Buyer</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Supplier</td> <td>✗</td> <td>✗</td> </tr> </tbody> </table> <p>uk.Alibaba.com</p>		Speed	Security	Buyer	✓	✓	Supplier	✗	✗	<p>WESTERN UNION MONEY TRANSFER Buyers: Be aware of exchange rate at time of purchase Difficult to recoup the money if the supplier is not legitimate</p> <table border="1"> <thead> <tr> <th></th> <th>Speed</th> <th>Security</th> </tr> </thead> <tbody> <tr> <td>Buyer</td> <td>✓</td> <td>✗</td> </tr> <tr> <td>Supplier</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table> <p>uk.Alibaba.com</p>		Speed	Security	Buyer	✓	✗	Supplier	✓	✓
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<p>ESCROW Buyers: High protection for buyers Suppliers: Long drawn out transaction process</p> <table border="1"> <thead> <tr> <th></th> <th>Speed</th> <th>Security</th> </tr> </thead> <tbody> <tr> <td>Buyer</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Supplier</td> <td>✗</td> <td>✗</td> </tr> </tbody> </table> <p>uk.Alibaba.com</p>		Speed	Security	Buyer	✓	✓	Supplier	✗	✗	<p>Bank Transfer Fast and easy Buyers: Limited buyer protection</p> <table border="1"> <thead> <tr> <th></th> <th>Speed</th> <th>Security</th> </tr> </thead> <tbody> <tr> <td>Buyer</td> <td>✓</td> <td>✗</td> </tr> <tr> <td>Supplier</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table> <p>uk.Alibaba.com</p>		Speed	Security	Buyer	✓	✗	Supplier	✓	✓										
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Supplier	✓	✓																											

2g Match the phrases

1. Find the equivalent of the following Turkish phrases in the screen clippings:

kısıtlı alıcı koruma
alıcılar için yüksek koruma
hızlı ve kolay
komisyona bağlı ek ücretler
çok iyi koruma
kolay ticaret şekli

satın alma tarihindeki döviz kuruna dikkat
uzun süren işlem süreci
tedarikçi yasal değilse parayı geri almak zor
yasal olmayan kartlara dikkat
parayı nakletmek zaman alıcı

- What 2 phrases warn you to **be careful**?
- What are the phrases for different levels of protection?
- Find the two words that are opposites in meaning (zıt anlamlı).

2h Discuss

Work with your partner and answer the following questions:

- What are the 2 criteria (kriter) used to evaluate each payment method for the buyer and supplier?
- Which method(s) would you prefer if you were a supplier? Why?
- Which method(s) would you prefer if you were a buyer? Why?

Part 3: Setting up an Import Export Business

3a Class Discussion

Which import/export companies do you know in your country?
What do you think are the advantages of having an export/import business?

3b Check the meaning

Check the meanings of the **highlighted** words in the following paragraphs.

A. There are hundreds of different **freight** companies that transport products by land, sea and air. You need to choose the freight company carefully. Don't use a cheap one as you will get a cheap service. Most businesses choose their own freight company, so you don't have to worry about this when exporting.



C. Currency fluctuations are not in your control but you should think about it. Big fluctuations don't often happen overnight, but you should be careful – even a 5% fluctuation could cost your business thousands of pounds when importing. Currency fluctuations don't affect exports.

B. Big factories and suppliers don't accept payment methods like PayPal or credit card. They insist on wire transfers. The problem is there is no comeback if you make a wire transfer and the supplier turns out to be a **scammer**. For this reason, a personal visit to the factory or supplier you're buying from is definitely a good idea.



E. One of the best types of businesses you can set up is an import/export business. When you have an import/export business, you don't have to compete with people selling same products from the same brands. With an import business you can **brand** your own products and find ways to add value to them.

D. This changes from country to country. Check the **import duty** and VAT rates in your country.



F. A lot of imported products come from the other side of the world. If you're bringing in large amount of stock then the most economical way to import them will be via sea. It can take anywhere from a few weeks to a few months to **dock** and **unload** your goods. When exporting, you don't have to worry about **lead time** if your customer pays you before shipping.



3c Match

A young couple wants to set up an import/export business. They are asking a business consultant for advice. Work with your partner and match their questions with the paragraphs on the previous page.

1. What are the advantages of setting up an import/export business?
2. How long does it take to get the products?
3. How are the products transported?
4. What are the import duty and VAT rates?
5. How is the supplier paid?
6. Anything else we should be careful about?

3d Check your understanding

Work with your partner and answer the following questions according to the paragraphs on import/export.

1. What should you NOT do when choosing a freight company? Why?
2. Is import duty the same everywhere?
3. Do currency fluctuations affect imports or exports?
4. Which payment method do big suppliers prefer?
5. What is the risk with wire transfers?
6. Why should a buyer visit the supplier?
7. What is the advantage of having an import business?
8. What is the cheapest way of transporting goods from another country?

3e Check the meaning

Use your glossary to check the meanings of the **highlighted** words.

Using sea transport for international trade

If your business needs to transport large quantities and you have time, shipping by sea may be suitable for you.

Other advantages:

- ▶ you can ship large quantities at low costs
- ▶ **shipping containers** can also be used for further transportation by road or rail

However, there are also risks for sea transport:

- ▶ shipping by sea can be slower than other transport modes and bad weather can add further delays
- ▶ **routes** and **timetables** are usually not flexible
- ▶ **tracking** your goods is difficult
- ▶ you have to pay **port duties and taxes**
- ▶ further transportation overland to reach the **final destination**
- ▶ there are surcharges on top of basic **freight charges**
- ▶ there is limited **insurance**; you must pay for additional insurance, such as cargo insurance, to protect your goods

Adapted from <<https://www.gov.uk/transport-and-distribution-forinternational-trade>>

3f Check your understanding

Decide if the following statements are **True (T)** or **False (F)** according to the passage.

- | | |
|---|---|
| — 1. Using sea transport is cheaper when you have a lot of goods to import. | — 5. You can track your freight on a daily base. |
| — 2. Sea transport is the fastest transport mode. | — 6. All you have to pay is freight charges. |
| — 3. Weather affects the lead time. | — 7. You can use the same containers for further overland transportation. |
| — 4. You can have your goods sent any time you want. | — 8. The standard insurance does not protect your goods enough. |

Part 4: Northern Cyprus (T.R.N.C) Imports and Exports

4a Class Discussion

What are TRNC's main exports and imports?



4b Fill in the gaps

Study the following words and then fill in the gaps in the sentences.

goods: mal, ürün

citrus: narenciye

dairy products: süt ürünleri

scrap: hurda

ready-made clothing: hazır giyim

citrus concentrate: narenciye konsantresi

gypsum: alçı taşı

pharmaceuticals: ilaç

leather products: deri ürünleri

1. You mix with water to make fruit juice.
2. They find in the mountains.
3. You can find local and imported in the supermarkets.
4. include milk, cheese and yogurt.
5. After a bad accident a car becomes
6. include shoes, bags, belts, etc.
7. includes oranges, lemons, tangerines, grapefruit, and pomegranate.
8. are used in hospitals.
9. Mavi Jeans is a famous brand.



4c Study the table and answer the questions

Following table show some export statistics for Northern Cyprus. Answer the questions according to the table.

Distribution of TRNC exports by goods (in US dollar)

	2007	2008	2009	2010
Citrus	22,692,324	20,502,086	13,910,934	27,166,238
Dairy products	20,650,394	21,628,852	20,074,239	25,836,381
Raki	4,482,406	6,653,821	8,413,631	7,669,936
Scrap	8,141,653	7,283,664	4,237,831	6,477,316
Ready-made clothing	6,790,020	3,727,264	2,326,900	4,022,957
Citrus concentrate	3,192,255	662,939	1,746,922	3,007,110
Gypsum	20,650,394	3,927,030	2,490,925	1,889,140
Pharmaceuticals	955,693	1,009,966	649,465	1,573,599
Leather products	1,269,816	908,411	594,751	461,562
Other products	8,975,744	6,354,090	9,002,188	12,579,609

1. What are the two most important exports of Northern Cyprus?
2. What is the least important export of Northern Cyprus?
3. What do you think the other products are?
4. Which exports decreased over the 4 years?

Pasted from <http://en.wikipedia.org/wiki/Economy_of_Northern_Cyprus>

4d Study the words

The following words are used when talking about past economic activity. Study the words and match them with the information from the export table.

↑ increased ↓ decreased / dropped — stayed the same — more or less stayed the same ↗ increased significantly 〰 fluctuated
 ↗ increased slightly ↗ increased notably



1. export of citrus between 2007 and 2008:
2. export of citrus concentrate between 2007 and 2008:
3. pharmaceuticals exports from 2007 to 2010:
4. pharmaceuticals exports from 2007 to 2008:
5. export of leather products from 2007 to 2010:
6. gypsum export from 2008 to 2010:

4e Write

Work with you partner and write 6 sentences about the TRNC export of goods. You can use the following sentence structures.

For example: Gypsum exports increased significantly from 2007 to 2008 but dropped notably from 2009 to 2010.

(Name of goods) exports	dropped	slightly notably significantly	between (year) and (year). from (year) to (year).
	increased		
	decreased		
	fluctuated		
	(more or less) stayed the same		

Part 5: Branding and Marketing

5a Class Discussion

What brands can you think of in sports wear, drinks, jeans, and food?

5b Find the meaning

Use your glossary to find the meanings of the following phrases.

annual growth build a brand fashion brand
 global market leading brand local market
 market share recognized brand retail store unit sale

5c Fill in the blanks

Use the phrases from 5b to fill in the blanks in the following passage.



Mavi

Founded in Istanbul in 1991, Mavi Jeans designs a full collection of jeans-wear for young women and men. Mavi has been Turkey's first (1) to become global. Mavi has been the jeans (2) in Turkey for the last 16 years with 11% (3).

The brand is very successful both in the (4) and the (5). Mavi is now sold at over 4000 stores and chains in 50 countries including the US, Canada, Turkey, Australia, Germany, Netherlands and Russia. Mavi has over 285 (6) in New York, Vancouver, Montreal, Istanbul, Berlin, Frankfurt and Dusseldorf.

Today Mavi is a \$300.000.000 company with 30 percent (7). Its global denim (8) is more than 5,5 million per year. Mavi is in early twenties and sold more than 40 million jeans to Mavi People up to now.

Mavi's philosophy is to (9) around perfect fitting jeans that have a Mediterranean feeling. Mavi, which means blue in Turkish, is known for high quality, great fitting and fashion-forward premium denim. Mavi's brand strategy is 'perfect fit': Mavi fits my world – my lifestyle, my body, and my wallet.

In 2006 Time Magazine placed Mavi amongst the top 16 best jeans brand worldwide in its A-List. Also, according to AC Nielsen's survey in Turkey, Mavi is one of the most 10 (10) next to Coca Cola, Nike and Adidas.

Adapted from <<http://us.mavi.com/corporate>>

5d Mavi Fact Sheet

Fill in the missing information in the following factfile.

	1991
local market share	
	4000
	50
number of retail stores	
company's worth	
	5.5 million
number of jeans sold since the beginning	
	Mavi People

5e Answer the questions

Answer the following questions according to the text.

1. Approximately how many jeans does Mavi sell globally per day?
2. What is Mavi's brand philosophy?
3. How are Mavi's jeans defined?
4. What is Mavi's brand strategy, and what does it mean?
5. How does Mavi compete with other jean brands worldwide?
6. How much brand recognition (marka tanınırlığı) does Mavi have?

5f Find the meaning

Check the meanings of the following words and phrases in your glossary.

approach identify financial status marketing optimize(d)
 positioning segment segmentation target targeting

5g Analyze

Follow the illustration while reading the following passage. Then answer the questions that follow.

Segmentation, Targeting and Positioning (STP)

STP is a strategic approach in Modern Marketing.

The first step **Segmentation** involves identifying different consumer groups.

Consumers can be grouped by age, occupation, financial status, where they live, etc. Each group's needs can be different.

In the second step **Targeting**, a business decides to target one or more segments. When deciding, they should ask themselves some questions:

- How big is this segment? Will it grow?
- Are there other companies serving this segment well? (do we have competitors?)
- Do we have the strengths and qualities to attract this segment?

After deciding which segment(s) to target, a company's **Positioning** involves using its philosophy and strategy to approach the target groups with the products optimized for their needs.



5h Check your understanding

Work with your partner and decide which stage the following activities correspond to.

1. high quality for cheap prices
2. students, teachers, business people, retired people, housewives
3. business travellers and budget travellers
4. clean and child friendly family restaurant
5. women, men, children
6. healthy, low fat and low sugar icecream
7. students

5i Answer the questions

Work with your partner and analyze what Mavi Jeans did at each stage by answering the following questions.

1. How do you think Mavi Jeans segmented the market?
2. Which segments(s) are they targeting?
3. What do they call their target customer group(s)?
4. Positioning: How does Mavi position itself? (what is its image? how are the products optimized for the target customers?)
5. Comment on the product, price, place, and promotion (you can also use your own knowledge).

Part 6: Group Projects

6a Research and discussion

Your teacher will assign you to groups for the following 2 projects.

Project 1:

With today's technology companies use many different marketing techniques called Internet marketing, e-marketing, digital marketing, etc. They use social networking sites (such as Twitter and Facebook) a lot for marketing purposes. Use Facebook to find out how different companies do their marketing. Try to analyze them in terms of their targeting and positioning. Present your findings in class.

Project 2:

As a group imagine that you are a company. Decide on your product(s), then do a segmentation, decide which segment(s) to target and how you will position yourself. Brainstorm on the different steps of marketing and then present your ideas to whole class.

▶ What kind of company are you?

▶ What is your target segment?

▶ What is your product or service?

▶ How will you position yourself?
(how are you going to be different and meet the needs of the customers?)

Segmentation



6b Presentations

You should prepare well before you present in class. Below are some hints for a good presentation.

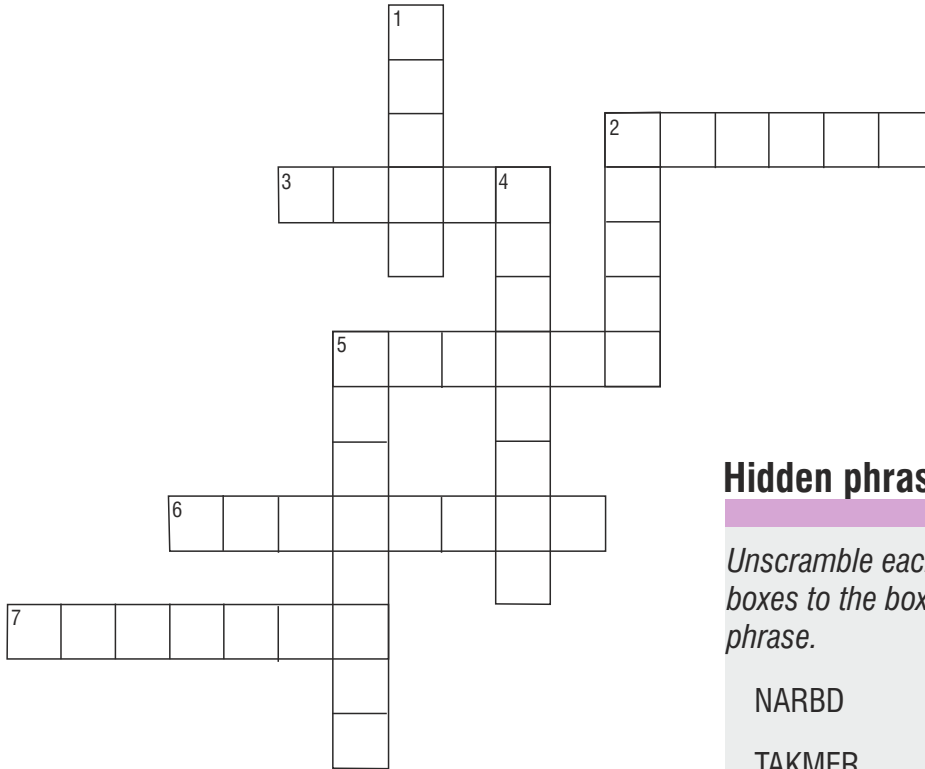
- ▶ Have small notes as reminders but do not read from paper.
- ▶ Speak clearly.
- ▶ Use visuals (things that people can look at) such as pictures, posters, models, and drawings on the board.
- ▶ Use real things such as products.



Revision: Puzzle Time!

Crossword puzzle

Use the clues to complete the puzzle. All the words are from this part.



ACROSS

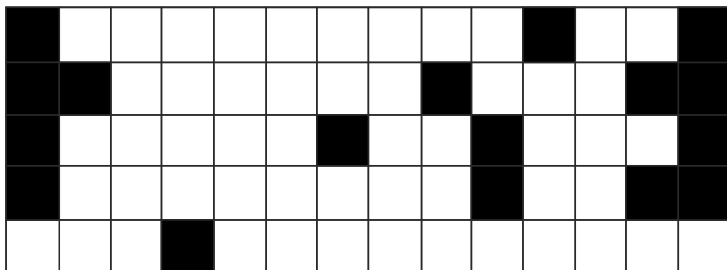
- 2. can be found on the mountains
- 3. Coca Cola is a...
- 5. fruit like oranges, lemon and tangerines
- 6. go up
- 7. not local

DOWN

- 1. discarded material especially metal
- 2. things that are produced, sold and consumed
- 4. go down
- 5. money

What is the phrase?

A phrase with 11 words is hidden in the following puzzle. Use the letters to find it. Your teacher will help you.



O C Y I T
 D R N F I G U F I E
 S T F P O C E T T M H T
 M U E L E U I R T H A E
 N O I P E L I P L I T S O E

Hidden phrase

Unscramble each word, then copy the letters in the numbered boxes to the boxes with the same number to find the secret phrase.

NARBD

16 6

TAKMER

15

SOENGTMNEATI

20 8

TAGNIRTEG

12

TIVSNE

5 17

ERPERNUNTERE

4

REASH

18 9

TENMAYP

14 1

HIRGTFE

21 2

RUSLEIPP

11

DARTE

10 13 3

NAHCEEGX

19

LIELIMATGITE

1 2 3 4 5 6 7 8 9 10 11 12 7 14

14 7 15

16 17 18 19 20 21