

## CHAPTER SEVEN

# DOING BUSINESS



In this chapter we discuss the effects that culture and law have on a) establishing business relationships, b) negotiating contracts, c) fulfilling the terms of the contract and d) buying goods and services—as well as some of the options in case something goes wrong.

**IN THIS CHAPTER, STUDENTS WILL**

- 1. EXAMINE THEIR OPINIONS ABOUT CULTURAL DIFFERENCES.**
- 2. LEARN ABOUT THE KEY CONCEPTS IN THE CHAPTER—*AGREEMENT, CONTRACT, WARRANTY, CONSUMER, CUSTOMER, RETAIL AND WHOLESALE.***
- 3. READ THE ROUNDTABLE DISCUSSION ON BUSINESS PRACTICES IN EAST AND WEST.**
- 4. REREAD THE DISCUSSION AND ANSWER READING TASKS.**
- 5. TAKE THE READING COMPREHENSION TEST.**
- 6. DISCUSS THEIR OWN EXPERIENCE WITH THE KEY CONCEPTS AND ANALYZE THE REAL-LIFE SITUATIONS.**
- 7. DO ROLE PLAY AND LISTENING-READING EXERCISE.**
- 8. EXERCISES ON COLLOCATIONS, WORD DEFINITIONS AND CONJUNCTIONS.**
- 8. DO A CROSSWORD PUZZLE BASED ON WORDS IN THE CHAPTER.**

---

**LET'S START WITH YOU.**

Rate the following statements according to this scale.

- 5—strongly agree
- 4—agree
- 3—neither agree nor disagree
- 2—disagree
- 1—strongly disagree



1. \_\_\_\_ Business practices are about the same around the world.
2. \_\_\_\_ Status is always a factor when people are trying to reach an agreement about business or employment.
3. \_\_\_\_ When looking for a job, you may find that the availability of people with your skills gives you greater or less bargaining power.
4. \_\_\_\_ It's okay to bargain for the best job you can get, as long as you do it properly.
5. \_\_\_\_ There may be times when your contract with your employer or your business partner becomes more important than your relationship with each other.
6. \_\_\_\_ Both parties should be equally tied to the terms of the contract.
7. \_\_\_\_ The best way for a business to do well is to make sure that satisfied customers help build the reputation of the business.
8. \_\_\_\_ Before you buy an expensive product or one you really need, you should shop around for the best bargain and the best service.
9. \_\_\_\_ The public deserves to be protected from cheap or dangerous products and misleading advertising.
10. \_\_\_\_ Competition is good for the person buying goods or services.

11. \_\_\_\_\_ The public and businesses deserve to be protected from monopolies.
12. \_\_\_\_\_ It's convenient to be able to find everything you need in one area—in your own neighborhood, in one supermarket or department store, or in one shopping mall.
13. \_\_\_\_\_ It's convenient to find many dealers of the same product in one area, for example the Yongsan Electronics Market.

---

## LET'S LOOK AT KEY CONCEPTS.

An **agreement** is a shared opinion, a plan, or a document. (neutral connotation)

When two people are **in agreement** about something, they are of the same opinion. (neutral or positive)

If they **reach an agreement**, they come to a common decision, plan or compromise. (neutral)

If they **enter into an agreement**, they make a formal, written arrangement to do something. (neutral)

In 1953, North and South Korea **signed a cease-fire agreement**. (neutral)

A **contract** is a legal document that states and explains a formal agreement between two people or groups or the agreement itself. (neutral)

Don't **sign a contract** without reading it. (neutral)

If you **break (the terms of) the contract**, the other person may sue you. (neutral or negative)

A **warranty** is a written promise by a company to replace or repair, over a fixed period of time, a product which doesn't function properly. (neutral)

The portable television came with a **one-year warranty on all parts and labor**, but customers could also buy an additional **three-year warranty**. (neutral)

Your radio is **covered under the warranty** as long as it's had normal use—that doesn't mean leaving it in the barn where the horse can step on it. (neutral)

Exercise 1: Make a check (✓) in the appropriate box to indicate which elements are components of the key concepts.

	agreement	contract	warranty
the decisions you and your husband or wife made about the housework			
the legal document listing the terms of your employment			
the legal document listing the terms of a joint business			
the legal document listing the terms of free repair and service for your new car			
the opinions you and your friends share			
a formal written document spelling out the fishing rights of two countries			

A **consumer** is a person who buys products and services for her or his own use. (neutral)

A **consumer society** is one in which people buy a lot of things, many of which are unnecessary, and which places a high value on owning things. (neutral or negative)

Nowadays **consumer protection** helps protect people from cheaply made or dangerous products and from misleading advertising. (neutral or positive)

The **consumer advocate** insisted that the cable TV rates were just too high. (neutral)

A **customer** is a person buying products or services in a particular shop. At the time of the sale—and perhaps over a longer period of time—the customer is in a buyer-seller relationship with the shop owner or employee. (neutral)

Mr. Schmidt is one of our **regular customers**. (neutral or positive)

All complaints, questions and special requests are handled at the **customer service counter**. (neutral)

**Retail** businesses buy products and then sell them to the public, usually in small quantities. (neutral)

The manufacturer's suggested **retail price** for this product is \$400, but it's currently selling at \$250, which is lower than the **wholesale price**. (neutral)

**Wholesale** businesses buy products from the manufacturers and sell them in large quantities to shops, not to individual consumers. (neutral)

We could belong to a buyers' club so we could buy food **wholesale**, but how many cases of canned tomatoes does one family need? (neutral)

---

## LET'S TEST OURSELVES.

Without looking at the preceding sections, fill in the blanks with the proper forms of the words.

Because America is a \_\_\_\_\_ society, we are used to shopping around for the best product. Some people belong to shopping “clubs” where they can buy large quantities of products at \_\_\_\_\_ prices. Americans don't bargain for most things, but cars are an exception. People don't expect to pay the “list price,” the price suggested by the manufacturer. They expect to bargain with the sales person until they reach \_\_\_\_\_, maybe over several days or weeks. The sales person also expects to bargain with the \_\_\_\_\_ by offering a lower price, free extras, and money for the old car. The car dealer, or \_\_\_\_\_ business, is also responsible for filling some of the conditions of the car's \_\_\_\_\_, such as free service for a certain period of time. If there are very serious problems, the car may need to go back to the manufacturer.

---

## LET'S JOIN THE ROUNDTABLE.

Anne smiles around the table. “Today we have some guests with us to talk about business. Jim teaches business at a college on the U.S. Army post and Eui-yon teaches business and economics at a Korean university.”

“Welcome,” Tom says. The others around the table add other greetings.

“Eui-yon,” Anne continues, “could you perhaps begin the discussion on how the two cultures are different and what problems might result from misunderstanding?”

### **Reading task:**

1. What different expectations can you expect Koreans and Westerners to have when they come to the negotiating table?
2. What different ideas might they have about the business relationship?

### *Contract culture vs. relationship-based culture*

“Sure. As you know, Asians take a long-term view of things and consider relationships very important. When Koreans and other Asians come to the negotiating table, they want to spend some time just getting to know each other. On the other hand, Westerners who fly into Seoul from abroad probably just want to discuss the terms of the contract—the price and quantity of the goods. So immediately there's a conflict because people come to the negotiating table with different expectations. Another difficulty is

that Korean contracts are very simple, but Westerners, particularly Americans and Germans, want everything spelled out.”

Anne nods. “For the Westerners, settling the contract is the reason for coming together. They would say that they didn’t come to socialize. That doesn’t mean that people don’t consider business relationships to be important. They do. But people develop relationships over time, and a lot of the relationship depends on how well each of the parties meets the terms of the agreement. The Westerner who’s in Seoul for three days probably doesn’t want to go out drinking with potential business partners. He might consider that very unwise. He also probably doesn’t want to start out the long flight back home with a hangover.”

“Also,” Eui-yon adds, “between Koreans it makes a difference how the relationship is formed, for example through an introduction by a reliable third party, while for Westerners the relationship formed at the negotiating table is only for business purposes. Another clash between the Western and Korean value systems occurs in that Koreans give special consideration to the buyer in certain circumstances. With construction contracts, for instance, the contractor—as the purchaser—has more power than the construction company.”

“Whereas in Western law,” Jim says, “the two parties to an agreement are supposedly equal. The poor man’s contract and the rich man’s contract are the same. In Korea it depends a great deal on the position of the parties, so that the people in the lower position will never get justice in the same sense that we think of it in the West. I think that’s part of why Asians compete so intensely for prestige. Status gives the person bargaining power and more authority to see that the other party follows through with the terms of the contract. Of course, the Asian viewpoint may be much more realistic, and the Western view may be too idealistic. Even if the two parties are equal under the law, in actuality, having time and money does make a difference in our legal system—although U.S. law does try to compensate for unequal status by making certain provisions.”

“For example?”

“For example, if you own a farm and the government wants your land for a particular project, you can’t argue in court about whether or not you’re going to sell it to the government because the government has sovereignty—ultimate control—over the land. But you can sue to make sure you get a fair price.”

**Reading task:**

3. What effect has concern for an exact reading of the contract had on American business? Does Jim seem to think this is a good thing?

*The law*

Anne looks annoyed. “We do too much of that. The U.S. has far too many lawyers.”

“Agreed,” Jim responds, “but we have so many lawyers because we’re wrapped up in the letter of the law. We like the advantages of having a contract with everything written down; even so, two interpretations of the contract may be possible. What does this clause really mean? In practice, what is the effect? If either party is unhappy, you go to court. It could be a long, drawn-out affair and more parties could become involved,



with nothing getting done while the matter is tied up in court. A long time ago I worked as a truck terminal manager. I could never understand why the boss was so flustered when he got sued, but I later found out he was constantly getting sued or suing someone else over freight damages. For example, if we picked up freight and had to get it to another company, and then the item was damaged when it arrived at the receiver—well, who damaged it? Was it us, was it the other freight company or was it improperly packed by the shipper? Or was it a mistake made on the receiving end? Who's at fault here? When it can't be ironed out, then everybody goes to court. People lose patience and money, but it seems to be the American way.”

**Reading task:**

4. Do Westerners and Koreans have different ideas about what a contract means? If so, what are they?

*The employment contract*

Anne looks at Eui-yon sympathetically, as if apologizing for what she is about to say. “I hear a lot of complaints from Westerners about how their employers view their



teaching contracts, particularly from people who were sent here from overseas. They might have one understanding about what the salary will be or who will pay their airfare, and they get over here to discover it's totally different. Not only that, but the owner of the *hakwŏn* may act surprised that they expected *the school* to fulfill the terms of the contract—although the owner may also insist that *the teachers* fulfill every requirement.”

“That kind of thing makes Koreans upset as well,” he responds. “In both cultures every agreement should take the form of a contract. However, in Korea there are the social norms, which in a sense are clearer. For example, the employer is expected to provide the employee with a desk and the other things necessary to do the job. If the company makes more money

than is expected, the employer gives the employee a bonus, even if it's not spelled out in the contract. So things are more flexible.”

“In recent years there have also been law firms offering to give legal advice to foreigners, and that probably has helped some,” Tom points out. “Frankly, although I sympathize with foreign teachers, I have more sympathy for the manual laborers brought in from other Asian countries. They have far fewer resources and are treated much worse.”

Silent agreement is indicated by nods around the table.

**Reading task:**

5. How may Westerners negotiate when looking for a job? What does this tell you about the relationship they expect to have with their new employer?

*Employment negotiations*

“Getting back to the topic at hand,” Jim says, “in the West, the theory has always been that the worker trades his or her sweat, time and energy for money. The worker has the option of either working for the employer or not. In other words, workers can find another job if they can’t get the current employer to agree to certain terms. It’s give-and-take. The employer wants to hire someone at the lowest possible expense in order to maximize profit, while the worker wants as favorable terms as possible.”

“I think in the West it’s assumed that a potential employee has the right to shop around, whereas in Asia it seems to be somewhat different. Here, if the interview process goes well, the potential employer will ask if you’ll take the job if they offer it to you. The employer is not supposed to be embarrassed by offering the job to someone who turns it down. I’ve heard teachers say, ‘I don’t know why they insisted on knowing in advance whether I would take the job. Why didn’t they just offer it to me, and then I could say yes or no?’ But the point is that here you can’t say no.”

Jim laughs. “A lot of people must lose face, then, because Westerners are often quick to turn down jobs that don’t pay enough money.”

“Also,” Anne says, “in the West we often speak of employment in terms of ‘the job market’ and the supply of or demand for people with certain credentials—plumbers, chemists, engineers, software designers. When people are in demand, they do a lot of looking around, they bargain and they put a lot of energy into ‘selling themselves.’ They may even play one potential employer off against another.”

“Yeah, you tell Employer A that Employer B offered you this salary and these benefits, hoping to hear that Employer B will match that offer or improve on it.”

“But we must point out that all this happens very late in the process,” Anne adds. “You may already know how much money an employer plans to offer. If you don’t, when you first start talking, you pretend that money has nothing at all to do with your interest. You ask all about the job and the company—if you’ve done your homework you have a lot of questions. I’ve often heard that young Koreans tend to assume that, because Westerners are often direct, they can immediately ask about the money. In fact, this makes a very bad impression because people think the money is all you’re interested in.”

**Reading task:**

6. Do people offering a service have a different sort of relationship with their customers in Korea and in the West?

*Providing a service*

Tom shrugs. “My observations may be somewhat out-of-date, but I think there’s another difference when someone is performing a service. I’ve been present in Korean households when a handyman has been summoned to do a routine maintenance job. He’s greeted very politely at the door, many hands reach out to help him with his toolbox, and he’s offered refreshments. I think this is especially true if it’s a major job that the family needs to have done right away. In American culture the ground rules are different. There



isn't the deference, of course, but if a plumber gets out of bed at midnight to fix your broken pipes, you know it's going to cost you more because of the hour."

Anne frowns. "I think it's just a difference in degree. I mean, when my computer guy comes over, I'm always glad to see him and always offer him a cup of coffee. Generally, I think people providing goods or services here are like medical doctors in the West. American doctors often treat the patients like supplicants pleading for help. If you call in the middle of the night, the doctor can tell you to take two aspirin and call back in the morning. Or you may hear that he or she will meet you at the hospital. It's the doctor's decision."

Tom nods. "Supplicant' is a good word. Your patient is like an anxious, humble person approaching a god or a king."



**Reading task:**

7. What differences do you see in retailer-customer relationships in Korea and North America?

*The customer is always right*

"American practices were based on the ideas of the 1930s," Jim says. "Adam Smith explained that free competition between producers would cause a reduction in price, as well as much greater production of the product, which would benefit consumers. Consumers have a choice. They can look for both the products themselves and the other things that come with the package. If I buy this refrigerator, what are the terms of the warranty? What's the availability of repairs? Will parts and labor be included, or will it be a partial warranty? The consumer can find a good buy because retailers are competitive, both with the basic product and the services."

"The shopper can also check various sources, like *Consumer Reports*, the magazine which publishes the tests and evaluations on various products done by the Consumer's Union," Anne adds.

Jim continues, "That's right. Here in the Orient, where the primary emphasis is on selling and the government helps and protects the producer, the consumer has little

choice. The entire economy is set up so that producers have the advantage over consumers.”

“Things are changing,” Eui-yon comments. “In the past, producers had some power over the customers because there were few competing companies. Samsung, Hyundai, LG and Daewoo shared the market. There was some collusion. However, at the end of the 1980s when foreign competition opened the market, there was more competition and the relationship between customer and retailer or producer began to change.”

“Sure,” Jim says, “But the attitude still seems to be that, if you come to a shopkeeper or service-provider, then you are the one who’s interested in the service, and he’s the one to give it to you only if he wants to.”

“Do you agree?” Anne asks Eui-yon.

“Yes,” Eui-yon says, “I agree, but, as I said, it’s changing rapidly. I lived in the States for about six years, and I returned to Seoul in 1991. I see no difference between the big American shopping mall and the big Korean department stores—Lotte and Hyundai. Their prices are often very high, but they do everything the customer wants. On the other hand, if there’s something wrong with a product you buy in the village supermarket, you can’t exchange it—well, not unless you happen to know the owner.”

#### *Getting service*

“Let the buyer beware!” Jim pronounces. “That’s true anywhere in the world, but particularly in Asia. The shopkeeper’s obligation to you is completed when he sells you the product. After that, it’s in your possession, and it’s no longer his concern. If there are any flaws in it, then you should have seen that before the money was exchanged.”

Anne shakes her head. “That’s because there are service centers. I’ve bought quite a few appliances here, and I’ve had people come to look at the washing machine, the refrigerator, the stove, the computer and the television. I’ve always been pleased with the service. The only difference I’ve seen is that Korean repair people will come out to look at a small appliance, whereas in the States you’d be expected to bring it in. Over there, if the appliance is big and the warranty has run out, service will be expensive and you’ll have a long wait.”

“I was a graduate student when I was in the States,” Eui-yon offers, “so I didn’t have the money for a new car. I went to a used car dealer.”

There are several groans around the table.

“Of course, now I know. Anyway, with a used car there’s usually no service agreement. If you want a warranty, you have to buy it. Then you find out it’s not really a warranty at all, because every time something goes wrong, the dealer has an excuse for why it’s not covered.”

Anne nods sympathetically. “I’ve never bought a used car because used car salesman have—”

Eui-yon finishes, “—well-known reputation. I know. The dealers also noticed quickly that I’m vulnerable. Of course, I was smart enough to figure out what was going on, but I didn’t have the English to express my dissatisfaction.”

“Women make similar complaints about car dealers,” Anne adds, “as well as men who don’t know cars.”

“Or don’t call a lawyer,” Jim says.

*Under one roof*

“Getting back to a topic Eui-yon mentioned earlier,” Jim says with a nod toward Eui-yon, “as you know, in the U.S., around the beginning of the twentieth century, the Sherman Anti-Trust Act was passed to prevent collusion—like price-fixing—between either producers or retailers. It was primarily designed to protect retailers from producers with monopolies.”

Anne shakes her head. “Wasn’t the Sherman Act left vague on the theory that the courts would sort it out?”

Jim nods. “I see you’ve done your homework, Professor. Yes, the Sherman Act is amazingly short. One section says that ‘agreements in restraint of trade’ are illegal, and that it’s illegal to monopolize. None of the terms are defined. So the economy is basically in the hands of the judges who decide what the terms mean on a case-by-case basis. This is certainly not typical of American law, but it seems to work. But getting back to Korea, here monopolies are just a way of life—although that also is changing—and that has an effect even on the way retail markets are laid out. For example, the Yongsan Electronics Market has many retailers under one roof. The government has offered retailers the opportunity to centralize. They can help each other with sales, plus they can maintain all the same price scales, so that basically the consumer can only choose between products, not between prices. Of course, they offer the same services.”

“In a sense you’re right,” Eui-yon says. “You have all these shops together, and they may get together and fix prices. But the fact that they are all together can also promote competition. If one shop violates the agreement, they all will.”

Tom nods. “I know many Koreans think your system is superior to ours. Certainly, having a lot of similar shops in one place is a convenience



for the retailers. They connect, and they network. For example, back in the 1980s I went shopping at the old electronics market near Dongdaemun. I was looking for a particular type of plug that was not found commonly in Korea at that time. I went to a shop that had been recommended to me and talked to the owner. He sent a boy out in the alleys to another shop and got the item I wanted. I did the transaction through him, but of course he would give most of the money to the person who gave him the plug. He would just collect a small commission for arranging the sale.”

“That’s also a convenience for the customer,” Anne comments. She turns to Eui-yon. “Most of the time I don’t find the retail districts very convenient. I wanted to ask you why they were set up.”

**Reading task:**

8. What differences are there between Korean and Westerner shopping districts?

*Community-based and manufacture based*

“Well, as you know,” Eui-yon replies, “the industrialization of Asian cities was very late by comparison with American and Western cities. Some Western cities are also very old, but the newer Western cities are planned. In Seoul the districting of markets was a copy of districting in manufacturing. It’s part of international trade theory.



In the States, you found steel production in Pittsburgh, cars in Detroit and cotton production in other places. The idea of market districting is that if you concentrate the market, it will increase proportionally. If there are a lot of stores in Dongdaemun or Yongsan, every customer in the city or in the whole country will want to buy there.”

Ann nods. “I know that shopping habits are different in different places. Some time ago, American habits were completely different from German habits. Americans would make a big shopping trip once a week to buy food, load up the car, come home and unload it.”

“Or take the entire family to the shopping mall to buy clothes,” Tom adds.

“Yeah, Americans like convenience. In the 1950s and 1960s, when the automobile influenced our shopping habits, in Germany most people still didn’t have refrigerators and didn’t really need them. They went grocery shopping every day—at one shop to get milk, at another to get meat, at a third to get fruit and vegetables. They also developed relationships with each of the shopkeepers.”

Eui-yon nods. “In Korea, you see a mixture of manufacture-based shopping districts and small, community-based stores. Even now in small European cities—very

old and community-based cities—every morning the housewives go out to the bakery to buy fresh bread, to the butcher to buy meat and sausage, to the dairy for milk, cheese and eggs. The Schmidt bakery might have been making bread for 150 years.”

“Or longer,” Anne adds.

“Or longer. We have a little of that in Korea. We know where to get really good, fresh soybean paste, and we buy it there.”

Anne says, “We have specialty shops in the States, particularly in older cities where the European influence is still pretty evident and in the neighborhoods where people are willing to pay more for authentic European bread or perfect organic vegetables. Older cities like Pittsburgh and New Orleans have wholesale food markets located near the harbor or the railroad lines. In Pittsburgh, the ‘Strip District’ has retail markets where you can find very fresh seafood and various European or Asian groceries and restaurants—anything better, cheaper or more unusual than what you find in the supermarkets.”

Tom nods. “In the summer, most cities have farmers’ markets where customers can buy food directly from farmers.”

### *Wrapping it up*

“Which should remind us that it’s time for lunch,” Anne says. “Should we wrap it up?”

“Sure.”

“I suppose we could conclude by saying that a lot of how you do business—whether we’re getting a construction contract, a job, a repair on the house, a refrigerator or a sack of groceries—is determined by culture.”

“Right.”

“So are your ideas of how negotiations should be done, what rights you have, what you should do if something goes wrong, and where you should go to find what you want.”

“Don’t forget the business relationships you have with the people involved,” Eui-yon says. “They’re important too.”

“Of course.”

---

## **LET’S TEST OURSELVES.**

- 1. When Koreans and Westerners come to the negotiating table, problems may arise immediately because**
  - a. the Koreans want people to get to know each other, and the Westerners want to get down to business.
  - b. The Koreans want the contract to be rather general, and the Westerners want it to be very specific.
  - c. the Westerners want to negotiate as equals, but the Koreans may consider relative status.
  - d. all of the above.

- 2. According to the chapter, the American way of doing business often involves**
  - a. doing business very efficiently.
  - b. cutting costs as much as possible.
  - c. spending a lot of time and money in court.
  - d. all of the above.
  
- 3. In the West, a person looking for a job expects**
  - a. to negotiate with the potential employer as an equal.
  - b. to do a lot of shopping around for the best job.
  - c. to turn the employer down if the deal isn't good enough.
  - d. all of the above.
  
- 4. Anne compares a Korean who offers a service to**
  - a. an American doctor.
  - b. an American lawyer.
  - c. an American used car salesman.
  - d. all of the above.
  
- 5. Adam Smith predicted that free competition would**
  - a. bring down prices.
  - b. increase production.
  - c. benefit consumers.
  - d. all of the above.
  
- 6. According to Jim, the Korean economy is organized so that**
  - a. it will develop as rapidly as possible.
  - b. it will be an imitation of the U.S. and Japan.
  - c. the producers are in a better position than the consumers.
  - d. all of the above.
  
- 7. Jim finds that, when shopping in Asia, the phrase to remember is**
  - a. "The customer is always right."
  - b. "Let the buyer beware."
  - c. "It's a matter of supply and demand."
  - d. all of the above.
  
- 8. Eui-yon remembers having a bad experience in the United States with**
  - a. a lawyer who rented him a house.
  - b. a plumber who charged too much.
  - c. a used-car salesman who wouldn't honor the warranty.
  - d. all of the above.
  
- 9. The Sherman Anti-Trust Act was designed to protect**
  - a. consumers from dangerous products.
  - b. business people from too many lawsuits.
  - c. retailers from producers with monopolies.
  - d. all of the above.

**10. According to Eui-yon, in Seoul the marketing districts**

- a. come from old trade organizations.
- b. are based on manufacturing districts.
- c. are designed for the convenience of the consumer.
- d. all of the above.

**Summary: Place a check after each item to show whether it is typical of Korea or the US.**

	Korea	U.S.
relationship society		
contract society		
relationship established by introduction through a trusted third party		
relationship established by doing business over time		
employee takes what she or he can get		
employee can often negotiate		
seller has the upper hand		
customer is always right		
service centers handle any service problems		
retailers bear some responsibility for the product		
shopping for types of items often centralized		
shopping districts carry variety for customer convenience		
laws favor producers		
laws and consumer organizations protect consumers		

---

**LET'S TALK ABOUT IT.**



1. As you know, Koreans and Westerners come to the negotiating table with very different expectations. How does this difference in expectations reflect the different societies the people come from?
2. Suppose you had a job interview one day with a Korean company and an interview the next day with a Western company. What difference between the two interviews would you expect to see?
3. Suppose a Westerner tells you that Korean business people aren't honest because they don't stick to the contract. What would you say in their defense?
4. What good experiences and bad



experiences have you had with Korean and/or Western merchants—buying things, exchanging things, getting things repaired under a warranty?

5. What do you expect the Korean economy to do in the next ten years?
6. What aspects of export-import do you think cause problems between Korea and other countries?
7. What is your reaction to learning about the legal battles which tie up Western businesses? Is it better or worse than the Korean ways of handling disputes?
8. Do you think corruption and incompetence in business and government played a major role in the creation of the 1997 Asian economic crisis? Why or why not? What role was played by multi-national business?

---

### LET'S LOOK AT KEY CONCEPTS IN REAL LIFE.

1. You work in the exchanges department of a large retail chain in the United States. A middle-aged customer and her friends—all women who look like regular customers at your store—come to you to return a dress. The law states that you must exchange an item or give a cash refund within a certain number of days, as long as the item hasn't been damaged or worn. As you look this dress over, you see that, not only has it been worn, it's been washed more than once, torn and mended. However, under the circumstances you think that it would be best to allow the customer to exchange the dress for a new one. You okay the exchange and then quietly throw the old dress away. Explain your thinking.
2. You are thinking about buying a new car, and you are considering specific models made by three car companies—two foreign and one domestic. Before making your decision, you look up each of the automobiles in back issues of the magazine *Consumer Reports* to find out what the Consumer's Union says about the performance, service, cost and other features of the car. Then you make a call to *The Car Guys*, a radio show about cars, to ask for advice. They ask you what you like about each of the cars and what your driving habits are. Explain the thinking behind this process.
3. You are a lawyer working for a Korean automobile manufacturer. You need a car, but you don't want to spend much money. You would also like a small car painted red or some other interesting color because it would be fun and easy to find in a Korean parking lot. Your parents tell you to "behave yourself" and buy a dark-colored, more expensive car which reflects your position in the company. You decide they're probably right. When you explain this to your American friends, they understand you should probably buy a car made by your company, but they don't understand why you can't buy the model and color you want. Explain the thinking behind your decision.
4. You are looking for a teaching job. Before your interview with the superintendent of schools, you look up the salary schedule on the Internet. What advantages/disadvantages do you think there are in having everyone's salary down in black and white? (You might want to check the salary schedule given in Chapter Four.)

## LET'S ACT IT OUT.

### *No cash refunds*

A: You are a Korean American with a small clothing shop. You think that once the customer has bought something, it's his or hers. You have a sign above your cash register saying that you'll give no cash refunds for merchandise. It's your shop, and that's the way you want to do business.

B: You are an African American customer. You just bought this tie in the shop, but when you took it outside, you saw it wasn't orange (which you thought it was under the florescent lights), but bright pink. You don't want a pink tie. You still have the receipt. The law says that merchants have to give a full cash refund within seven days of purchase if the customer has a receipt and hasn't damaged the merchandise. You don't understand what the shopkeeper's problem is. You suspect s/he doesn't like African Americans.

C: You are an African American employed by the Korean American Business Association. Your title is Director of Consumer Relations. It is your job to check on the local Korean American merchants and make sure they don't cause problems. You often go to the shops in disguise (jeans and baseball cap). You are always polite, but you have to point out to the merchants that they must obey the law. They also need to treat customers politely in order to avoid racial conflict.

---

## LET'S LISTEN.

### *No cash refunds*

1. The first time the dialogue is played, do not look at your book. Just listen and try to pick up the main idea of the dialogue.
2. Before the dialogue is played a second time, read over these questions.
  - a. When she first asks for a refund, is the customer polite or rude? How do you know?
  - b. Is the shopkeeper polite or rude? Explain.
  - c. How does Mr. Kim's behavior change when Ms. Locke greets him? Why? What politeness markers does he use?
  - d. Why does Mr. Kim agree to do what Ms. Locke suggests?
  - e. Does the customer think this is a good idea or not? Explain?
  - f. When the customer tells her family and friends about this, what do you think she's going to say?
3. Listen to the dialogue a second time. Then discuss the answers to the questions with your partner.
4. Listen a third time. Be prepared to discuss the answers with the class.
- 5.

## LET'S LOOK AT COLLOCATIONS.

Exercise 1: For each of the verbs on the left, find a direct object which can be used with it. Each should be used only once.

- |             |       |                           |
|-------------|-------|---------------------------|
| 1. cause    | _____ | a job                     |
| 2. exchange | _____ | a reduction in price      |
| 3. express  | _____ | collusion                 |
| 4. fulfill  | _____ | competition               |
| 5. maximize | _____ | dissatisfaction           |
| 6. offer    | _____ | products                  |
| 7. prevent  | _____ | profits                   |
| 8. promote  | _____ | services                  |
| 9. provide  | _____ | the market                |
| 10. share   | _____ | the terms of the contract |

Exercise 2: With each item, replace the underlined words with a word or phrases from the list below. Write the letter in the blank provided.

- |                        |                      |
|------------------------|----------------------|
| a. give-and-take       | f. reputation        |
| b. letter of the law   | g..service providers |
| c. monopolies          | h. social norms      |
| d. negotiating table   | i. sue               |
| e. promote competition | j. value systems     |
1. \_\_\_\_ Koreans and Westerners may well discover that they had different expectations when they came to the place where agreements are worked out.
  2. \_\_\_\_ American business can be very difficult because people pay a lot of attention to the exact wording of a legal document.
  3. \_\_\_\_ As Bill Gates has discovered, American law protects retailers and consumers from businesses which have too much control over the market in particular products or services.
  4. \_\_\_\_ When the retailer discovered that the goods were damaged, he called the wholesaler and threatened to take legal action in order to get money for the damages.
  5. \_\_\_\_ Some people believe that the best way to help the consumer is to make sure that businesses have to try to do better than one another.
  6. \_\_\_\_ The most important thing any business has is what people in general think or say about it.
  7. \_\_\_\_ When working out an employment contract, employer and employee are involved in a certain amount of willingness to accept suggestions from the other person and to give up some of their own.
  8. \_\_\_\_ In Korea the terms of employment may be determined less by the contract than by the accepted way of doing things that most of the people in the society agree with.

9. \_\_\_\_ In today's news, you hear less about manufacturers of products and more about businesses which make other things available to the public, such as banks, telephone companies, schools and hospitals.
10. \_\_\_\_ When Koreans and Westerners are trying to work out agreements, you often see a conflict in beliefs about how important something is, such as status or equality.

---

## LET'S LOOK AT CONJUNCTIONS.

*What we can learn from this chapter*

Shortly after everyone sits down at the roundtable, Eui-yon says, "Between Koreans it makes a difference how the relationship is formed, for example through an introduction by a reliable third party, **while** for Westerners the relationship formed at the negotiating table is only for business purposes. Another clash between the Western and Korean value systems occurs **in that** Koreans give special consideration to the buyer in certain circumstances.

What meaning is added by the words *while* and *in that*? What logical relationship is indicated?

*Showing cause and effect or purpose*

Conjunctions are words that join clauses together and, in doing so, indicate the relationship which exists between them, such as the cause, purpose, contrast or condition. Conjunctions may also be used to join words inside a clause.

- The words *because*, *because of*, *in that* and *since* are used to show a relationship of cause and effect. *Because* is followed by a clause and *because of* by a noun phrase.

I had to leave the party early **because** I hadn't read my homework for English.

**Since** I hadn't read my homework for English, I had to leave the party early.

I was studying in the library, but I got very annoyed **because of** all the noise that some students were making.

- The phrases *in order to* (followed by an infinitive) and *so that* (followed by a clause) are used to show the purpose for something's being done. *So...that* is also used to indicate that something is the result of something else.

I need to learn English **in order to** communicate properly with people from other countries.

I need to learn English **so that** I can communicate properly with people from other countries.

I bought a bottle of water at the Korean grocery **so that** I'd have change for the bus.

The prices in this supermarket are **so** expensive **that** we decided to go to the discount store instead.

Note: In English, you can't show purpose with *for* + an *-ing* phrase. This is ungrammatical, although it often occurs in Korean English.

OK: I went to the electronics market in Yongsan (in order) to buy a computer chair.

Not OK: I went to the electronics market in Yongsan for buying a computer chair.

Exercise 1: For each item, match a numbered and a lettered clause. Write a sentence joining the clauses with the conjunction *in that*, *because*, *because of*, *in order to*, or *so that*.

1. Another clash between the Western and Korean value systems occurs.
  2. In Korea it depends a great deal on the position of the parties.
  3. The employer wants to hire someone at the lowest possible expense.
  4. The entire economy is set up.
  5. You can't refuse to sell the land.
  6. You know it's going to cost you more.
  7. It's not really a warranty at all.
- 
- a. Koreans may give special consideration to the buyer, and Westerners don't.
  - b. The government has sovereignty over it.
  - c. The fact that the plumber had to get out of bed at midnight.
  - d. Every time something goes wrong, the dealer has an excuse for why it's not covered.
  - e. Maximize profit.
  - f. The people in the lower position will never get justice.
  - g. Producers have the advantage over consumers.

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_
5. \_\_\_\_\_

6. \_\_\_\_\_  
\_\_\_\_\_
7. \_\_\_\_\_  
\_\_\_\_\_

*Showing contrast*

- Contrast between two people, things or events can be shown with *while* or *whereas*. The conjunctions *although* and *even if* show a contrast in expectations.

I often just buy what I like, whereas my husband first reads about the product in *Consumer Reports*.

Although the stereotype of the used-car dealer is very bad, I found Mr. Knopf to be friendly, helpful, reliable and honest.

Exercise 2: For each item, match a numbered and a lettered clause. Write a sentence joining the clauses with the conjunction *although*, *even if*, *whereas* or *while*.

1. Here in Korea monopolies are just a way of life.
  2. I think in the West it's assumed that a potential employee has the right to shop around.
  3. The owner may be surprised that he was expected to fulfill the terms of the contract.
  4. The two parties are equal under the law.
  5. The worker wants as favorable terms as possible.
- a. Having time and money does make a difference in our legal system.
  - b. He may insist that the teachers do.
  - c. In Asia it seems to be somewhat different.
  - d. That's changing.
  - e. The employer wants to hire someone at the lowest possible expense in order to maximize profit

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

4. \_\_\_\_\_  
\_\_\_\_\_

5. \_\_\_\_\_  
\_\_\_\_\_

*Showing conditions*

- The word *if* can mark a clause as stating the conditions under which something will happen. The following *then*-clause states what will happen. The word *then* is often omitted.  
If you really don't like the computer chair you just bought, then you should take it back.

Exercise 3: Pair up the clauses as in the preceding exercises. Join each pair with an *if... (then)*.

1. Either party is unhappy.
2. The doctor can tell you to take two aspirin and call back in the morning or that he or she will meet you at the hospital.
3. You come to a shopkeeper or service-provider.
4. You own a farm and the government wants your land for a particular project.
  - a. You are the one who's interested in the service.
  - b. You call in the middle of the night.
  - c. You can't argue in court about whether or not you're going to sell it to the government.
  - d. You go to court.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_



**LET'S DO A CROSSWORD PUZZLE.**

**ACROSS**

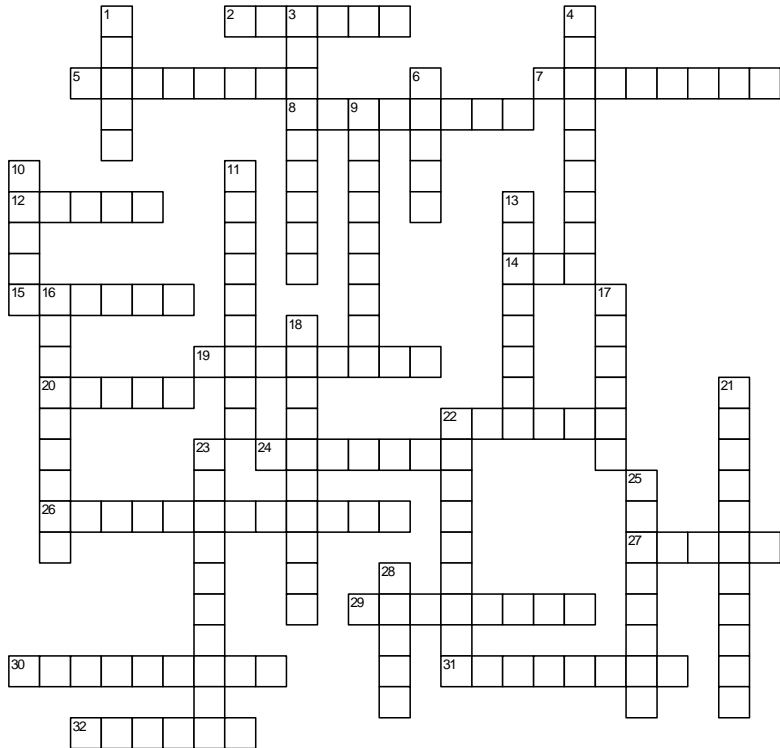
- 2 Position in the hierarchy; social position
- 5 Person buying products or services at a particular shop
- 7 Organization or group, especially in business, with the power of control which is not shared by others
- 8 Change something for something of a similar value or type
- 12 Ask someone if they would like to have something, such as a job
- 14 Take legal action against someone, especially to claim money in exchange for damages done to you
- 15 Money paid (monthly) to an employee in exchange for work
- 19 Written promise to replace or repair a product
- 20 Having to do with the law
- 22 Business which buys products to sell to the public
- 24 Fairness; the law in action; proper treatment under the law
- 26 Building, as in the \_\_\_\_\_ industry
- 27 Pieces which fit together to form a machine or piece of equipment; replacement pieces
- 29 Legal document stating the terms of a formal agreement

- 30 Statement that something is wrong or not satisfactory
- 31 Person who buys products or services for his/her own use
- 32 Harm or spoil something

**DOWN**

- 1 Place where trials and other legal cases happen
- 3 Shared opinion, a plan or a document
- 4 Business which buys products from manufacturers and sells them to shops
- 6 Work done on (repairing) something; you are charged for parts and \_\_\_\_\_
- 9 Acting together secretly or illegally in order to cheat someone
- 10 Accepted standards or ways of doing things that most people in the society agree on
- 11 Formal discussions held in order to reach an agreement
- 13 Area with features which make it different from the surrounding areas; manufacturing \_\_\_\_\_
- 16 Electrical machine used in the home, such as a washing machine
- 17 Amount of something that is available; \_\_\_\_\_ and demand
- 18 Process of making things to be sold

- 21 What happens when each business tries to do better than the others
- 22 Accepting things as they are in fact; not idealistic
- 23 Process of reaching an agreement about the price
- 25 Someone who is paid for working for someone else
- 28 Extra amount of money given as a present or reward



Constructed using Crossword Weaver