Listening Scripts

Script 1: We've Got to Outsmart the Other Guys!

Unit 1 Company Competition

Hi, John! What are you doing?

Hi, Alice. I am doing a brief market review.

Have you seen the sales report for last quarter? Who do you think is our biggest threat?

Domestically, from the numbers, it seems like Geely is our biggest competitor ... FAW Car and DFM Co. are also major competitors in our market.

Geely is the new kid on the block. It's amazing they've had such tremendous success so soon ... The competition is cutthroat.

I don't know how they do it! Our competitors have undercut us by 8% on the price of the similar model.

These price wars are disastrous for our bottom line. If they're charging 8% less than we are, we have to find a way to lower our price while keeping our profit.

Profits are almost nonexistent now ... it's almost impossible to beat their price.

We can try to lower our cost of production then. We need a price that we can compete with, something comparable with the competition.

You really think we can make it? I don't have much faith in our ability to lower the price again ... Er ... here's information about our competitor's recent market activities.

Thanks, this will be a big help in putting together next quarter's marketing strategies. Competition is intense, and we'll have to step up production even more.

No room to breathe ...

Yeah, but we've got to find a way to outsmart the other guys!

Script 2: Foes Turn into Friends

Did you hear the news? Two of our major suppliers, Dex Tools and Trusten Tools are merging!

Are you sure? Who told you that? I highly doubt that they would take the step to merge into one company ... It must be a rumor.

I read it myself on the financial page. I used to think they were bitter enemies, the strictest of competitors. But they're really going to join together now. Dex was bought out by Trusten, they will take over the company as of next month. One of the big questions is what to call the new conglomerate company.

Wow, with such a big change! Dex won't even have the same name?

It's not only the name of the company that will change.

The competition must have been too stiff for Dex. Otherwise why would they allow themselves to be taken over by their sworn enemy?

I guess they must have figured it would be easier to merge than to keep up the cutthroat competition.

Yep, if you can't beat them, join them.

I expect that after this acquisition, there'll be a ton of things up in the air. If they are conglomerated into one company, it would have some serious effects on our market strategy.

Well ... our purchasing cost might increase. We'd better reach out to a few more big suppliers just in case.

Fortunately, we have enough time to readjust since we have the 5-year contract. Still we need to keep an eye on it. In business, you never know what will happen in the blink of an eye!

Script 3: A Down Period for the Web Industry

Hi, Clarke, you look gray. What's happening to you?

I'm worried about the business. I'm sure you've already known that it's an ugly scene in e-commerce land. Of course the entire economy is poor right now, but I believe that a down period was destined for the web industry anyway.

Yes, I've heard that even Amazon.com has not reached profitability yet. Priceline.com has cut back on all their new ventures like selling discounted food and gas. To survive and grow their business more wisely, they have returned to their original ideas of airline tickets and hotel rooms.

Yes. Most businesses that were solely supported by VC money are now history. Companies that went public with fantastic results on paper are also shutting down. Many of the biggies have fallen! I've heard estimates that 55% of online businesses have now closed. And it's also very likely that you'll see more businesses leave the arena before it's all over.

Why is that so?

You see, since so many e-businesses were exchanging money between one another, it has been a chain reaction that has affected virtually every aspect of the online world in one way or another.

However, even though some businesses operated with no debt and were very close to profitability, they are still less likely to survive the fallout.

Yes, what we have learned from the past boom of the "new economy," the "new" economy is nothing more than an extension of the real-world economy, any business must follow basic fundamentals to thrive.

I agree. To be successful online, just like offline, you need a business plan that will eventually lead to profitability!

Script 4: Advertising Terminology (I)

Good morning, Mr. Wilson!

Good Morning, Julian! Welcome to join us!

I am new to this job. Could you please explain some of the terminology?

That's why I am here.

What does the abbreviation AIDA mean?

AIDA is a simple acronym that was devised a long time ago as a reminder of four stages of the sales process. AIDA stands for Attention, Interest, Desire, Action, the objectives of all advertisements.

Since we mainly advertise online, what do you do to accomplish these objectives?

Well, you see, the first phase is attention. You need to grab the attention of the visitors browsing through your site. The first thing that people see will be the heading, so make it strong and follow it up with a short but effective product description.

Sounds interesting.

Don't forget that people browsing the Internet are likely to be doing other things at the same time engaging in everything from listening to music, talking on the phone or even watching a movie.

That's true. I myself enjoy background music while surfing the net.

Therefore, having unique and creative content is critical when it comes to grabbing attention.

Okay, now that we have got the consumer's attention, what next?

Well, you have to keep them interested. You'll need to provide further information about your products or services such as features and specifications.

Oh, I see.

Script 5: Foes Turn into Friends

Did you hear the news? Two of our major suppliers, Dex Tools and Trusten Tools are merging!

Are you sure? Who told you that? I highly doubt that they would take the step to merge into one company ... It must be a rumor.

I read it myself on the financial page. I used to think they were bitter enemies, the strictest of competitors. But they're really going to join together now. Dex was bought out by Trusten, they will take over the company as of next month. One of the big questions is what to call the new conglomerate company.

Wow, with such a big change! Dex won't even have the same name?

It's not only the name of the company that will change. The competition must have been too stiff for Dex. Otherwise why would they allow themselves to be taken over by their sworn enemy?

I guess they must have figured it would be easier to merge than to keep up the cutthroat competition.

Yep, if you can't beat them, join them.

I expect that after this acquisition, there'll be a ton of things up in the air. If they are conglomerated into one company, it would have some serious effects on our market strategy.

Well ... our purchasing cost might increase. We'd better reach out to a few more big suppliers just in case.

Fortunately, we have enough time to readjust since we have the 5-year contract. Still we need to keep an eye on it. In business, you never know what will happen in the blink of an eye!

Script 6: A Discussion on Store Traffic

Store traffic seems to be a big concern for many retailers.

Yeah. Most retailers would agree that if they could find a way to consistently sell to three to four more of each 100 people that come to their stores, there would be a 15% increase in sales or more.

More traffic increases sales?

Yeah. Retailers have been making great effort to design their stores to attract and bring traffic into the stores. Usually there are two ways: increase the amount of traffic; or do more with the traffic you currently get.

But in many cases, sales don't seem to go up even though there's more traffic. Why?

The problem is marketing people feel they did increase traffic with the promotion, but had no way to back up the assumption or to count traffic accurately.

I see. How can we solve the problem, then?

Traffic Analysis, a retail technology provides a solution to this problem. Retailers who use the system will spend less time finding excuses, but more time taking specific actions to improve their performance.

Any successful stories?

Many retailers like Gap, Nike rely on Traffic Analysis to give them the specific measurements on store performance that keeps them ahead of the competition. Traffic Analysis is providing means for retailers to employ staff more efficiently, advertise more effectively, etc. all leading to improved sales.

By using Traffic Analysis the days of the excuses may finally be gone.

Script 7: Why Franchising?

Hi, Emily. I'm considering being my own boss. You know, there is no long-range security in working for someone else, and I feel that my potential income will be limited as an employee. Can you give me some suggestions?

Then I think franchising offers you an opportunity to break free and own your own business.

Franchising? Do you mean fast food restaurants such as Burger King, McDonald's or Wimpy?

Franchising is much wider than that. There are franchises available in almost every business area that you can think of in all price ranges. Compared to starting your business from scratch, franchising can provide a relatively safer route into self-employment.

Why is it so?

Because the franchisor has done it all many times before and can therefore help you to eliminate all the mistakes you most probably would make if you tried to do it all by yourself.

Then I think the franchise system is a guarantee for my success.

By no means! Franchisee failure is never reported in the media!

Then what are the characteristics of failure?

They generally include complacency, not following the system, interference by family and friends, loss of nerve and expecting too much from the franchisor.

Oh ...

Don't be frustrated. The failure rate for new business within a five-year period is approximately 90 percent, while franchise is less than 10 percent. This demonstrates that franchising is indeed safer than starting your own business. However, it is still important to assess your suitability to become a franchisee prior to making any decision regarding purchasing a franchise.

I see. Thank you so much for your advice.

Script 8: Information Logistics

Hi, Walker, come and have a cup of coffee. Don't indulge yourself in your work. Business is in a stream to follow.

Ok, Megan. I find no improvement in my work the whole morning. Efficiency is too low! By the way, have you heard about information logistics? Maybe we should be engaged in some new technology.

Oh, I have learned something about that. The information flow between functional areas within an organization used to be paper-based in many instances. These paper-based transactions and communications were slow, unreliable, and having error tendency.

Yes, information was often overlooked as a critical competitive resource because its value to logistics was not clearly understood. But now we are in the computer times.

So after 1980s, the information revolution was in full swing in the world's advanced economies.

Then what is information logistics about?

It is concerned with the information supply chain and aims to optimize it by targeted delivery in accordance with requirements.

How does information work?

The information should be transformed in line with users' needs, depending on the communication media and users' preferences, in order to aid custom processing of it.

It seems there is a wide range of information.

Yes. It is created throughout the entire product creation process. The goal of information logistics is to optimize the content and format of the information, reduce throughout time, and achieve a high degree of parallel processing.

It really plays a very important role in the whole process.

Yes, the logistics information enhances the efficiency of logistics activities and potentially reduces the demand for the transport infrastructure itself.

Oh, I see. The increased efficiencies to be gained in improving logistics have pushed managers to explore a number of new ideas, technologies, and methods of information management and computerization.

You have got it. That is why logistics information system comes out and develops rapidly.

So management systems of the new integrated supply chain can lead to higher quality products, enhanced productivity, efficient machine utilization, reduced space, and ultimately increase logistics efficiency and flexibility.

Wish our company will enter the times of logistics information.

Script 9: Advertising Terminology (II)

The third phase "Desire" is closely related to interest. As you have increased a customer's interest, you also need to build on their desire for that product.

What do you usually do in this phase?

We have listed the features of the product in the "Interest" phase, now we need to provide the benefits of those features.

By the way, what do you mean by "benefit" here?

For example, take this statement: "This jacket is reversible."

It is quite easy to understand.

It is, but our customer is probably asking, "So what? How does that help me?" We can avoid our customer taking this train of thought by saying "Change styles in a matter of seconds with this reversible jacket."

I think I get what you mean.

That's good. Finally, you need a strong call to action.

Yes?

After we have made it this far, you have to tell your consumer what to do, whether it is to buy, download or learn more. Overlooking this step is a big no-no.

The final step brings about the final success.

Use powerful and confident words like "Buy Now", "Add to Cart" etc. Try to convey a sense of urgency. For example, having "Buy Now" instead of "Buy" can subtly convince the consumer not to wait any longer to take action.

That sounds interesting! No wonder we can always find such button as "Buy Now!" on those e-business websites.

These four phases form a basic guideline in writing effective copy. Using these simple rules should set you on the right track and once you become comfortable with this model, you can always try variations and create your own style.

I think I'm beginning to understand now. Thank you very much.

Script 10: Characteristics of E-Commerce

E-commerce or electronic commerce, a subset of e-business, is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically. E-commerce can be broken into four main categories: B2B, B2G, C2B, and C2C.

B2B (Business-to-Business)

Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable.

B2C (Business-to-Consumer)

Businesses selling to the general public typically through catalogs utilizing shopping cart software. By dollar volume, B2B takes the prize, however B2C is really what the average Joe has in mind with regards to e-commerce as a whole.

Having a hard time finding a book? Need to purchase a custom, high-end computer system? How about a first class, all-inclusive trip to a tropical island? With the advent of e-commerce, all three things can be purchased literally in minutes without human interaction.

Oh, how far we've come!

C2B (Consumer-to-Business)

A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer reviews the bids and selects the company that will complete the project. Elance empowers consumers around the world by providing the meeting ground and platform for such transactions.

C2C (Consumer-to-Consumer)

There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where person-to-person transactions take place everyday since 1995.

Script 11: A Story of Alibaba

Alibaba.com is one of the leading B2B (e-commerce) companies in China. It provides a marketplace connecting small- and medium-sized buyers and suppliers from China and around the world. Alibaba focuses on global importers and exporters and trades domestically in China. From a launch in 1999 the marketplace has a community of more than 24 million registered users and over 255,000 paying members, making it the largest Internet IPO in Asia and the second largest globally.

Jack Ma, the founder of Alibaba, first saw the Internet in 1995 when he went to Seattle as an interpreter for a trade delegation and a friend showed it to him. They searched for the word "beer" on Yahoo and discovered that there was no data about China. They decided to launch a website and registered the name China Pages.

He borrowed $2,000 to set up his first company and at the time knew nothing about personal computers or e-mails or had never touched a keyboard before. He described the experience as "blind man riding on the back of a blind tiger." Initially, the business did not fare well. He resigned.

However, in 1999, he gathered 18 people in his apartment and spoke to them for two hours about his vision. Everyone put their money on the table, and he got $60,000 to start Alibaba. He chose Alibaba as the name since the name was easy to spell and associated with "Open, Sesame," the command that Ali Baba used to open doors to hidden treasures in One Thousand and One Nights.

During the dot-com bubble, there were layoffs, so that by 2002 there was only enough cash to survive for 18 months. But they then developed a product for China exporters to meet U.S. buyers online which Ma said saved the company. By the end of 2002, they made $1 in profits!

Today, Jack Ma's vision is to build an e-commerce ecosystem that allows consumers and businesses to do all aspects of business online. They are partnering with Yahoo and have launched online auction and payment businesses. Jack Ma wants to make it the largest Internet market in the world.

Script 12: Important Factors Concerning Retail Store Location

Where you choose to locate your retail business will have a major impact on everything your shop does. The difference between selecting the wrong location and the right site could be the difference between business failure and success. There are many tips for choosing a right location such as population, competition and costs.

If you are choosing a city or state to locate your retail store, research the area thoroughly before making a final decision. Read local papers and speak to other small businesses in the area. Obtain location demographics from the local library, chamber of commerce or the Census Bureau. Any of these sources should have information on the area's population, income and age. You know who your customers are, so make sure you find a location where your customers live, work and shop.

Other area businesses in your prospective location can actually help or hurt your retail shop. Determine if the types of businesses nearby are compatible with your store. For example, a high-end fashion boutique may not be successful next door to a discount variety store. Place it next to a nail or hair salon and it may do much more business.

Besides the base rent, consider all costs involved when choosing a retail store location. The location you can afford now and what you can afford in the future should vary. It is difficult to create sales projects on a new business, but one way to get help in determining how much rent you can pay is to find out what sales similar retail businesses are making and how much rent they're paying.

Don't feel rushed into making a decision on where to put your retail store. Take your time, research the area and have patience. If you have to change your schedule and push back the date of the store's opening, please do so. Waiting to find the perfect store location is better than just settling for the first place that comes along. The wrong location choice could be devastating to your retail business.

Script 13: Haagen-Dazs

Haagen-Dazs was the pioneer in ice cream market. It creates distinctive and indulgent taste experiences by marketing to an untapped segment — the adult ice cream lovers. The Haagen-Dazs brand quickly developed a loyal following. Its early success was created by word of mouth and praise. Without the benefit of advertising, the story of an incredibly rich and creamy confection spread rapidly. At first, it was only available at gourmet shops but soon distribution expanded.

In 1983 Haagen-Dazs was sold to the Pillsbury Company. Haagen-Dazs remained committed to the tradition of superior quality and innovation on which Haagen-Dazs was founded. Since then, it has become a global phenomenon. Ice cream lovers over the world now recognize the unique Haagen-Dazs as a super-premium ice cream. However, for the company to reach where it is today, a sincere marketing effort was undertaken to understand customers and their needs.

Since the beginning, Haagen-Dazs has kept a keen focus on developing an internal and external marketing orientation. It obtained its current competitive strengths to establish premium pricing from:

1. Haagen-Dazs is always developing the brand of perfection and luxury;

2. Haagen-Dazs is always using the finest ingredients to deliver excellent products;

3. Haagen-Dazs has invested in consumer research to understand tastes and preferences of customers;

4. Haagen-Dazs has used selective distribution at the beginning and then turned to mass market after the minimum critical mass of opinion leaders were established;

5. Haagen-Dazs did not change their objectives in between;

6. Haagen-Dazs has used creativity and innovativeness to support brand identity.

Script 14: Story of McDonald's

McDonald's was started by two brothers, Dick and Mac McDonald, as a small hamburger bar in California, in 1940. In order to make the restaurant different from the typical American fast-food drive-ins at that time, they perfected a system where each meal would be put together in an assembly line, and would take less than one minute before the customer had their order in their hands. It was called the "Speedee Service System." The introduction of the system established the principles of modern fast-food restaurants.

A milkshake machine salesman, called Ray Kroc, was curious when the brothers bought 18 machines instead of the usual 1 or 2. He immediately saw the potential of this system. He bought the rights to franchise the model across the USA. For the restaurants to have a consistent level of quality, Kroc devised "the McDonald's Method." It's a 75-page manual that explained how the restaurant should be run — from how much meat to include in a hamburger, to how to cut the French fries, to how often to clean the restaurant.

Kroc's first McDonald's was opened in Chicago in 1955. He ensured that the restaurant was spotlessly clean, and used it as a show model to sell his franchises. Kroc's model meant he collected 2.5% of sales, and after his first year in operation, he sold 18 McDonald's franchises.

In 1961, with expansion growing rapidly, Kroc wanted to be the boss of the whole operation. In order to achieve this he had to pay $2.7 million in cash to the McDonald brothers for ownership of the brand.

Kroc then set a goal to establish 1,000 restaurants in the USA. By 1965, he had over 700 restaurants and McDonald's was the first company in the fast-food industry to go public on the stock market. The share price quickly rose, making Kroc a millionaire.

Part of Kroc's genius was his ability not to invent something new, but to take an existing product and refine the business model to the point where it could be immensely profitable.

Script 15: Kraft — Compete for Survival!

Kraft is an American food icon. Its more than five dozen brands are household names like Velveeta, Oscar Meyer, Triscuit, Planters, Lifesavers, and Maxwell House. As the Largest food corporation in the United States, Kraft is a giant, with sales over $30 billion last year. Kraft also runs overseas. But less than 30 percent of Kraft's sales come from foreign markets. By comparison, Heinz earns 44 percent of its sales abroad, McDonald's comes in at over 50 percent, and Coca-Cola exceeds 80 percent. Walk through supermarkets in Australia, for instance, and you'll be hard pressed to find Kraft products. Referring to Kraft, one Australian supermarket owner noted, "They would be classified as a slow-moving line." And in Great Britain, one of Kraft's strongest foreign markets, the company only ranks eighth in size among food companies.

Kraft wants to grow, but the United States, its dominant market, is saturated. Indeed, the food business in the United States is cutthroat. Brand loyalty is undercut by supermarket brands and intense price competition. Take salad dressing. Many shoppers just buy what's on sale — whether it's Kraft, Wish-Bone, or Hellmann's. So Kraft is looking to overseas market for growth. The global competition is formidable and includes the likes of Anglo-Dutch Unilever, Switzerland's Nestle, and France's Group Danone. They all moved rapidly into fast-growth emerging markets in Latin America, eastern Europe and Asia. Nestle and Unilever both realize over 30 percent of their sales from developing countries alone. Kraft has a tough time in foreign markets where basic products are what people can afford. For instance, while Kraft's visibility in India is low, competitor Unilever has done well by pushing staples

like rice and salt. But Kraft has a plan in boosting revenues in emerging markets. First it wants to expand the range of the products and brands it sells in countries where it already operates. Second, the company also wants to acquire local competitors, particularly in beverage and snacks, as a way to quickly enter new emerging markets.